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

WEST VIRGINIA UNIVERSITY

Financial Statements
for the Years Ended June 30, 2026 and 2025
and Independent Auditors' Reports

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WEST VIRGINIA UNIVERSITY

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INDEPENDENT AUDITORS' REPORT

Board of Governors
West Virginia University
Morgantown, West Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of West Virginia 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, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the University, as of June 30, 2026 and 2025, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis-of-Matter – Accounting Standard Adoption

As discussed in Note 2 to the financial statements, the University adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Improvement Model*, during the year ended June 30, 2026. The implementation of this statement resulted in reclassifications to the financial statements. Our opinion is not modified with respect to this matter.

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.

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Responsibilities of Management for the Financial Statements (Continued)

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 , schedule of proportionate share of net pension liability and contributions, and schedule of proportionate share of net other postemployment benefits (OPEB) liability and schedule of contributions, as listed in the table of contents 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2026, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia
October 15, 2026

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Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2026

The Management's Discussion and Analysis is required supplementary information and has been prepared in accordance with the requirements of the Governmental Accounting Standards Board ("GASB"). This section of the annual financial report for West Virginia University (the "University" or "WVU") provides an overview of the University's financial performance during the fiscal year ended June 30, 2026 as compared to the previous fiscal year. Comparative analysis is also presented for fiscal year 2025 compared to fiscal year 2024.

Overview of the Financial Statements

The University's annual report consists of three basic financial statements: the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows. These statements focus on the financial condition of the University, the results of operations, and cash flows of the University as a whole.

The notes to the financial statements include additional information helpful for understanding the University's finances including additional detail for amounts presented in the financial statements, explanations for the nature of amounts reported in the financial statements and how those amounts were determined, and certain information that is not required to be included in the financial statements (such as certain contingencies).

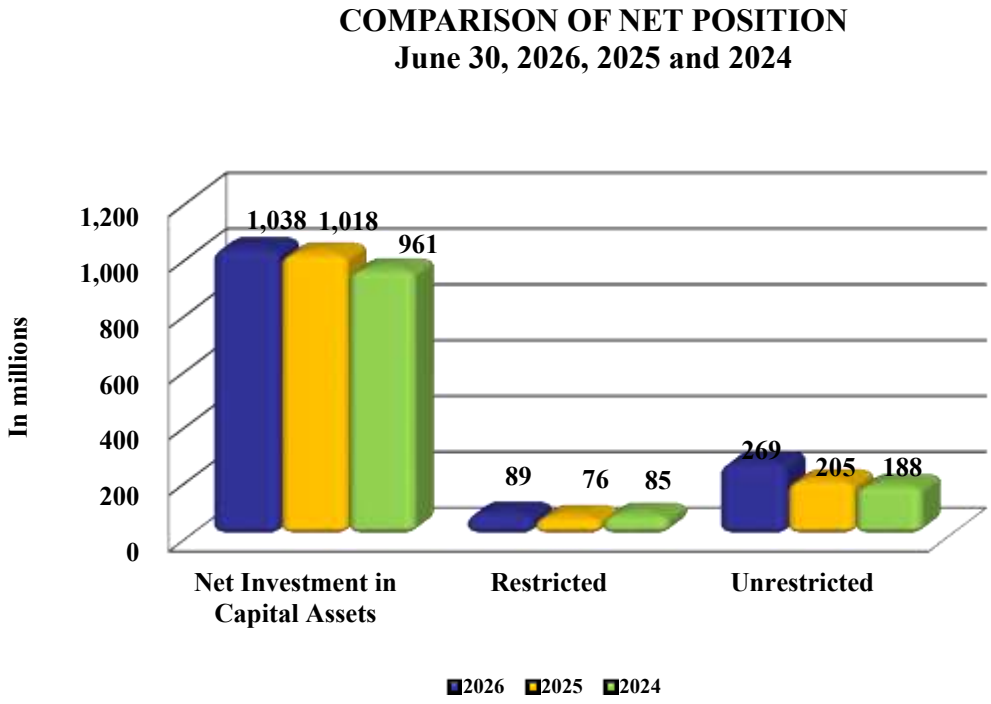
Financial Summary

Condensed information from the University's financial statements comparing the current year to the prior year is presented below as support for the detailed analysis of the University's financial position and results of operations.

Condensed Schedule of Net Position (in thousands)

	As of June 30		
	2026	**2025**	**2024**
Assets			
Current Assets	$ 516,762	$ 472,420	$ 440,859
Capital and intangible Right to Use Assets, Net	1,785,097	1,800,840	1,772,442
Capital assets - nondepreciable	130,326	122,675	114,927
Other Noncurrent Assets	183,856	169,110	195,357
Total Assets	2,616,041	2,565,045	2,523,585
Deferred Outflows of Resources	30,278	21,773	17,525
TOTAL	$ 2,646,319	$ 2,586,818	$ 2,541,110
Liabilities			
Current Liabilities	$ 294,428	$ 311,435	$ 279,656
Noncurrent Liabilities	907,269	928,633	969,779
Total Liabilities	1,201,697	1,240,068	1,249,435
Deferred Inflows of Resources	49,094	47,996	57,322
TOTAL	$ 1,250,791	$ 1,288,064	$ 1,306,757
Net Position			
Net Investment in Capital Assets	$ 1,037,909	$ 1,017,759	$ 961,345
Restricted for:			
Nonexpendable	19,877	18,097	18,164
Expendable	69,071	57,969	66,400
Unrestricted	268,671	204,929	188,444
TOTAL NET POSITION	$ 1,395,528	$ 1,298,754	$ 1,234,353

The following is a comparative illustration of net position.

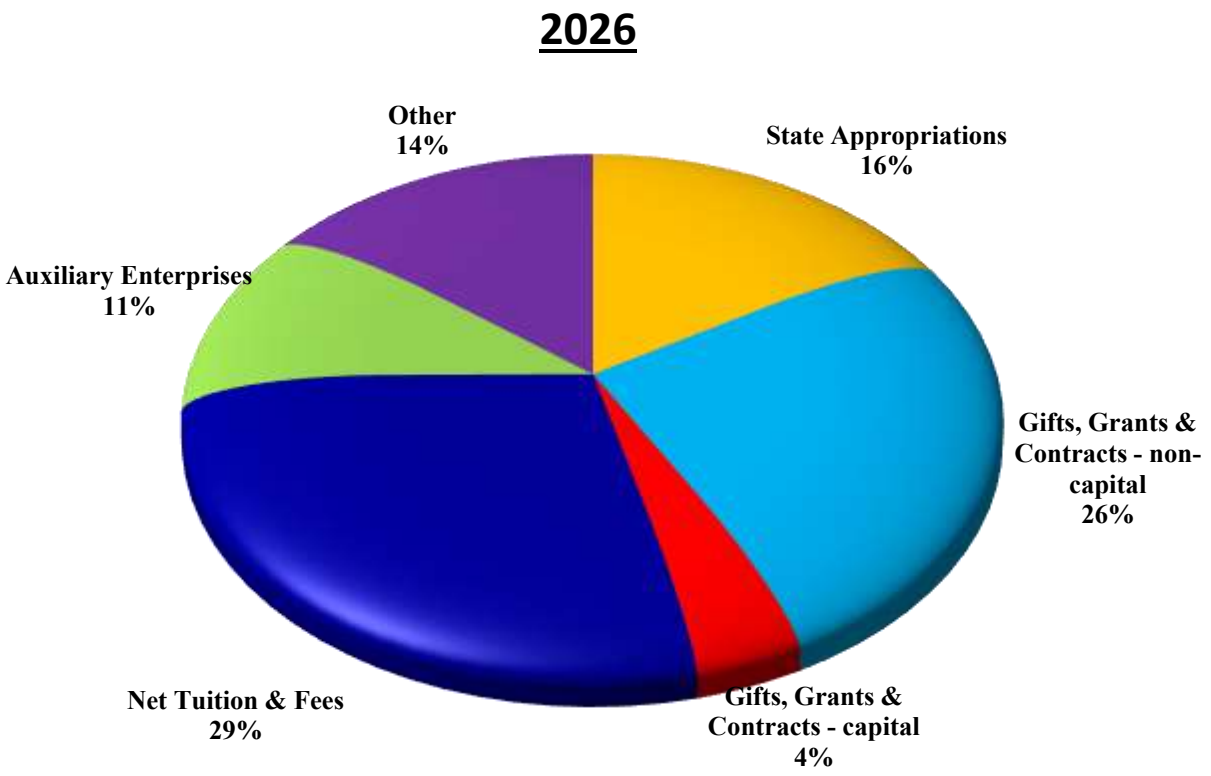


Condensed Schedules of Revenues, Expenses and Changes in Net Position (in thousands)

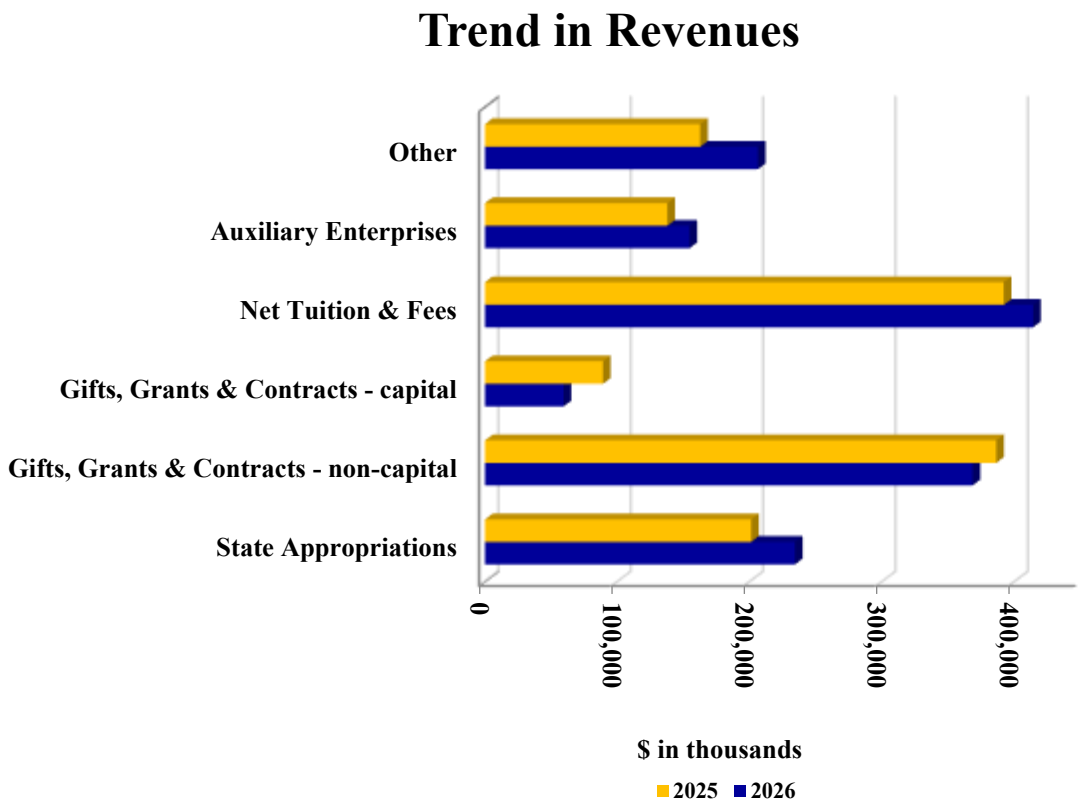
	Years Ended June 30		
	2026	Restated 2025	Restated 2024
Operating Revenues:			
Tuition and fees, net of scholarship allowances	$ 414,148	$ 391,996	$ 399,713
Grants, contracts and gifts	376,447	388,152	367,163
Auxiliaries	154,494	137,873	129,746
Other operating revenue	41,954	36,330	36,849
Total operating revenue	987,043	954,351	933,471
Operating Expenses			
Salaries and wages	588,256	585,502	594,170
Benefits	183,415	172,598	138,811
Scholarships and fellowships	51,201	58,281	63,030
Utilities	40,139	37,957	37,844
Supplies and other services	287,040	278,926	264,603
Depreciation and amortization	130,050	116,988	120,378
Other operating expenses	23,480	17,982	6,009
Total operating expenses	1,303,581	1,268,234	1,224,845
Operating Loss	(316,538)	(313,883)	(291,374)
Noncapital subsidies:			
State appropriations	234,238	201,075	255,967
Payments on behalf of the University	5,917	2,857	(6,778)
Non-capital gifts	114,407	87,832	100,337
Total noncapital subsidies	354,562	291,764	349,526
Operating loss and noncapital subsidies	38,024	(22,119)	58,152
Nonoperating revenues (expenses):			
Capital grants, gifts and capital project proceeds from the Commission	59,491	89,455	21,145
Investment income	32,508	25,727	25,676
Interest on capital asset-related debt	(30,461)	(30,115)	(31,007)
Other nonoperating revenues (expenses)	(2,788)	1,453	(5,411)
Total other nonoperating revenues and expenses	58,750	86,520	10,403
Increase in Net Position	96,774	64,401	68,555
Net Position - Beginning of Year	1,298,754	1,234,353	1,165,798
Net Position - End of Year	$ 1,395,528	$ 1,298,754	$ 1,234,353

Revenues:

The following graph shows the composition of total revenues by source for fiscal year 2026.

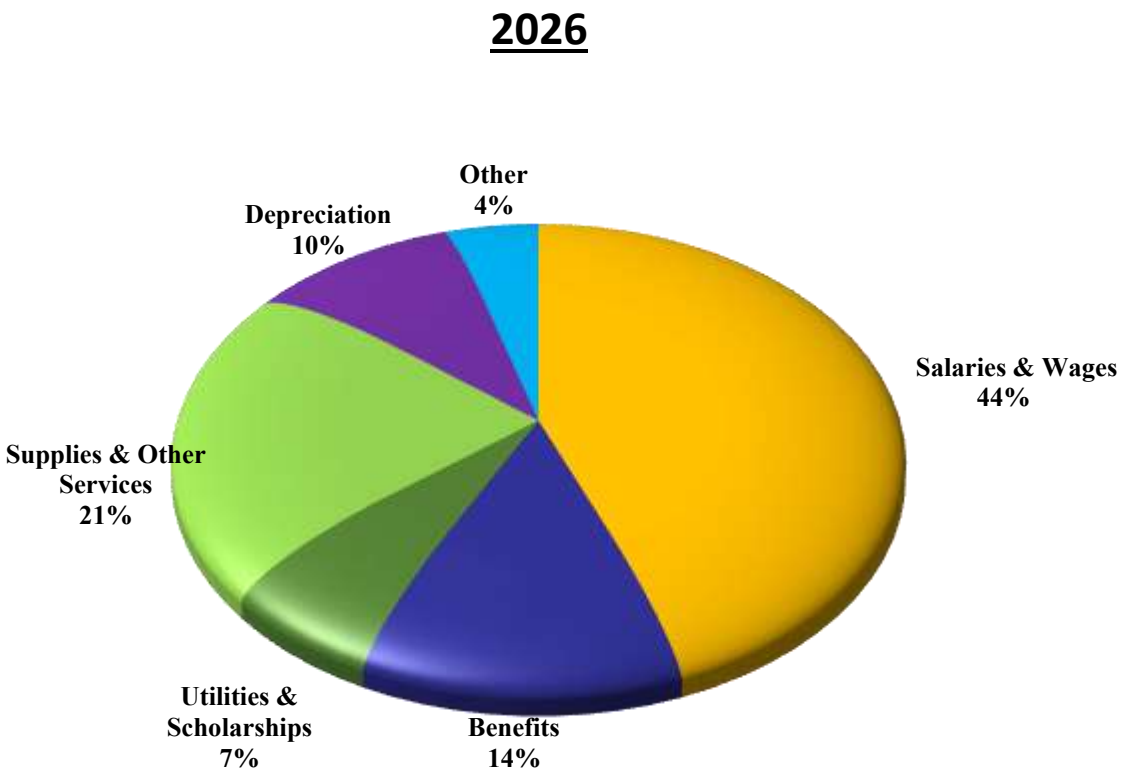


The following chart provides a comparison of revenues by significant category between fiscal years 2026 and 2025.

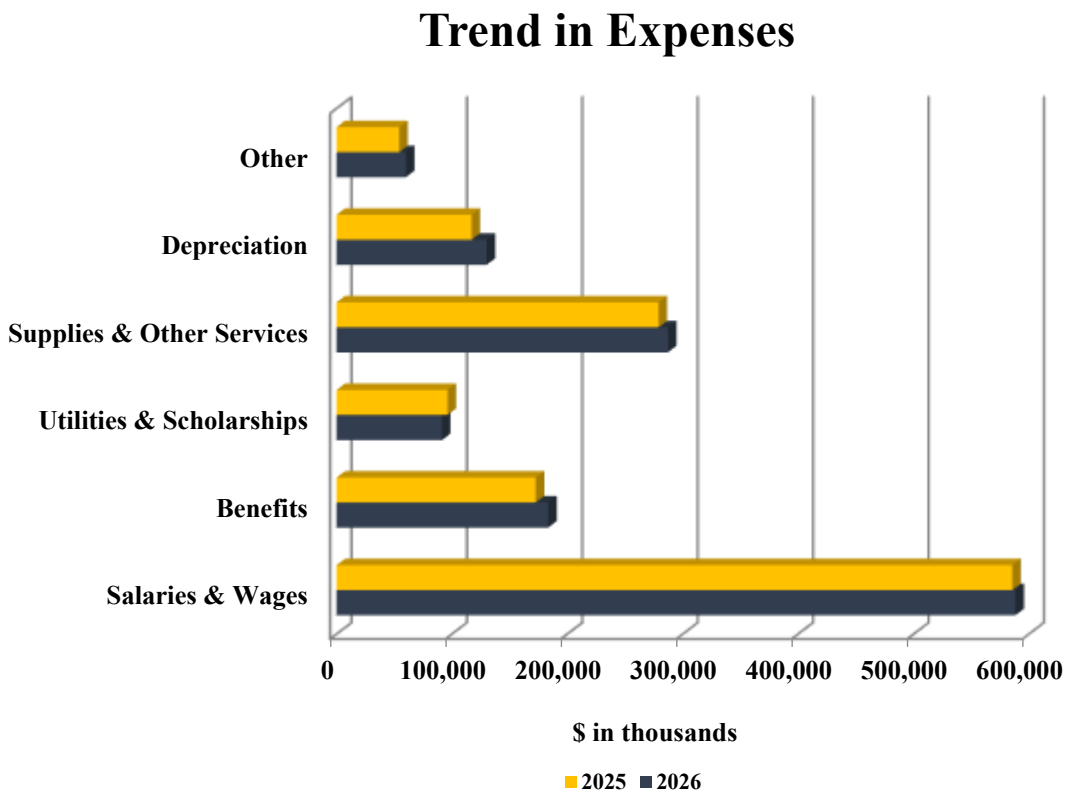


Expenses:

The following graph shows the composition of total expenses by category for fiscal year 2026.



The following chart provides a comparison of expenses by significant category between fiscal years 2026 and 2025.



Detailed Analysis

Statement of Net Position

The statement of net position presents the assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources and net position of the University as of the end of the fiscal year. Assets denote the resources available to continue the operations of the University. Deferred outflows of resources are defined as a consumption of resources applicable to a future reporting period. Liabilities indicate how much the University owes vendors, employees and lenders. Deferred inflows of resources are defined as an acquisition of net position applicable to a future reporting period. Net position is the residual of all other elements presented in a statement of net position.

Net Position is displayed in three components:

Net investment in capital assets. This component consists of capital and intangible right to use assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of debt obligations related to those assets. Deferred inflows and outflows of resources related to these capital and intangible assets or debt are also included in this component of net position.

Restricted. This category includes assets, the use of which is restricted, either due to externally imposed constraints or because of restrictions imposed by law. Restricted assets are reduced by liabilities and deferred inflows of resources related to those assets. They are further divided into two additional components - nonexpendable and expendable. The **nonexpendable restricted component** includes endowment and similar type funds for 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 **expendable restricted component** includes resources for which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted. This component includes resources that are not subject to externally imposed stipulations. Such resources are derived primarily from tuition and fees (not restricted as to use), state appropriations, sales and services of educational activities, and auxiliary enterprises. The unrestricted component of net position is used for transactions related to the educational and general operations of the University and may be designated for specific purposes by action of the University's management or the Board of Governors ("BoG").

Total assets of the University increased by about $51.0 million, or 2.0%, to a total of $2.6 billion as of June 30, 2026. This increase was primarily due to increases in current and noncurrent cash and cash equivalents, current and noncurrent investments, prepaid expenses, and non-depreciable capital assets. These increases were offset by decreases in appropriations due from primary government, current accounts receivable from public-private partnerships, current accounts receivable, current and noncurrent loans receivable, and capital and intangible assets, net of accumulated depreciation and amortization. There was also an increase of $9.3 million in deferred outflows related to other postemployment benefits ("OPEB").

- Current cash and cash equivalents increased by $82.7 million from fiscal year 2025 to fiscal year 2026 primarily due to $37.0 million in one-time appropriations received from the State for the School of Medicine and the School of Dentistry, sales of real estate, and collections of accounts receivable on sponsored awards and from affiliates of the Health Sciences Center ("HSC"). Current cash and cash equivalents increased by $3.3 million in fiscal year 2025.

- Noncurrent cash and cash equivalents increased by $7.8 million in fiscal year 2026 primarily due to the issuance of the 2025 Series A bonds. Noncurrent cash and cash equivalents, specifically deposits with bond trustees, decreased by $15.5 million in fiscal year 2025 due to reimbursements of expenditures for construction projects funded by bonds.

- Investments (current and noncurrent) increased by $18.6 million from fiscal year 2025 to fiscal year 2026 primarily due to an increase in the fair market value of investments. Investments also increased by

$975,000 due to an investment by the West Virginia University Research Corporation (the "Corporation" or "WVURC") in Mission Critical Materials, LLC to support the commercialization of technologies developed by the University related to rare earth elements and critical materials. Current and noncurrent investments increased by $9.6 million in fiscal year 2025 primarily due to an increase in the fair market value of investments.

- Non-depreciable capital assets increased by $7.7 million from fiscal year 2025 to fiscal year 2026. This was primarily due to an increase in construction-in-progress and land. Land increased due to the purchase of the former Hotel M property on Saratoga Avenue in Star City, next to the Hope Coliseum. This increase was partially offset by the sale of the University's interest in land associated with the Peak Health Building (Suncrest Center) to WV United Health System. Non-depreciable capital assets increased by $7.7 million in fiscal year 2025 mainly due to various significant construction projects in process at June 30, 2025. This increase was offset by the sale of land on Elmer Prince Drive in Morgantown (the former location of the University Police Department) in fiscal year 2025. (See "Significant Capital Asset and Long-Term Financing Activity" for additional information.)

- Appropriations due from primary government decreased by $4.9 million from fiscal year 2025 to fiscal year 2026. This decrease was primarily due to the spend-down of state appropriations to support the WVU Cancer Center's efforts to obtain designation as a National Cancer Institute center. These funds were part of an appropriation of $50 million from the State's general revenue surplus in fiscal year 2024; these funds were re-appropriated in fiscal years 2025 and 2026. This asset increased by $125,000 in fiscal year 2025.

- Current accounts receivable, net of allowances for uncollectible accounts, decreased by $37.0 million from fiscal year 2025 to fiscal year 2026 primarily due to decreases in both sponsored award receivables and other accounts receivable. The decrease in sponsored award receivables was related to a significant decline in research funded by the federal government. Accounts receivable from affiliates of the HSC for Medicaid funding and faculty salaries and benefits also decreased. These decreases were offset by increases in accounts receivable related to the University's dining services contract, various Athletics revenue streams (Big 12 conference revenue distributions, corporate sponsorships, post-season events and guarantees) and other miscellaneous receivables.

  Current accounts receivable increased by $21.4 million in fiscal year 2025 due to increases in both sponsored award receivables and other accounts receivable. The increase in sponsored award receivables was partially due to delays in receipt of funds from federal sponsors as a result of executive orders issued during fiscal year 2025. These orders directed federal agencies to implement stricter controls and processes over the drawdown of federal grant funds. $4.8 million was due from the State at June 30, 2025 for expenses incurred on deferred maintenance projects. Amounts owed to Athletics also increased; these accounts receivable included Big 12 conference revenue, Nike sponsorship fees, Sodexo concession revenue and draws from the West Virginia University Foundation ("the Foundation"). Additional increases were due to amounts owed to the HSC from affiliates and amounts owed from the Foundation for the replacement of the chiller at One Waterfront Place.

- Current accounts receivable from public-private partnerships decreased by $6.3 million in fiscal year 2026 primarily due to the write off of amounts owed by West Virginia Campus Housing, LLC ("WVUCH") and Downtown Campus Parking Associates ("DCPA") for reimbursable project expenses, management fees, and preferential rent for University Place and the University Place Garage as a result of a negotiated resolution of litigation concerning this public-private arrangement and related financing. Current accounts receivable from public-private partnerships increased by $157,000 in fiscal year 2025. See Note 15, "Public Private Partnerships", for more information.

- Capital and intangible right to use assets, net of accumulated depreciation and amortization, decreased by $15.7 million from fiscal year 2025 to fiscal year 2026 mainly due to an increase in depreciation related to equipment, buildings, and infrastructure and an increase in the amortization of intangible right-to-use software and subscription assets. These variances were offset by an increase in intangible right-to-use software, including a significant donation by Schlumberger Technology Corporation to the Eberly

College of Arts and Sciences. Buildings and infrastructure also increased due to the completion of several major construction and renovation projects during fiscal year 2026. (See "Significant Capital Asset and Long-Term Financing Activity" for additional information regarding these projects.)

Capital and intangible right to use assets, net of accumulated amortization and depreciation, increased by $28.4 million in fiscal year 2025. This increase was due to increases in equipment, subscription assets and other assets. Equipment acquisitions during fiscal year 2025 included new video boards for the Milan Puskar Stadium (the "Stadium"), microscopes and mass spectrometers, and the financed purchase of server equipment by Information Technology Services. Subscription assets increased due to several additional subscription-based information technology agreements. During fiscal year 2025, there was also a significant software donation to the Petroleum and Natural Gas Engineering department at the Benjamin M. Statler College of Engineering and Mineral Resources by Schlumberger Technology Corporation.

Total liabilities for the year decreased by $38.4 million (or 3.1%). This decrease in total liabilities was primarily due to decreases in accounts payable, unearned revenue, noncurrent bonds payable, debt service assessment payable to the Commission, and current accrued liabilities. These decreases were partially offset by increases in accrued payroll, noncurrent accrued liabilities and the net OPEB (asset) liability. There was also an increase of $2.9 million in deferred inflows related to OPEB.

- Accounts payable decreased by $13.0 million in fiscal year 2026 primarily due to a decrease in unpaid invoices at June 30, 2026. Accounts payable increased by $6.1 million in fiscal year 2025 due to an increase in unpaid invoices at June 30, 2025.

- Unearned revenue decreased by $9.6 million from the prior year primarily due to decreases in the deferral of revenue from sponsored awards and Athletics revenue, including football season ticket sales and parking revenue. Unearned revenue increased by $11.2 million in fiscal year 2025 due to the deferral of student tuition and fee and room and board revenue for the summer term and revenue from season ticket sales and parking for the fall 2025 football season.

- Current accrued liabilities decreased by $9.3 million in fiscal year 2026 primarily due to the payout of termination settlement agreements for football coaching staff during fiscal year 2026. Current accrued liabilities increased by $8.7 million in fiscal year 2025 compared to fiscal year 2024 primarily due to an agreement with the Foundation for the reimbursement of costs incurred for the replacement and upgrade of the HVAC system at One Waterfront Place in addition to the termination settlement agreements for football coaching staff.

- The net OPEB (asset) liability increased by $6.6 million in fiscal year 2026 due to an increase in the University's proportionate share of the State's net OPEB liability at June 30, 2026. 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 administered by PEIA and the WV Retiree Health Benefit Trust Fund ("RHBT"). As a participant in the OPEB plan, the University is required to recognize its proportionate share of the collective net OPEB (asset) liability provided through the plan. The proportionate share is calculated based on employer and non-employer contributions to the OPEB plan. The net OPEB asset decreased by $8.5 million in fiscal year 2025 compared to fiscal year 2024 due to a decrease in the University's proportionate share of the State's net OPEB asset at June 30, 2025.

- Accrued payroll increased by $5.5 million in fiscal year 2026. This variance is directly related to the number of service days to be paid in the next fiscal year, but accrued at June 30, based on the bi-weekly pay schedule. The University's liability for accrued payroll increased by $1.9 million in fiscal year 2025.

- Noncurrent accrued liabilities increased by $4.6 million in fiscal year 2026 mainly due to an increase in the University's expected liability for medical malpractice claims based on the annual actuarial study for the professional liability large deductible program that covers all faculty and resident physicians. This liability increased by $497,000 in fiscal year 2025.

The University's current assets of $516.8 million were sufficient to cover current liabilities of $294.4 million indicating that the University maintained sufficient available resources to meet its current obligations as of June 30, 2026.

At June 30, 2026, the University's total net position increased from the previous year-end by $96.8 million. Excluding one-time State appropriations of $37.0 million for the Schools of Medicine and Dentistry, the $6.1 million write-off related to University Place, and $11.6 million of unrealized investment gains, the increase in net position was approximately $54.3 million.

Net investment in capital assets increased by $20.2 million due to increases in non-depreciable capital assets and noncurrent cash and cash equivalents and decreases in noncurrent bonds payable and debt service assessment payable to the Commission. These variances were offset by a decrease in capital and intangible right to use assets, net of accumulated depreciation and amortization. Net investment in capital assets increased by $56.4 million from fiscal year 2024 to fiscal year 2025. This variance was primarily due to an increase in capital and intangible right-to-use assets, net of accumulated depreciation and amortization, offset by decreases in noncurrent cash and cash equivalents, bonds payable, debt service payable to the Commission, and noncurrent leases payable.

During fiscal year 2026, the restricted component of the net position experienced an increase of $12.9 million. This increase was primarily due to an increase in the net position related to restricted sponsored programs. A decrease in the net OPEB asset to a net OPEB liability in fiscal year 2026 partially offset this increase. GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", requires that this asset be reported as restricted due to constraints placed on its use by the West Virginia Legislature (the "Legislature"). This component of net position decreased by $8.5 million from fiscal year 2024 to fiscal year 2025. This was primarily due to a decrease in the net OPEB asset at June 30, 2025.

The unrestricted component of net position increased by $63.7 million during fiscal year 2026. This was primarily due to increases in current investments, current cash and cash equivalents, and prepaid expenses and decreases in accounts payable, unearned revenue and current accrued liabilities along with an increase in deferred outflows related to OPEB offset by increases in deferred inflows related to OPEB and the net OPEB liability. There was an increase in this component of net position from fiscal year 2024 to fiscal year 2025 of $16.5 million. This was primarily due to increases in current investments, current cash and cash equivalents, prepaid expenses, inventories, accounts receivable, and deferred outflows related to OPEB offset by a decrease in deferred inflows related to OPEB.

	2026	2025
Total unrestricted net position before net pension liability, net OPEB liability, OPEB and pension deferred inflows and deferred outflows	$ 265,399	$ 203,572
Plus: Deferred outflows of resources related to OPEB	18,976	9,705
Plus: Deferred outflows of resources related to pensions	209	292
Less: Net OPEB liability	5,082	-
Less: Net pension liability	508	1,047
Less: Deferred inflows of resources related to OPEB	9,510	6,562
Less: Deferred inflows of resources related to pensions	829	1,031
Total unrestricted net position	$ 268,655	$ 204,929

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position shows the operating revenues, operating expenses, non-capital subsidies and non-operating revenues and expenses for the fiscal years presented.

Operating revenues and expenses are revenues and expenses that do not meet the definition of nonoperating. Examples of operating revenues include tuition and fee revenue and revenue from grants and contracts that fund

specific operating activities, including research. Examples of operating expenses include salaries and wages and fringe benefits.

Student tuition and fees are reported net of scholarship discounts and allowances. Certain aid, such as loans and federal direct lending, is accounted for as a third-party payment, while all other aid is reflected either as operating expenses or scholarship allowances, which reduce revenues.

Non-operating revenues and expenses are subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory, and investment income and expenses. Examples of non-operating revenues include non-capital gifts, payments on behalf of the University, and capital grants and gifts. Examples of non-operating expenses include interest on capital asset-related debt and assessments by the Commission for debt service.

State appropriations, while budgeted for operations, are considered and reported as non-capital subsidies. This is because State appropriations are provided by the Legislature to the University without the Legislature directly receiving commensurate goods and services for those revenues and these appropriations directly or indirectly keep current or future fees and charges lower than they would be otherwise.

The utilization of capital and intangible right to use assets is reflected in the financial statements as depreciation and amortization expense, which amortizes the cost of an asset over its expected useful life or the contract term.

Total fiscal year 2026 revenues were $1.4 billion, an increase of $68.1 million or 5.0%, from fiscal year 2025. Some highlights of the information presented on the statement of revenues, expenses, and changes in net position are as follows:

- Tuition and fee revenue, net of scholarship discounts and allowances, increased by $22.2 million in fiscal year 2026. This increase was primarily due to increases in residential undergraduate University tuition and fees of $324 per semester and non-residential undergraduate University tuition and fees of $912 per semester for students on the Morgantown campus. Rates charged to graduate students, both residential and non-residential, also increased. College tuition for most colleges also increased in addition to undergraduate tuition and fees charged to residential and non-residential students at the regional campuses. College tuition, which varies in dollar amount, also increased for most colleges to cover increased costs due to inflation. First-time freshman enrollment increased by more than 7% in the Fall of 2025. This increase in gross tuition and fee revenue was directly offset by an increase in scholarship discounts and allowances. Net tuition and fee revenue decreased by $7.7 million in fiscal year 2025. This decrease was primarily due to a change in the methodology for determining scholarship discounts and allowances, which was directly offset by a decrease in scholarship and fellowship expense. Gross tuition and fees increased in fiscal year 2025; an average tuition increase of 4.5% helped offset a decline in enrollment.

- Revenue from auxiliary enterprises, net of scholarship discounts and allowances, increased by $16.6 million from fiscal year 2025 to fiscal year 2026 primarily due to increased revenues generated by WVU Athletics. The Mountaineer Athletics Advantage Fee, a mandatory fee per semester of $125 charged to students on the Morgantown campus, was effective for fiscal year 2026. Revenue from corporate sponsorships, rights fees from IMG, and football single game ticket sales and concessions revenue also increased. Post-season event ticket sales generated from hosting the National Collegiate Athletic Association ("NCAA") women's basketball tournament and NCAA baseball regionals also contributed to the increase in auxiliary revenues. These increases were offset by a decline in parking revenue and season ticket sales for football and a decrease in Big 12 conference income. Room and board revenue also increased, including revenue generated by the regional campuses. Net revenue from auxiliary enterprises increased by $8.1 million in fiscal year 2025 primarily due to increased revenues generated by Athletics. Increases in Big 12 conference revenue, football season ticket sales and parking revenue and miscellaneous income were offset by decreased rights fees, revenue from concessions, miscellaneous NCAA revenue, corporate sponsorships, and sales of single game ticket sales for football.

- Revenue from operating gifts increased by $6.1 million in fiscal year 2026 primarily due to the University's agreement with Elior Collegiate Dining for the management and operation of the University's food and dining

services programs. Revenue was recognized for startup and operational activities and donations and in-kind contributions for student programs, presidential catering, faculty and staff events, and resident assistant meal plans. Revenue from operating gifts decreased by $800,000 in fiscal year 2025.

- Revenue from nongovernmental grants and contracts increased by $6.2 million from fiscal year 2025 to fiscal year 2026 due to an increase in funding for faculty salaries and fringe benefits and medical malpractice premiums from WVU Hospitals and the practice plans affiliated with the HSC. This increase was offset by a decrease in revenues from sponsored awards along with a decline in revenues from the Saudi Arabia Cultural Mission, Oman Medical College and Kuwait Cultural Office primarily due to a decline in undergraduate dental and medical student enrollment. Nongovernmental grant and contract revenue increased by $12.1 million from fiscal year 2024 to fiscal year 2025 primarily due to an increase in funding for faculty salaries and fringe benefits and medical malpractice premiums from the practice plans affiliated with the HSC in addition to an increase in revenue from sponsored awards.

- Other operating revenues increased by $4.3 million in fiscal year 2026. The University recognized revenue for an initial fee of $1.0 million related to an agreement with Huntington National Bank for an enterprise-wide banking services program for students, faculty and staff. An increase in proceeds from insurance recoveries is attributed to proceeds received in fiscal year 2026 for insurance claims from last year for major fire damage to the horse barn at the J.W. Ruby Research Farm near Reedsville in Preston County and damage to various facilities related to severe weather events. An increase in fundraising revenues generated by Gold & Blue Enterprises ("GBE") also contributed to the increase in other operating revenues. These increases were offset by the loss of rental income from the University's joint ownership of the Peak Health Building (Suncrest Center); the University sold its interest in this property to West Virginia United Health System in 2026. This revenue category increased by $1.6 million in fiscal year 2025.

- Non-capital gifts increased by $26.6 million in fiscal year 2026 mainly due to an increase in amounts drawn down from the Foundation for operating expenses and scholarships and amounts drawn down by Athletics from unrestricted donations to support various initiatives including upgrades to the Cary Gymnastics Training Center and football priority seating. Additional funding was also provided by the Foundation for investments to drive enrollment and growth in tuition revenue including the expansion of digital marketing and advertising. An increase in the donation of non-capitalizable right-to-use software also contributed to this increase. These gifts decreased by $12.5 million in fiscal year 2025 due to decreases in amounts drawn down from the Foundation for operating expenses and scholarships, which was offset by an increase in amounts drawn down by Athletics from unrestricted donations to support various initiatives, debt service payments and capital projects.

- Payments on behalf of the University increased by $3.1 million from fiscal year 2025 to fiscal year 2026 primarily due to an increase in the University's proportionate share of the State's funding through Senate Bill 419, which dedicated $30 million annually to the RHBT fund from annual collections of personal income tax dedicated for payment of the unfunded OPEB liability of the RHBT. Payments on behalf of the University increased by $9.6 million in fiscal year 2025 primarily due to an increase in the University's proportionate share of this funding from the State.

- State appropriations (including State Lottery appropriations) increased by $33.2 million in fiscal year 2026 mainly due to appropriations of $32 million to the School of Medicine and $5 million to the School of Dentistry from the State's general revenue surplus as a result of House Bill 5682. There was also an increase in base budget allocations received from the State, including appropriations for the Washington Center for Civics, Culture and Statesmanship. These additional appropriations were offset by one-time appropriations received in fiscal year 2025 as a result of Senate Bill 2036. State appropriations decreased by $54.9 million in fiscal year 2025 primarily due to the WVU Cancer Center appropriation of $50 million in addition to one-time funding provided to State higher education institutions to assist with operational costs and an increase in base budget allocations from general appropriation funds from the State in fiscal year 2024.

- Investment income increased by $6.8 million in fiscal year 2026 primarily due to favorable market conditions for investments that are part of the University's consolidated investment pool with the Foundation. Income from investments increased by $51,000 in fiscal year 2025.

- Revenue from federal grants and contracts decreased by $13.8 million from fiscal year 2025 to fiscal year 2026 primarily due to a decline in revenue recognized on sponsored awards, including awards received directly from the U.S. Department of Energy, U.S. Department of Education, and the U.S. Department of Health and Human Services, along with a decline in related facilities and administrative ("F&A") revenue. Revenue from the National Aeronautics and Space Administration ("NASA") decreased due to the transition from a contract to an agreement for the lease of the NASA IV&V facility in Fairmont. Federal grants and contracts revenue increased by $5.0 million in fiscal year 2025 due to an increase in sponsored awards funded by the federal government including the U.S. Department of Commerce.

- Revenue from state grants and contracts decreased by $8.1 million from fiscal year 2025 to fiscal year 2026 primarily due to a decrease in revenues from awards received directly from the WV Department of Health and Human Services. This is primarily due to the elimination by the federal government of all funding for the Supplemental Nutrition Assistance Program Education ("SNAP-Ed") on October 1, 2025. There was also a decrease due to one-time funding received in fiscal year 2025 for the WV Emergency Grant program, which provided emergency funding for state colleges and universities to assist with challenges faced by the federal government's delayed rollout of the Free Application for Federal Student Aid ("FAFSA"). State grants and contracts revenue decreased by $2.1 million in fiscal year 2025.

- Capital gifts and grants decreased by $29.6 million from fiscal year 2025 to fiscal year 2026. This was primarily due to a decrease in the donation of right-to-use software in fiscal year 2026; a significant donation was received in fiscal year 2025 by the Petroleum and Natural Gas Engineering department at the Benjamin M. Statler College of Engineering and Mineral Resources by Schlumberger Technology Corporation. Revenues recognized on deferred maintenance projects funded by the State also declined. These decreases were offset by funds received in fiscal year 2026 from WVU Medicine for the Science Hall lab renovation project at Potomac State College, from the U.S. Department of Health and Human Services for the renovation and modernization of the School of Dentistry facilities, and from the National Institute of Standards and Technology within the U.S. Department of Commerce for the purchase of specialized research equipment for the University's Shared Research Facilities. Capital gift and grant revenues increased by $68.4 million from fiscal year 2024 to fiscal year 2025. This increase was primarily due to a significant donation of right-to-use software in fiscal year 2025 in addition to an increase in revenues recognized on deferred maintenance projects funded by the State. These increases were partially offset by a decline in restricted funds drawn down from the Foundation for capital projects by Athletics.

- Other nonoperating revenues, net decreased by $4.1 million in fiscal year 2026 primarily due to a decrease in capital gains from the sale of real estate. A significant gain was recognized in fiscal year 2025 from the sale of the University Police Department building and the Medical Center Apartment parking lot to the WV United Health System. The University recognized a gain on the sale of land at the Research Park and the sale of its interest in the Peak Health Building (Suncrest Center) in fiscal year 2026; these gains were offset by a loss on the sale of Catamount Place at Potomac State College. This revenue category increased by $6.9 million in fiscal year 2025 primarily due to a net gain on the sale of property to WV United Health System.

Total fiscal year 2026 expenses increased by $35.7 million. Changes in expense amounts from the prior year are primarily attributed to the following:

- Benefits increased by $10.8 million in fiscal year 2026 due to an increase in expenses related to the University's proportionate share of the net OPEB liability, including an increase in the University's proportionate share of the State's funding through Senate Bill 419. Additionally, the PEIA Finance Board approved a 14% increase in health insurance premiums that took effect in July 2025. This increase was offset by a decrease in OPEB contributions related to the retiree subsidy due to significant savings with the renewal of PEIA's contract with Humana and favorable investment returns which resulted in an excess in the premium stabilization reserve.
  Fringe benefits increased by $33.8 million in fiscal year 2025 primarily due to an increase in expenses related to the University's share of the net OPEB asset. Premiums for health insurance through PEIA also increased during fiscal year 2025. The assessment of pay as you go premiums ("paygo"), established by the PEIA Finance Board annually, resumed in fiscal year 2025. The RHBT did not bill PEIA active

employers for paygo in fiscal year 2024. Expenses related to salary-related payments decreased, corresponding with the decrease in salaries and wages. Tuition waivers to faculty, staff and graduate assistants also decreased.

- Supplies and other services increased by $8.2 million in fiscal year 2026. The University recorded bad debt expense of $6.1 million for the write off of amounts owed by WVUCH and DCPA for reimbursable project expenses, management fees and preferential rent for University Place and the University Place Garage as a result of a negotiated resolution of litigation concerning this public-private arrangement and related financing. See Note 15, "Public Private Partnerships", for more information.

  The estimated expense for medical malpractice claims based on the annual actuarial study for the professional liability program that covers all faculty and resident physicians increased by approximately $5.5 million during fiscal year 2026. These increases were partially offset by decreases in fees for contractual and professional services including consultants, subcontracts related to various research projects, computer supplies, and non-capitalizable computer software.

  Supplies and other services increased by $14.3 million in fiscal year 2025. Expenses in the following categories increased: contractual and professional services; fees to outside legal counsel; subcontract expense; computer supplies; software maintenance; repairs and maintenance of facilities; student activities (primarily Athletics); travel; other general expenses; and the purchase of equipment and uniforms for the football and men's and women's basketball teams. These increases were offset by a decrease in the estimated expense for medical malpractice claims for the professional liability program that covers all faculty and resident physicians. An additional decrease was due to the write-off of management fees owed by University Park at Evansdale LLC ("UPE") for the University Park public-private partnership in fiscal year 2024.

- Depreciation and amortization expense increased by $13.1 million in fiscal year 2026 primarily due to an increase in amortization expense related to donated software and depreciation expense for equipment and infrastructure. These increases were offset by a decrease in amortization expense related to subscription assets due to the expiration of certain subscription agreements. This expense category decreased by $3.4 million in fiscal year 2025 primarily due to a decrease in amortization expense related to leased assets and donated software.

- Other operating expenses increased by $7.0 million in fiscal year 2026 primarily due to revenue sharing payments to student athletes and fundraising expenses incurred by GBE. Other operating expenses increased by $10.2 million in fiscal year 2025 primarily due to the accrual and payment for settlement agreements with former football coaching staff in addition to expenses related to reductions in force.

- Salaries and wages increased by $2.8 million in fiscal year 2026 due to a salary adjustment program that provided raises to a limited population of eligible employees during the third quarter of fiscal year 2026. Additional increases were due to contract bonuses offered to employees of Athletics and as a result of various departmental reorganizations. Salaries and wages decreased by $8.7 million in fiscal year 2025 due to planned personnel reductions including the non-renewal of certain non-classified staff and faculty contracts as well as reductions-in-force of classified staff as the result of an extensive review of academic programs during fiscal year 2024.

- Expenses for utilities increased by $2.2 million in fiscal year 2026 primarily due to an increase in steam rates resulting from extremely cold temperatures in January 2026 and an increase in the number of heating degree days overall in fiscal year 2026. Utilities increased by $113,000 in fiscal year 2025.

- Scholarships and fellowships decreased by $7.1 million from fiscal year 2025 to fiscal year 2026 primarily due to an increase in scholarship discounts and allowances. There were also decreases in awards of federal Pell grants and tuition waivers. Additional decreases were due to one-time funding provided in fiscal year 2025 through the College Access Emergency Grant program administered by the West Virginia Higher Education Policy Commission ("HEPC"). These decreases were offset by an increase in institutional awards. There was a decrease of $4.7 million in this expense category in fiscal year 2025

primarily due to a change in the methodology for determining scholarship discounts and allowances which resulted in an increase in scholarship discounts and allowances and a decrease in scholarship and fellowship expense. This decrease was partially offset by an increase in awards of federal Pell grants due to a change in the eligibility formula, an increase in the average amount awarded, and an increase in the number of eligible students. Additional increases were due to awards funded institutionally and through the College Access Emergency Grant program administered by HEPC.

Significant Capital Asset and Long-Term Financing Activity

The University continued work on major capital projects which are being financed through bond proceeds, grants, and other sources of revenues available to the University including operational revenue and gifts. Significant construction, capital and debt activity in fiscal year 2026 included the following:

- Several major construction and renovation projects were completed during fiscal year 2026 including replacement of the turf at the Stadium, upgrades to the Cary Gymnastics Training Center, replacement of the roof at Purinton House, refurbishment of the piping and restrooms at the Towers residence halls, installation of locking systems for the exterior doors of buildings on the Downtown campus, construction of the Pride Practice facility, renovations required for the relocation of the University Police Department, modernization of the passenger elevator at the Engineering Sciences Building, replacement of the horse barn at the J.W. Ruby Research Farm in Reedsville, various projects at Potomac State College, and various projects at the HSC, including multiple roof replacements, upgrades to the chiller plant and cooling tower, renovations to the School of Dentistry facilities, and renovations for the Cancer Prevention Center at the School of Medicine.
- Significant construction projects in process at June 30, 2026 include the campus-wide building automation system, repairs and improvements to the Downtown steam tunnels, updates to the lodge at Jackson's Mill, renovations to the labs in Science Hall at Potomac State College, various modernization and rehabilitation projects related to the Personal Rapid Transit system ("PRT"), renovations to the West Tower at the Stadium, and upgrades to the elevators at HSC North.
- During fiscal year 2026, significant costs related to the Modernization Program were capitalized including costs related to the Workday human capital management and finance systems.

The Commission assesses each public institution of higher education for funds to meet the payment of debt service on various revenue bonds that were issued for the financing of academic and other facilities of the State's universities and colleges, including certain facilities of the University. The bonds remain as a capital obligation of the Commission; however, $12.9 million is reported as debt service assessment payable to the Commission by the University as of June 30, 2026.

The University has continued to move forward on a program to modernize its information systems and is in the process of implementing Workday as the comprehensive Enterprise Resource Planning ("ERP") solution that will maintain finance, human capital management and student information. This modernization program has engaged students, faculty and staff across the campus community as part of a multi-year initiative to position the University for future success through the implementation of intuitive and unified technology and improved business processes and reporting capabilities. The University has implemented a new electronic research administration system that will provide an efficient and data-informed work environment for faculty and the Research Office that will better serve the University as an R1 research institution and support continual growth in sponsored research activity.

On July 2, 2025, the University issued $30.0 million of taxable revenue bonds (2025 Series A Bonds) to (a) finance all or a portion of the costs of Phase II of the ERP modernization plan including the reimbursement of costs previously incurred in connection with the project; and (b) pay the costs of issuance of the bonds and related costs. The University's bonds are rated as Aa3 by Moody's, AA- by Fitch, and A by Standard and Poor's.

The State's budget bill for fiscal year 2024 included funding of $282.0 million from the Governor's Civil Contingency Fund to address deferred maintenance issues at the State's higher education institutions and correctional facilities. The University was awarded $46.0 million in grants from this allocation. As of June 30,

2026, the University has recognized revenue of $38.8 million related to these projects. Projects approved for funding include various projects on the Morgantown campus, including at the HSC, and on the campuses of Potomac State College and WVU Tech. The University will also receive a supplemental deferred maintenance grant of $6.1 million in fiscal year 2027 from the Commission to fund various projects.

See the Detailed Analysis of the Statement of Net Position for additional information.

Currently Known Facts, Decisions, or Conditions

WVU is West Virginia's flagship, land-grant university, with an affiliated academic medical center. Like many public universities, WVU faces a competitive enrollment environment, pressure to keep tuition affordable, rising operating costs, and significant deferred maintenance needs. Management is addressing these challenges through disciplined financial planning, cost management, and revenue growth.

As a public institution, the University's financial position is closely tied to that of the State of West Virginia and is always at risk of funding reductions due to changes in economic conditions or funding priorities. During fiscal year 2026, the State experienced a budget surplus of $370.7 million in its general revenue funds primarily due to an increase in the collection of personal income tax and severance tax and an increase in interest income. While the State achieved a healthy balance of $1.5 billion in its Revenue Shortfall Reserve Fund (Rainy Day Fund), the State's budget continues to face economic pressures brought on by a continuing decline in coal production and other factors.

The performance-based funding formula, effective for fiscal year 2024 and developed through a collaboration between the Legislature, the Commission, and the State's colleges and universities, provides a data-informed and objective rationale for determining annual state appropriations to the institutions. This formula is intended to reward colleges and universities that help students complete their degrees on time, particularly those students who are low-income or unprepared upon graduation from high school and focuses on degrees that are designated as state priorities for workforce development such as engineering, health care, social work, education, computer science and transportation. The Commission's recommendations to the Legislature for funding are based on performance results within the model. It is the Legislature's prerogative to enact any changes.

For fiscal year 2027, the University will receive an additional $7.7 million in base appropriations. This includes a 3% increase for pay raises, a 3% increase for PEIA employer premiums, and an inflation adjustment from the higher education funding formula.

The State provided funding from the State's general revenue surplus for the fiscal year ending June 30, 2023 to support the investment required for the WVU Cancer Institute to attain designation as a National Cancer Institute ("the NCI") center. This $50 million appropriation was available to spend starting in fiscal year 2024 and is being used to fund comprehensive research programs, faculty and facilities that will lead to innovative approaches in cancer prevention, diagnosis, and treatment for West Virginia citizens. The NCI leads cancer research across the country and recognizes cancer centers with an official NCI designation, the highest rating that a cancer center can achieve. This designation would make the WVU Cancer Institute the first NCI-designated cancer center in West Virginia. In February, the Board approved renovation and leasing plans for the future home of the center in the WVU Innovation Corporation administration building in Morgantown, which will be funded through this allocation from the State.

On August 20, 2026, the University issued $94.0 million of revenue bonds ($62.8 million 2026 Series A and $31.2 million taxable 2026 Series B) to finance various projects. See Note 25, "Subsequent Events", for additional information.

In July 2026, the University completed the negotiated resolution of litigation concerning the University Place public-private partnership and related financing. See Note 15, "Public Private Partnerships", and Note 25, "Subsequent Events", for additional information.

The Foundation continues to report strong fund-raising numbers. The 9th annual WVU Day of Giving in March 2026 raised over $22 million from more than 11,000 gifts from alumni, students, faculty, staff, friends and family

of the University. The funds raised during this online fundraising event will support academic programs, scholarships, research, healthcare, and service experiences. These gifts included $3 million from Syd Peng to the Benjamin M. Statler College of Engineering and Mineral Resources and $2 million from Hamid and Tina Moghadam to the Rockefeller Neuroscience Institute. Additional gifts include $5 million from Linda and Don Brodie to strengthen leadership at the Eberly College of Arts and Sciences. This gift and the associated endowment will establish the Linda and Don Brodie Deanship and provide broad support to advance the mission of the University's largest academic unit.

Higher education continues to experience a decline in enrollment with the traditional college-age population shrinking across most of the country. In West Virginia, the college-going rate continues to decline and is lower than the national average, indicating a need for continued outreach and support for students. On the Morgantown campus, the Fall 2025 retention rate from freshman year to sophomore year set a new record at more than 85%, while first-time freshman enrollment across the University increased by more than 7%. The retention rate for first-generation students increased by 2%, to 79%, an increase of nearly 9% over the last five years. The University has expanded its recruitment efforts with additional campus tours, other on-campus events and strategic marketing.

The University increased the Mountaineer Athletics Advantage Fee, a mandatory fee charged to students on the Morgantown campus, from $125 to $250 per semester for fiscal year 2027. This fee helps fund the operations necessary to support student athletes and invest in the future of WVU Athletics. Undergraduate tuition for the fall of 2026 will increase by 3% and 6% for resident and non-resident students, respectively. The University's tuition and fee structure, for both resident and non-resident students, continues to be competitive compared to Big 12 and regional peers and other higher education institutions in the State.

Starting in the fall of 2024, a new annual academic unit reporting process provides an annual health check of academic programs at the University. This process empowers department chairs and unit-level leaders to use data to guide changes to faculty staffing, program offerings, course scheduling, and curriculum to improve student success. This review also allows the University to identify areas of potential enrollment and revenue growth, and areas that are experiencing declines in enrollment and revenue, which help guide resource allocation and institutional investments. This process is separate from the established BoG review process which takes place every five years.

The University's operating budget for fiscal year 2027 is focused on strategic investments that support the University's land-grant mission and long-term competitiveness. The baseline operating budget of approximately $1.349 billion is designed to advance the University's academic, research, health sciences, student success and service missions while maintaining a focus on affordability, accountability, and responsible stewardship of resources. The budget directs new resources toward several core priorities: employee compensation ($12.0 million), campus infrastructure and deferred maintenance ($8.0 million, in addition to separately allocated deferred maintenance funding from the HEPC), health sciences and workforce needs, academic excellence and student outcomes, enrollment and student recruitment, and strategic flexibility. To support these strategic investments and address inflationary pressures, the budget uses a balanced funding approach that includes a modest adjustment to baseline tuition. The University's resident tuition remains competitive with its Big 12 and regional peers.

Michael T. Benson began his term as the University's 27th president in July 2025. Over the past year, President Benson continued forming his core leadership team. After national searches, Beverly Wendland was selected as the University's Provost and Vice President for Academic Affairs and Chris Kabourek was selected as the University's next Vice President and Chief Financial Officer.

President Benson unveiled the University's Strategic Compass in the fall of 2025, which includes five priorities - education, discovery, health, service, and experiences - with foundational areas to drive institutional success. These foundational areas of focus include championing a people-first culture that drives high performance, rewards excellence, and empowers individuals to grow, lead and succeed; ensuring long-term financial strength and agility through strategic investment, revenue diversification, and resource optimization; modernizing and aligning our infrastructure, technology and administrative services to efficiently support the academic, research and outreach mission of the University; and elevating the national and global reputation of the University by

demonstrating impact, advancing academic excellence and telling a compelling story. A seed funding initiative for innovative projects designed to turn ideas into action will fully launch later this year under the President's leadership.

In fiscal year 2027, the University is redesigning its budget and financial planning framework to align resources with the priorities of the Strategic Compass, emphasize multi-year planning, and strengthen accountability for financial performance at the college and unit level.

In September 2025, the BoG voted for a resolution in support of WVU Athletics, calling for the development of a financial plan that will position the University in the top funding tier among Big 12 institutions while strengthening the University's core academic mission. An additional 140 scholarships will be offered to student athletes for the 2026-2027 season. In addition to a significant increase in the number of scholarships for football, the University is investing in the future of Olympic sports with an additional 124 scholarships in these sports.

Senate Bill 35, which was passed during the 2025 legislative session, overhauls the retirement system for campus police officers. Under this legislation, all campus police officers hired on or after January 1, 2026 are required to participate in the West Virginia Municipal Police Officers and Firefighters Retirement System, a multiple employer defined benefit cost sharing plan administered by the WV Consolidated Public Retirement Board. Officers hired prior to January 1, 2026 may also participate in the plan under certain conditions. This change will bring the University's officers retirement benefits in line with other law enforcement agencies in the state.

While the national funding environment is volatile, the University and the Corporation are deploying innovative strategies to expand the quantity and quality of funding for the research enterprise from all sources and looks forward to continued success in the future.

The Legislature addressed one of the most significant financial challenges facing state agencies with positive results. In fiscal year 2012 the Legislature and PEIA implemented a series of actions to significantly reduce the annual required contribution from State agencies and, in turn, the total OPEB liability. These actions included limiting the annual increase on the employer's share of the retiree's premium and allocating $30 million of annual funding to the OPEB trust fund beginning in fiscal year 2016 from annual collections of personal income tax dedicated for payment of the unfunded liability of the RHBT. This dedicated annual funding will be provided until the Governor certifies that an independent actuarial study has determined that the unfunded liability of the RHBT has been provided for in its entirety or July 1, 2037, whichever is later. Under the current policy, the plan is considered fully funded at a funded ratio, on a present value of benefits, of more than 120%.

These steps will continue to have a significant positive impact on the University's financial position and performance. At June 30, 2026, the University's net OPEB (asset) liability increased from a net OPEB asset of $1.5 million to a liability of $5.1 million, an increase of $3.6 million. This was due to an increase in the University's proportionate share of the State's net OPEB liability at June 30, 2026; the plan's total OPEB liability exceeded the plan's fiduciary net position, which resulted in a net OPEB liability based on the most recent actuarial valuation. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder each month. The active premiums subsidize the retirees' health care and are established by the PEIA Finance Board annually.

Despite the challenges facing the University, the administration remains committed to expanding its current efforts to maintain a sound financial position through diversification of revenue sources, managing costs and using innovation and technology to gain operational efficiencies. This sound financial position will allow the University to fulfill its mission as the State's flagship institution. University administration also believes that WVU continues to represent an unparalleled value for a quality educational experience.

Questions regarding this report may be directed to the Office of the Vice President and Chief Financial Officer at 304-293-4008.

WEST VIRGINIA UNIVERSITY

STATEMENTS OF NET POSITION
AS OF JUNE 30, 2026 AND 2025
(Dollars in Thousands)

	2026	2025
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and cash equivalents	$ 256,715	$ 174,045
Appropriations due from primary government	46,940	51,855
Investments	86,679	77,818
Accounts receivable, net of allowances for doubtful accounts of $3,853 and $4,091	110,770	147,807
Account receivable - public private partnerships, current portion	3,061	9,350
Due from the Higher Education Policy Commission	503	423
Leases receivable - current	1,098	1,221
Loans receivable, current portion	1,473	2,089
Inventories	2,878	2,513
Prepaid expenses	6,445	5,099
Notes receivable	200	200
Total current assets	516,762	472,420
Noncurrent Assets:		
Restricted cash and cash equivalents	50,224	42,413
Investments	121,151	111,412
Other accounts receivable	1,709	2,006
Account receivable - public private partnerships	-	226
Loans receivable, net of allowances for doubtful accounts of $1,145 and $1,141	7,220	8,481
Leases receivable	3,552	3,103
Net other post employment benefits asset	-	1,469
Capital and intangible right to use assets, net	1,785,097	1,800,840
Capital assets - nondepreciable	130,326	122,675
Total noncurrent assets	2,099,279	2,092,625
TOTAL ASSETS	2,616,041	2,565,045
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	11,093	11,776
Deferred outflows related to other post employment benefits	18,976	9,705
Deferred outflows related to pensions	209	292
TOTAL DEFERRED OUTFLOWS OF RESOURCES	30,278	21,773
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,646,319	$ 2,586,818

(continued)

WEST VIRGINIA UNIVERSITY

STATEMENTS OF NET POSITION (CONTINUED)
AS OF JUNE 30, 2026 AND 2025
(Dollars in Thousands)

	2026	2025
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 50,502	$ 63,521
Accrued liabilities	15,760	25,049
Accrued payroll	39,718	34,175
Deposits	3,004	3,043
Unearned revenue	90,196	99,826
Compensated absences	35,846	33,411
Real estate purchase agreements payable, current portion	822	667
Debt service assessment payable to the Commission, current portion	4,756	4,672
Subscription liabilities, current portion	10,358	8,299
Leases payable, current portion	3,281	3,210
Bonds payable, current portion	36,538	32,112
Notes payable, current portion	3,647	3,450
Total current liabilities	294,428	311,435
Noncurrent Liabilities:		
Real estate purchase agreement payable	8,431	9,322
Net other post employment benefits liability	5,082	-
Net pension liability	508	1,047
Advances from federal government	4,196	7,104
Debt service assessment payable to the Commission	8,109	12,865
Subscription liabilities	7,491	10,439
Leases payable	71,805	73,258
Bonds payable	699,416	715,808
Notes payable	56,090	57,229
Other noncurrent liabilities	46,141	41,561
Total noncurrent liabilities	907,269	928,633
TOTAL LIABILITIES	1,201,697	1,240,068
DEFERRED INFLOWS OF RESOURCES		
Deferred federal Pell grants	711	856
Deferred gain on refunding	-	26
Deferred service concession arrangements	29,048	30,056
Deferred inflows related to other post employment benefits	9,510	6,562
Deferred inflows related to pensions	829	1,031
Deferred inflows related to leases	4,277	4,072
Deferred inflows related to dining services contract	4,719	5,393
TOTAL DEFERRED INFLOWS OF RESOURCES	49,094	47,996
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 1,250,791	$ 1,288,064
NET POSITION		
Net investment in capital assets	$ 1,037,925	$ 1,017,759
Restricted for:		
Nonexpendable:		
Loans	19,402	17,622
Other	475	475
Total restricted nonexpendable	19,877	18,097
Expendable:		
Scholarships and fellowships	3,517	3,907
Sponsored programs	51,359	41,244
Loans	11,900	11,544
Capital projects	2	1
Other	2,293	1,273
Total restricted expendable	69,071	57,969
Unrestricted net position	268,655	204,929
TOTAL NET POSITION	$ 1,395,528	$ 1,298,754

See notes to financial statements.

WEST VIRGINIA UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025
(Dollars in Thousands)

	2026	2025
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances of $130,460 and $122,610	$ 414,148	$ 391,996
Federal land grants	9,182	9,121
Local land grants	1,713	1,519
Federal grants and contracts	118,165	132,012
State grants and contracts	74,725	82,802
Local grants and contracts	754	524
Nongovernmental grants and contracts	143,718	137,499
Federal Pell grants	31,083	33,461
Operating gifts	8,002	1,854
Sales and services of educational departments	15,079	14,009
Auxiliary enterprises, net of scholarship allowances of $13,693 and $13,725	154,494	137,873
Service agreement revenue from Parkersburg	250	250
Other operating revenues	15,730	11,431
Total operating revenues	987,043	954,351
OPERATING EXPENSES		
Salaries and wages	588,256	585,502
Benefits	183,415	172,598
Scholarships and fellowships	51,201	58,281
Utilities	40,139	37,957
Supplies and other services	287,040	278,926
Depreciation and amortization	130,050	116,988
Loan cancellations and write-offs	289	1,815
Other operating expenses	23,191	16,167
Total operating expenses	1,303,581	1,268,234
OPERATING LOSS	$ (316,538)	$ (313,883)

(continued)

WEST VIRGINIA UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025
(Dollars in Thousands)

	2026	2025
NONCAPITAL SUBSIDIES		
State appropriations	$ 230,338	$ 197,208
State Lottery appropriations	3,900	3,867
Payments on behalf of the University	5,917	2,857
Non-capital gifts	114,407	87,832
Total noncapital subsidies	354,562	291,764
OPERATING LOSS AND NONCAPITAL SUBSIDIES	38,024	(22,119)
OTHER NONOPERATING REVENUES AND EXPENSES		
Capital grants and gifts	59,491	89,140
Bond/capital projects proceeds from the Higher Education Policy Commission	-	315
Investment income (including unrealized gain of $11,608 and $13,142)	32,508	25,727
Interest on student loans receivable	318	408
Interest on capital asset-related debt	(30,461)	(30,115)
Assessments by the Commission for debt service	(6,173)	(6,249)
Debt issuance costs	(97)	-
Other nonoperating revenues - net	3,164	7,294
Total other nonoperating revenues and expenses	58,750	86,520
INCREASE IN NET POSITION	96,774	64,401
NET POSITION--BEGINNING OF YEAR	1,298,754	1,234,353
NET POSITION - END OF YEAR	$ 1,395,528	$ 1,298,754

See notes to financial statements.

WEST VIRGINIA UNIVERSITY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025
(Dollars in Thousands)

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 378,136	$ 362,350
Federal and local land grants	10,894	10,640
Grants and contracts	359,851	340,657
Operating gifts	1,728	225
Payments to suppliers	(286,401)	(259,888)
Payments to employees	(584,453)	(582,286)
Payments for benefits	(140,443)	(137,672)
Payments for utilities	(42,205)	(37,470)
Payments for scholarships and fellowships	(49,039)	(63,545)
Loan advances returned to federal government	(2,909)	(1,695)
Collections of loans to students	1,595	2,630
Interest earned on loans to students	318	408
Auxiliary enterprise charges	155,144	134,861
Sales and service of educational departments	14,736	13,665
Receipt of service agreement revenue from Parkersburg	250	250
Net receipts for public private partnerships	5,701	564
William D. Ford direct lending receipts	174,707	167,085
William D. Ford direct lending payments	(175,339)	(166,654)
Other payments	(11,641)	(5,081)
Net cash used in operating activities	(189,370)	(220,956)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	253,084	189,168
State lottery appropriations	3,900	3,867
Gifts	93,608	80,450
Federal Pell Grants	30,938	33,955
Other nonoperating receipts	124	921
Net cash provided by noncapital financing activities	381,654	308,361
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments on Commission debt assessment payable	(4,672)	(4,596)
Bond/capital projects proceeds from the Higher Education Policy Commission	-	315
Assessments by the Commission for debt service	(6,173)	(6,249)
Proceeds from issuance of University bonds	30,000	-
Bond issuance costs	(97)	-
Capital gifts and grants received	30,525	22,036
Purchases of capital assets	(94,883)	(62,993)
Proceeds from leases	1,432	1,381
Proceeds from issuance of capital debt	2,500	-
Proceeds from real estate sale	15,721	13,000
Principal paid on capital debt, leases and subscriptions	(58,397)	(47,390)
Interest paid on capital debt, leases and subscriptions	(31,571)	(31,266)
Net cash used in capital financing activities	(115,615)	(115,762)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	20,782	13,024
Purchase of investments	(10,453)	(8,462)
Redemption of matured investments	5,602	12,010
Purchase of Research Corporation investments	(2,119)	(329)
Net cash provided by investing activities	13,812	16,243
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	90,481	(12,114)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	216,458	228,572
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 306,939	$ 216,458

(continued)

WEST VIRGINIA UNIVERSITY

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025
(Dollars in Thousands)

	2026	2025
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (316,538)	$ (313,883)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	130,050	116,988
Federal Pell grants	(31,083)	(33,461)
Interest on student loans receivable	318	408
Donated/noncapitalized expense	18,564	4,837
Expenses paid on behalf of the University	5,917	2,857
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Accounts receivable, net	18,463	(22,029)
Due from the Commission	(81)	19
Loans receivable, net	1,877	6,441
Prepaid expenses	(951)	(335)
Inventories	(363)	(290)
Accounts payable	(4,094)	13,342
Accrued liabilities	5,564	17,904
Deposits	(39)	335
Unearned revenue	(9,458)	2,244
Compensated absences	2,434	752
Defined benefit pension plan	(659)	(740)
Deferred other post employment benefits	(6,323)	(13,631)
Deferred inflows related to capital lease	(59)	879
Advances from federal government	(2,909)	(3,593)
Net cash used in operating activities	$ (189,370)	$ (220,956)
Noncash Transactions:		
Construction in progress additions in accounts payable	$ 3,829	$ 4,957
Subscription based IT agreements	$ 11,518	$ 6,686
Leased assets	$ 3,307	$ 434
Lessor arrangements	$ 1,655	$ 1,183
Donated capital assets	$ 28,192	$ 77,390
Unrealized gain on investments	$ 11,608	$ 13,142
Donated noncapitalized assets	$ 18,227	$ 4,961
Gain (Loss) on dispositions	$ 2,818	$ 6,290
Assets transferred from Research Corporation	$ (17,067)	$ (7,457)
Capital assets transferred to the Corporation	$ 11,159	$ 3,101
Expenses paid on behalf of the University	$ 5,917	$ 2,857
Deferred gain on refunding	$ 26	$ 45
Reconciliation of cash and cash equivalents to the statements of net position:		
Cash and cash equivalents classified as current assets	$ 256,715	$ 174,045
Cash and cash equivalents classified as noncurrent assets	50,224	42,413
	$ 306,939	$ 216,458

See notes to financial statements.

1. ORGANIZATION

West Virginia University (the "University") is governed by the West Virginia University Board of Governors (the "Board" or "BoG"). 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(s) under its jurisdiction, the duty to develop a master plan for the institution, the power to prescribe the specific functions and institution's budget request, the duty to review at least every five years all academic programs offered at the institution, and the power to fix tuition and other fees for the different classes or categories of students enrolled at its institution.

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

During fiscal year 2008, House Bill 3215 ("H.B. 3215") was passed which clarified and redefined relationships between and among certain higher education boards and institutions. This legislation defines the statewide network of independently accredited community and technical colleges. Effective July 1, 2008, the administratively linked community and technical colleges of West Virginia University, including West Virginia University at Parkersburg ("Parkersburg"), established its own Board of Governors.

The University provides Parkersburg with administrative and academic support services. The University charges Parkersburg for these services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The accompanying financial statements present all funds under the authority of West Virginia University, including Potomac State College and West Virginia University Institute of Technology ("WVUIT"). The West Virginia University Research Corporation (the "Corporation") and Gold & Blue, Incorporated ("GBE") are separate legal organizations that are considered to be blended component units of the University for financial reporting purposes. The basic criteria for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the ability of the University to significantly influence operations and accountability for fiscal matters of related entities. (See Note 26 for condensed financial statements.) Related foundations and other affiliates of the University (see Notes 21 and 22) are not part of the University reporting entity and are not included in the accompanying financial statements as the University has no ability to designate management, cannot significantly influence operations of these entities and is not accountable for the fiscal matters of these entities under GASB.

b. *Basis of Accounting* – For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the University have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenses are reported when materials or services are received. All accounts and transactions between the University and the Corporation have been eliminated.

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

   Cash on deposit with the West Virginia Treasurer's Office (the "Treasurer") and deposits with the State's Board of Risk and Insurance Management (BRIM) escrow account are deposited into the WV Money Market Pool with the West Virginia Board of Treasury Investments (BTI).

   Cash in bank accounts may include deposits in the Insured Cash Sweep (ICS) program and the Certificate of Deposit Account Registry Services (CDARS) program.

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

   Cash and cash equivalents also include cash on hand.

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

e. *Accounts Receivable* – Accounts receivable primarily includes amounts due from students for tuition and fees, amounts due from sponsoring agencies for grants and contracts, and other miscellaneous receivables.

f. Accounts Receivable – Public Private Partnerships – Accounts receivable – public private partnerships - includes amounts due from partners for reimbursable project expenses, management fees, share of net revenues, lease payments and additional lease payments. (Also see Notes 15, 21, and 23.)

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

h. Loans Receivable – Loans receivable includes amounts due from students for student loans, including loans made through the Federal Perkins Loan Program.

i. Inventories – Inventories are stated at the lower-of-cost or market, cost primarily determined on the first-in, first-out method and average cost.

j. Leases Receivable – Leases receivable includes amounts due from external parties for long-term leases of land and building space, recorded at the present value of lease payments expected to be received during the lease term.

k. Noncurrent Restricted Cash and Cash Equivalents – Cash that is (1) externally restricted to make debt service payments or to maintain sinking funds or reserve funds or to purchase capital or other noncurrent assets or settle long-term liabilities, or (2) permanently restricted components of net position are classified as a noncurrent asset on the statement of net position.

l. Noncurrent Investments – Investments that are (1) externally restricted to make debt service payments or to maintain sinking funds or reserve funds or to purchase capital or other noncurrent assets or settle long-term liabilities, or (2) permanently restricted components of net position are classified as a noncurrent asset on the statement of net position. All other investments are classified as current or noncurrent based on the underlying investment.

m. Capital and Intangible Right-to-Use Assets – Capital assets include property, plant and equipment, internally generated software, books and materials that are part of a catalogued library, and infrastructure. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is generally 15 to 50 years for buildings, infrastructure and land improvements, and 3 to 15 years for furniture, equipment, internally generated software, and library books.

Intangible right-to-use assets include software subscriptions and property, plant and equipment. Amortization is computed using the straight-line method over the shorter of the lease or subscription term or the estimated useful life of the asset.

Other assets include donated right-to-use software with a term greater than twelve months. These assets are recorded at the acquisition value at the date of donation and are amortized over the term of the use agreement. Other intangible assets include an easement which has an indefinite useful life and is not amortized.

The University's capitalization thresholds are as follows: $25,000 for buildings, land improvements, infrastructure and leasehold improvements, $100,000 for internally generated software, $50,000 for subscription assets, and $5,000 for equipment. Library books and land are capitalized irrespective to cost.

n. *Deposits* – Deposits include housing and tuition deposits made by students.

o. *Unearned Revenue* – Revenues for programs or activities to be earned in future fiscal years is classified as unearned revenue, including items such as tuition, football ticket sales, orientation fees, room and board, financial aid deposits, and advance payments on sponsored awards. Financial aid deposits are separately classified.

p. *Compensated Absences* – GASB requires recognition of a liability for leave that accumulates and is attributable to services already rendered and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. 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 of the University also earn 1.5 sick leave days for each month of service. Employees hired prior to July 1, 2001 receive sick leave credit toward retiree healthcare contributions when they retire; this liability is included in the liability for other postemployment benefits (see Note 2 and 10).

   This liability is measured using the employee's pay rate as of the date of the financial statements. The estimated expense and expense incurred for vacation and sick leave is recorded as a component of benefits expense on the statement of revenues, expenses, and changes in net position.

q. *Lease Liabilities and Right-to-Use Assets* - The University leases buildings, equipment and software from external parties. In accordance with governmental accounting standards, the University records right-to-use assets and lease liabilities (see Note 13) based on the net present value of the expected payments over the terms of the lease agreements. The future lease payments are discounted using the interest rate charged by the lessor or the interest rate implicit in the lease. If the interest rate could not be readily determined, the estimated incremental borrowing rate was used. Variable payments are excluded unless they are fixed in substance. These assets are amortized over the shorter of the lease term or the estimated useful life of the underlying asset.

r. *Subscription Liabilities and Right-to-Use Assets* - The University has entered into subscription-based information technology arrangements ("SBITAs") with various vendors. In accordance with governmental accounting standards, the University records right-to-use assets and subscription liabilities (see Note 14) based on the net present value of the expected payments over the terms of the subscription agreements. The future subscription payments are discounted using the interest rate charged by the vendor or the interest rate implicit in the lease. If the interest rate could not be readily determined, the estimated incremental borrowing rate was used. Variable payments are excluded unless they are fixed in substance. These assets are amortized over the shorter of the subscription term or the estimated useful life of the underlying asset.

s. *Other Postemployment Benefits ("OPEB")* – For purposes of measuring the net other postemployment benefits (asset) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the West Virginia Postemployment Benefit Plan (the "OPEB

plan"), which is administered by a combination of the West Virginia Public Employees Insurance Agency ("PEIA") and the West Virginia Retiree Health Benefit Trust Fund (the "RHBT"), additions to/reductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported in the RHBT's financial statements located at https://peia.wv.gov/financial_reports/Pages/default.aspx. The OPEB plan schedules are prepared using the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles (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. Management of PEIA and the RHBT have made certain estimates and assumptions relating to the employer allocation schedules, and actual results could differ. (See Note 10.)

t. *Reductions in Force* - On September 8, 2017, the University adopted the Reduction in Force ("RIF") rule, which was effective on September 28, 2017. This rule provides the guiding principles for reductions in force for positions held by classified employees of the University who are employed in full-time regular positions. A RIF may be implemented due to budget reductions, loss of funding, reorganization, material changes to the duties or responsibilities of a position, program change/elimination, or an emergency that curtails operations.

A review committee established and appointed by the President of the University will review and approve any RIF plan to implement a reduction in force involving more than five full-time regular classified employees. If the RIF would eliminate the positions of more than five full-time regular classified employees, the approval of the review committee must be obtained prior to implementation.

The University will provide a classified employee at least 60 days written notice that his or her position is going to be eliminated, unless the financial circumstances of the University are so severe that they dictate a shorter notice period.

The University may offer a severance package to a classified employee who is impacted by a RIF, if financially feasible. If the University offers a severance package, the University will provide the employee 45 days from the date of receipt to consider the terms and conditions of the agreement and to accept the severance package. Additionally, after an employee executes a severance agreement, that employee maintains the right to revoke that execution and void the severance agreement for seven days after execution. No severance benefits will be paid to any employee that revokes execution of the severance agreement.

Generally, the value of the severance package will be a minimum of four weeks of pay, but no more than the classified employee's annual base pay. The University may take into consideration the value of an employee's sick leave conversion benefit, if applicable, when developing the severance package. The University may also subsidize health insurance for a predetermined period of time as determined by the review committee. Any severance payments will be discontinued if the individual is rehired by the University or an affiliate prior to the end of the severance payments.

Any severance agreement will not be effective, and severance pay will not be paid, unless the employee agrees to the terms of and executes the severance agreement during the 45-day period. The University is not prohibited from moving forward with a RIF if a classified employee declines to execute the severance agreement.

The University's total liability as of June 30, 2026 and 2025 was $480,000 and $142,000, respectively, which is recorded as a component of accrued liabilities on the statement of net position. This includes approximately $59,000 and $18,000 for employee benefits as of June 30, 2026 and 2025.

u. Noncurrent Liabilities – Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and real estate purchase agreements payable with contractual maturities greater than one year; (2) principal amounts of leases payable and subscription liabilities due in subsequent fiscal years; (3) net pension liability and other liabilities that will not be paid within the next fiscal year; and (4) projected claim payments for self insurance.

v. Net Pension Liability – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers' Retirement System ("TRS"), administered by the West Virginia Consolidated Public Retirement Board ("CPRB"), and additions to/reductions from the TRS fiduciary net position have been determined on the same basis as they are reported in the TRS financial statements, located at www.wvretirement.com/Publications.html#AnnualReport. 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 11.)

w. Net Position – GASB establishes standards for external financial reporting for public colleges and universities and require that financial statements be presented on a basis to focus on the University as a whole. The components of net position are classified 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 and intangible right-to-use assets: This represents the University's total investment in capital and intangible right-to-use assets, net of accumulated depreciation/amortization and outstanding debt obligations related to those assets. To the extent debt has been incurred but not yet, such amounts are not included as a component of net investment in capital and intangible right-to-use assets, net of related debt.

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

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

Unrestricted: This includes resources that are not subject to externally imposed

stipulations. Such resources are derived from tuition and fees (not restricted as to use), state appropriations, sales and services of educational activities, and auxiliary enterprises. This component is used for transactions related to the educational and general operations of the University and may be designated for specific purposes by action of the Board.

x. *Classification of Revenue* – Revenues are classified as follows:

Operating Revenues: Operating revenues include revenues that do not meet the definition of nonoperating, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state, local and nongovernmental grants and contracts, including Federal Pell grants, (4) federal and local land grants, (5) sales and services of educational activities, and (6) operating gifts. Other operating revenues include revenue from leasing of the University's academic bookstores and retail stores to Barnes & Noble College Bookstores, Inc.

Nonoperating Revenues: Nonoperating revenues include activities that are defined as non-operating by GASB, such as subsidies, investment income, revenues related to financing, contributions to permanent and term endowments, and sale of capital assets (including natural resources). Examples include capital grants and gifts and bond/capital project proceeds from the Commission.

Noncapital Subsidies: Noncapital subsidies include resources received from the State or other parties for which goods and services are not provided and that directly or indirectly keep the University's current or future fees or charges lower than they would be otherwise. This includes state appropriations, payments on behalf of the University, and non-capital gifts, including gifts for scholarships.

y. *Use of Restricted Net Position* – The University has 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 components of net position are available. The University attempts to utilize restricted components of net position first when practicable. The University did not have any designated components of net position as of June 30, 2026 or 2025.

z. *Scholarship Discounts and Allowances* – Student tuition and fee revenues are reported net of scholarship discounts and allowances on the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. 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. The University records the discount based on the amount of financial aid applied to the tuition and fees and auxiliary fees charged to each student's account.

aa. Federal Financial Assistance Programs – The University makes loans to students under the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students, through universities. Direct student loan receivables are not included in the University's statement of net position, as the loans are repayable directly to the U.S. Department of Education. The University received and disbursed approximately $175.0 million in fiscal year 2026 and approximately $167.0 million in fiscal year 2025 under the Direct Loan Program on behalf of the U.S. Department of Education; these amounts are not included as revenues and expenses on the statement 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 Pell Grant, Supplemental Educational Opportunity Grant and Federal Work Study Programs. The activity of these programs is recorded in the accompanying financial statements. In fiscal years 2026 and 2025, the University received and disbursed $34.3 million and $36.4 million, respectively, under these other federal student aid programs.

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

cc. Income Taxes – The University is exempt from income taxes, except for unrelated business income, as a nonprofit organization under federal income tax laws and regulations of the Internal Revenue Service. The Corporation has received from the Internal Revenue Service an exemption from taxation under Section 501 (c) (3) of the Internal Revenue Code as an entity organized for educational, research, and economic development purposes.

dd. Cash Flows – Any cash and cash equivalents escrowed, restricted for noncurrent assets, or in funded reserves are included as cash and cash equivalents for the purpose of the statement of cash flows.

ee. 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. (See Note 10, 11 and 12).

ff. Deferred Inflows of Resources – 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. (See Notes 7, 10, 11 and 23)

gg. Risk Management – BRIM provides general and professional liability, property, and auto insurance coverage to the University and its employees, including those physicians employed by the University and practicing at the hospital affiliated with the academic medical center. Such coverage is provided to the University through a self-insurance program maintained by BRIM for liability and auto insurance coverage. BRIM maintains a self-insurance program to pay the first $1,000,000 of each property insurance claim and purchases excess property insurance from the commercial insurance market up to a limit of $4,500,000 per occurrence. The BRIM self-insurance programs may involve experience and exposure related premiums.

BRIM engages an independent actuary to assist in the determination of its premiums to minimize the likelihood of future 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 charged by BRIM to the University and the University's ultimate actual loss experience, the difference will be recorded, as the change in estimate became known.

The University's Health Sciences Center (HSC) established a $250,000 deductible program under BRIM's professional liability coverage for the University effective July 1, 2005. Starting July 1, 2005, HSC assumed the risk and responsibility for all indemnity amounts up to $250,000 per occurrence and all loss expenses associated with medical malpractice claims and/or suits in exchange for a reduction in its premium for medical malpractice insurance. For fiscal year 2026, BRIM will provide coverage for indemnity amounts between $250,000 and $2,000,000 per occurrence. For fiscal year 2025, BRIM will provide coverage for indemnity amounts between $250,000 and $1,961,000 per occurrence. After June 30, 2016, BRIM coverage increased annually based on the Consumer Price Index until it reached a maximum of $2,000,000 per occurrence. Prior to July 1, 2005, the HSC was totally covered by BRIM at a limit of $1,000,000 per occurrence.

Under the program, the HSC entered into an agreement with BRIM whereby the HSC has on deposit $3.0 million at both June 30, 2026 and 2025, in an escrow account created in the state treasury from which BRIM may withdraw amounts to pay indemnity costs and allocated expenses in connection with medical malpractice claims against the HSC. The HSC also has on deposit $50.2 million and $47.7 million at June 30, 2026 and 2025, respectively, in an investment earnings account with the West Virginia University Foundation, Incorporated (the "Foundation") that is used to cover the liabilities under this program by replenishing the escrow account after BRIM withdraws indemnity and expense payments.

Based on an actuarial valuation of this self-insurance program and premium levels determined by BRIM, the University has recorded a liability of $42.3 million and $38.1 million to reflect projected claim payments at June 30, 2026 and 2025, respectively.

In addition, through its participation with PEIA and a third-party issuer, 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.

The University and Corporation are also covered by a data breach response insurance policy through Beazley. This policy covers claims commonly referred to as "cyber liability" claims. "First party" claims coverage includes financial expenses associated with a data breach including business interruption, cyber extortion, and data recovery. "Third party" claims coverage includes the financial expenses associated with a data breach that are incurred by entities other than the University or the Corporation including disclosure of personally identifiable information, regulatory defense and penalties, and payment card liabilities and costs.

United Educators Insurance Company provides an excess general liability Insurance policy for the Corporation in the amount of $10,000,000. This policy is maintained to enable the Corporation to meet the higher commercial general liability and commercial auto liability insurance limits frequently required by the sponsoring agency in many research contracts.

United Educators Insurance Company provides an excess educators legal liability insurance policy for the Corporation in the amount of $10,000,000. This policy is maintained to provide the Corporation with increased limits of insurance coverage for employment practice liability claims.

Beazley Insurance Company provides an excess products/completed operations and professional liability policy for life sciences (clinical trials) in the amount of $5,000,000. This policy is maintained to enable the Corporation to meet the higher limits of products/completed operations and professional liability insurance coverage frequently required by the sponsoring agency in many clinical trial research contracts.

Encova Insurance Company provides workers' compensation insurance coverage for the University. Workers' compensation insurance pays for employee injury or illness that occur because of a work-related activity. The responding policy varies based on the state in which the individual is employed. The policies for those outside of West Virginia are guaranteed cost programs in which no deductible applies, and the University pays an annual premium in exchange for all claim costs being paid by the carrier. For those employed in West Virginia, the policy is a high-deductible plan consisting of two component costs. One is a fixed premium cost that is adjusted annually upon policy renewal. This pays for overhead operating costs associated with the policy and the annual policy aggregate limit for claim costs that exceed the deductible. The other represents the variable expenses for each claim up to $250,000 (the deductible). The expenses for an individual claim that exceed $250,000 will be paid by Encova up to the policy limits. Encova invoices the University monthly to collect the prior month claim expenses which they have paid that fall within the deductible layer.

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

ii. Risks and Uncertainties – The University utilizes various investment instruments that are exposed to risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements and accompanying notes.

jj. Newly Adopted Statements Issued by GASB – The University has implemented Statement No. 103, *"Financial Reporting Model Improvements"*. The objective of this statement is to improve key components of the financial reporting model. This statement establishes new accounting and financial reporting requirements – or modifies existing requirements – related to the following: management's discussion and analysis; unusual or infrequent items; and the presentation of the proprietary fund statement of revenues, expenses, and

changes in fund net position. The statement of revenues, expenses and changes in net position for the period ending June 30, 2025 and applicable disclosures have been restated for presentation purposes. The changes to the classification of revenues and expenses are as follows (dollars in thousands):

	As Previously Reported	As Reported Under GASB No. 103
OPERATING REVENUES		
Federal Pell grants	$ -	$ 33,461
Operating gifts	-	1,854
Interest on student loans receivable	408	-
Other operating revenues	7,973	11,431
OPERATING REVENUES		
Other operating expenses	13,985	16,167
NONCAPITAL SUBSIDIES		
State appropriations	-	197,208
State lottery appropriations	-	3,867
Payments on behalf of the University	-	2,857
Non-capital gifts	-	87,832
NONOPERATING REVENUES (EXPENSES)		
State appropriations	197,208	-
State lottery appropriations	3,867	-
Payments on behalf of the University	2,857	-
Gifts	89,686	-
Federal Pell grants	33,461	-
Interest on student loans receivable	-	408
Other nonoperating revenues (expenses) - net	8,570	7,294

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

The University has also implemented Statement No. 104, *"Disclosure of Certain Capital Assets"*. The objective of this statement is to improve key components of the financial reporting model. This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets footnotes. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets.

kk. Recent Statements Issued by GASB – GASB has issued Statement No. 105, *"Subsequent Events"*. The objective of this statement is to improve the financial reporting requirements for subsequent events. This statement is effective for fiscal years beginning after June 15, 2026 and all reporting periods thereafter. The University has not yet determined the effect that the adoption of GASB Statement No. 105 may have on its financial statements.

3. CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents was as follows at June 30 (dollars in thousands):

2026

	Current	Noncurrent	Total
Cash on deposit with the Treasurer:			
West Virginia University - Nonauxiliaries	$ 135,867	$ 475	$ 136,342
West Virginia University - Auxiliaries	53,254	-	53,254
Cash on deposit with Trustee	-	46,732	46,732
Deposits with BRIM Escrow Account Treasurer	-	3,017	3,017
Cash in Bank	67,577	-	67,577
Cash on Hand	17	-	17
	$ 256,715	$ 50,224	$ 306,939

2025

	Current	Noncurrent	Total
Cash on deposit with the Treasurer:			
West Virginia University - Nonauxiliaries	$ 60,790	$ 475	$ 61,265
West Virginia University - Auxiliaries	63,438	-	63,438
Cash on deposit with Trustee	-	38,920	38,920
Deposits with BRIM Escrow Account Treasurer	-	3,018	3,018
Cash in Bank	49,800	-	49,800
Cash on Hand	17	-	17
	$ 174,045	$ 42,413	$ 216,458

Cash on Deposit with the Treasurer. Cash on deposit with the Treasurer includes deposits in the State Treasury bank account and the WV Money Market Pool. Deposits in the bank account are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by securities held by the bank in the name of the State. Deposits in the WV Money Market Pool are pooled by the Treasurer with other available funds of the State for investment purposes by the BTI. These funds are transferred to the BTI, and the BTI invests in the WV Money Market Pool as directed by the University and then the BTI invests in accordance with West Virginia Code, policies set by the BTI, provisions of bond indentures and trust agreements when applicable. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. 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 Legislature and is subject to oversight by the Legislature. The amounts on deposit are available for immediate withdrawal and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements. There was $164.5 million and $96.2 million in cash held for investment in the WV Money Market Pool at June 30, 2026 and 2025, respectively. The remainder of the cash held with the Treasurer was not invested.

The BTI maintains the Consolidated Fund investment fund, which consists of eight investment pools and participant-directed accounts, three of which the University may invest in. These pools have been structured as multi-participant variable net position funds to reduce risk and offer investment liquidity diversification to the Fund participants. Funds not required to meet immediate disbursement needs are invested for longer periods. A more detailed discussion of the BTI's investment operations pool can be found in its annual audited financial report. A copy of that annual audited financial report is located at https://wvbti.gov/Home/Information/Reports/Annual-Reports.

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 BTI credit risk as of June 30:

	2026		2025	
External Pool	Carrying Value (In Thousands)	S & P Rating	Carrying Value (In Thousands)	S & P Rating
WV Money Market Pool	$ 164,493	AAAm	$ 96,212	AAAm

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 BTI's Consolidated Fund pools and accounts are subject to interest rate risk. The following table provides information on the weighted-average maturities for the WV Money Market Pool:

	2026		2025	
External Pool	Carrying Value (In Thousands)	WAM (Days)	Carrying Value (In Thousands)	WAM (Days)
WV Money Market Pool	$ 164,493	46	$ 96,212	41

Cash on Deposit with Trustee. Cash on deposit with Trustee represents funds available for various projects, repair and replacement and debt service held by the Trustee and related to the University specific bond issues (see Note 12). The bond funds are FDIC insured or invested in specific U.S. government securities or U.S. government backed Money Market funds.

Deposits with BRIM Escrow Account Treasurer. The University is required to maintain a cash balance of $3.0 million. The Treasurer invests these funds in the WV Money Market Pool.

Cash in bank. Cash in bank includes bank balances and may include deposits in the ICS or CDARS programs. The carrying amount of cash in bank at June 30, 2026 and 2025 was $67.6 million and $49.8 million, respectively, as compared with bank balances of $68.0

million and $49.4 million, respectively. The difference was primarily caused by items in transit and outstanding checks. Bank accounts and ICS/CDARS deposits are FDIC insured up to $250,000 per Federal Employer Identification Number. In addition, bank balances are collateralized with the bank through a Repurchase Agreement in the name of the State or the Corporation.

Cash on Hand. Imprest funds approved by the Treasurer comprise the cash on hand.

4. ACCOUNTS RECEIVABLE

Accounts receivable were as follows at June 30 (dollars in thousands):

	2026	2025
Student tuition and fees, net of allowances for doubtful accounts of $1,002 and $1,086	$ 7,346	$ 7,564
Grants and contracts receivable, net of allowances for doubtful accounts of $2,045 and $2,500	47,621	78,169
Due from West Virginia University Hospitals, Incorporated	5,130	2,846
Auxiliary services, net of allowances for doubtful accounts of $747 and $395	5,558	2,861
Investment earnings receivable	443	324
Other, net of allowances for doubtful accounts of $59 and $110	25,420	40,123
Due from the Foundation	12,774	5,377
Due from other State agencies	6,478	10,543
Total accounts receivable	$ 110,770	$ 147,807

West Virginia University Hospitals, Incorporated (WVUH or the "Hospital") receivables represent various administrative expenses incurred by the University on behalf of the Hospital for which reimbursement has not yet been received.

In November 2009, the University changed the payroll method for all non-exempt benefit-eligible employees from current payroll to payroll in arrears. In September 2014, all other employees remaining on current payroll were moved to payroll in arrears. For both groups of employees, the University issued a "no hardship payment" to cover the transition period from current payroll to arrears payroll. Upon termination, the net amount of the "no hardship payment" will be deducted from the employee's last paycheck. This "no hardship payment" is recorded as other noncurrent accounts receivable on the statement of net position.

5. NOTES RECEIVABLE

During fiscal year 2017, the Corporation purchased a secured convertible promissory note and a warrant to convert the promissory note to shares of common stock from Modulation Therapeutics, Inc. for $200,000. This note receivable is classified as current on the statement of net position.

6. INVESTMENTS

The following Fair Value Levels represent the valuation of the underlying investments. Level 1 represents investments that have a quoted price in the active market. Level 2 represents investments with a direct or indirect observable market inputs. Level 3 investments represent investments with no observable market. Within level 3 investments, the net asset value ("NAV") is used as a practical expedient to determine the fair value of certain investment funds, which are not classified in the fair value hierarchy. Estimated investment value using an NAV may differ significantly from the values that would have been used had a ready market for these investments existed, and the difference could be material.

The University had the following investments as of June 30 (dollars in thousands):

2026 Investment Type	Fair Value	Level 1	Level 2	Level 3	NAV
Investment Cash Accounts	$ 7,567	$ 7,567	$ -	$ -	$ -
Mutual Bond Funds:					
Guggenheim TR Bond	17,088	17,088	-	-	-
Allspring High Yield Bond - A	8	8	-	-	-
Mutual Stock Funds:					
Allspring Opportunity - A	1,031	1,031	-	-	-
Maingate MLP Fund	5,834	5,834	-	-	-
MFS International Value Fund	10,896	10,896	-	-	-
MFS Investment Management	16,112	16,112	-	-	-
Eaton Vance	1,765	1,765	-	-	-
REMS Real Estate	1,489	1,489	-	-	-
Cohen Steers Ins Rty	1,691	1,691	-	-	-
Fixed Income Commingled Funds:					
IR&M Core Bond Fund	18,181	-	18,181	-	-
Limited Partnership Equity:					
TI Platform Fund I	4,107	-	-	-	4,107
TI Platform Fund II	2,401	-	-	-	2,401
TI Platform Fund III	1,997	-	-	-	1,997
747 Stuyvesant VI LP	1,520	-	-	-	1,520
747 Stuyvesant VII LP	1,543	-	-	-	1,543
747 Stuyvesant VIII LP	1,162	-	-	-	1,162
CC&L Q Emerging Markets	6,931	-	-	-	6,931
Hedge Funds:					
Capstone Convex PF	1,295	-	-	-	1,295
Penso Neg Cor Alpha	2,039	-	-	-	2,039
Equities ETF:					
Vanguard FTSE DM MKT	7,456	7,456	-	-	-
Vanguard INT GROWTH	3,137	3,137	-	-	-
Vanguard FTSE EM MKT	1,597	1,597	-	-	-
Vanguard S&P 500 ETF	26,991	26,991	-	-	-
Vanguard TOT STK MKT	26,026	26,026	-	-	-
US Treasury Securities:					
IRM Short US Treasury Fund	36,386	-	36,386	-	-
Land and Other Real Estate Held As Investments	477	-	-	477	-
Other Investments:					
WV Growth Investment LLC	54	-	-	54	-
304 Angel Fund LLC	25	-	-	25	-
Mission Critical Materials LLC	975	-	-	975	-
Aspinity, Inc.	49	-	-	49	-
	$ 207,830	$ 128,688	$ 54,567	$ 1,580	$ 22,995

2025 Investment Type	Fair Value	Level 1	Level 2	Level 3	NAV
Investment Cash Accounts	$ 6,659	$ 6,659	$ -	$ -	$ -
Mutual Bond Funds:					
Guggenheim TR Bond	16,430	230	15,280	920	-
Allspring High Yield Bond - A	7	7	-	-	-
Mutual Stock Funds:					
Allspring Opportunity - A	911	911	-	-	-
Maingate MLP Fund	5,010	5,010	-	-	-
MFS International Value Fund	9,329	8,465	864	-	-
MFS Investment Management	14,117	14,117	-	-	-
Eaton Vance	1,640	1,640	-	-	-
REMS Real Estate	1,503	468	1,035	-	-
Artisan International Small Cap	2,846	2,846	-	-	-
Cohen Steers Ins Rty	1,538	797	637	104	-
Fixed Income Commingled Funds:					
IR&M Core Bond Fund	16,694	-	16,694	-	-
Limited Partnership Equity:					
TI Platform Fund I	3,766	8	-	-	3,758
TI Platform Fund II	2,107	-	-	-	2,107
TI Platform Fund III	1,235	-	10	-	1,225
747 Stuyvesant VI LP	1,421	-	-	-	1,421
747 Stuyvesant VII LP	1,385	-	-	-	1,385
747 Stuyvesant VIII LP	778	-	-	-	778
CC&L Q Emerging Markets	4,645	4,645	-	-	-
Hedge Funds:					
Capstone Convex PF	2,023	-	-	-	2,023
Penso Neg Cor Alpha	2,782	-	-	-	2,782
Equities ETF:					
Vanguard FTSE DM MKT	5,610	677	4,933	-	-
Vanguard INT GROWTH	2,861	900	1,948	13	-
Vanguard FTSE EM MKT	1,334	163	1,170	1	-
Vanguard S&P 500 ETF	27,169	27,169	-	-	-
Vanguard TOT STK MKT	21,901	21,901	-	-	-
US Treasury Securities:					
IRM Short US Treasury Fund	32,949	-	32,949	-	-
Land and Other Real Estate Held As Investments	477	-	-	477	-
Other Investments:					
WV Growth Investment LLC	54	-	-	54	-
Aspinity, Inc.	49	-	-	49	-
	$ 189,230	$ 96,613	$ 75,520	$ 1,618	$ 15,479

The values of investments classified as current and noncurrent were as follows (dollars in thousands):

	Current	Noncurrent	Total
As of June 30, 2026	$ 86,679	$ 121,151	$ 207,830
As of June 30, 2025	$ 77,818	$ 111,412	$ 189,230

Investments with the Foundation – As of June 30, 2026 and 2025, the University's investments held with the Foundation were $187.3 million and $172.0 million, respectively. Effective July 1, 2019, the University's investments with the Foundation were consolidated into one client portfolio. These investments include the unrestricted investments, the Corporation's investments, the BRIM investments, and the Research Trust Fund investments.

The University's investments held with the Foundation are governed by an investment policy and an investment management agency agreement that determine the permissible investments by category. The holdings include investment cash accounts, commingled equity funds, exchange traded funds ("ETF"), mutual bond funds, mutual stock funds, fixed income commingled funds, limited partnership, and hedge funds. The investment management agency agreement outlines the acceptable exposure to each category of investment and generally outlines a liquidity goal. The agreement also states that at no time will illiquid investment assets (defined as those assets that cannot be converted into cash within 90 days) exceed 10% of any portfolio.

Unrestricted Investments – In 2005, the Legislature passed Senate Bill 603 ("S.B. 603"). S.B. 603 granted the University the ability to invest a limited amount of funds with the Foundation. In 2011, the Legislature passed Senate Bill 330 ("S.B. 330") which increased the maximum investment amount to $40 million. In 2013, the Legislature passed Senate Bill 444 ("S.B. 444") which increased the maximum investment amount to $70 million. As allowed by legislation, the University invested with the Foundation $25.0 million in October 2006, $4.0 million in October 2009, and $11.0 million in October 2011. In 2015, the Legislature passed Senate Bill 425 ("S.B. 425") which allowed all monies of the University to be invested with the Foundation except for General Revenue funds. In August 2015, the University began investing in the ICS and/or Certificate of Deposit Account Registry Service (CDARS) programs as allowed by S.B. 425. These investments are classified as cash and cash equivalents.

Research Corporation Investments – Beginning in 2007, an investment strategy was initiated for the Corporation. These long-term investments are managed by the Foundation. In addition, funds are deposited in the ICS program to maximize investment earnings and for FDIC insurance coverage. The ICS investments are classified as cash and cash equivalents.

BRIM Investments – In 2006, an investment strategy was initiated between the HSC and BRIM in conjunction with the Treasurer. The goals were 1) to provide an asset pool to settle medical professional liability claims and 2) to provide an investment pool for medical professional liability premiums with the goal of self-funding premiums in the future and to support medical professional liability claims as needed. The first goal was met by

transferring funds to the Treasurer's Office who invests these funds in the WV Money Market Pool. These investments are classified as cash and cash equivalents. To meet the second goal, investments are managed by the Foundation.

Research Trust Fund Investments – In July 2019, the Research Trust Fund investments held with the Foundation were transferred to the University. These investments had a fair market value of $39.9 million at July 1, 2019. These funds were committed by the State per Senate Bill 287 as a basis for a 1:1 match with private dollars to create endowments that would provide a source of funds for research and economic development. The University received gifts and pledges totaling $35 million within the seven-year window provided for in Senate Bill 239 (which amended the original five-year window provided for in SB 287); therefore, the University was eligible for state matching funds of $35 million. These investments are classified as noncurrent restricted.

West Virginia Growth Investment, LLC – The Corporation owns four units of membership interest in West Virginia Growth Investment, LLC ("WVGI"). The Corporation's share of the capital account was $54,000 at both June 30, 2026 and June 30, 2025. WVGI is a limited liability company formed to pool the capital resources and the business connections of accredited investors in and around the State of WV. Since the Corporation holds less than 20% of the ownership interest in WVGI, is not an officer of WVGI, cannot exercise significant influence over WVGI's operations and the fair value of the membership units cannot be readily determined, this investment was recorded using the cost basis of accounting.

Mission Critical Materials, LLC – The Corporation holds 700,000 units of membership interest in Mission Critical Materials, LLC ("MCM"). This investment is recorded at a cost of $975,000. This investment is recorded using the equity method of accounting.

Aspinity, Inc – The Corporation owns 411,706 shares of preferred stock in Aspinity, Inc. These shares had a fair market value of $49,000 at both June 30, 2026 and June 30, 2025, respectively.

Other – The University also has investments - the Wood investments – from the estate of donors with restricted purposes. These investments had a fair market value of $19.4 million and $17.2 million at June 30, 2026 and June 30, 2025, respectively.

In addition, funds are deposited in the ICS/CDARS program to maximize investment earnings and for FDIC insurance coverage. The ICS/CDARS investments are classified as cash and cash equivalents.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is applicable to investments in debt securities as well as investments in external investment pools, money market funds, mutual bond funds, and other pooled investments of fixed income securities.

The investment management agency agreement with the Foundation states that the investment agent shall invest the client's assets in investments in accordance with and subject to the provisions of the Uniform Prudent Investor Act codified as article six-C, chapter forty four of the West Virginia Code.

Credit ratings were as follows at June 30 (dollars in thousands):

2026

Portfolio	Description	Fair Value	Rating
Mutual Bond Funds:			
	Guggenheim TR Bond	$ 17,088	AA
Investment Cash Accounts:			
	WVU Cash Con Inv	7,567	AAA-mf
US Treasury Securities			
	IRM Short US Treasury Funds	36,386	Aa1
Fixed Income Commingled Funds			
	IR&M Core Bond	18,181	Aa3
		$ 79,222	

2025

Portfolio	Description	Fair Value	Rating
Mutual Bond Funds:			
	Guggenheim TR Bond	$ 16,430	A2
Investment Cash Accounts:			
	WVU Cash Con Inv	6,659	AAA-mf
US Treasury Securities			
	IRM Short US Treasury Funds	32,949	AA+
Fixed Income Commingled Funds			
	IR&M Core Bond	16,694	AA-
		$ 72,732	

The remaining investments have not been rated. These funds are periodically evaluated.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is applicable to debt securities only.

The following table shows the maturities at June 30 (dollars in thousands):

2026

Investment Type	Fair Value	Investment Maturities: Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Fixed Income Commingled Fund	$ 18,181	$ 1,236	$ 7,987	$ 5,882	$ 3,076
US Treasury Securities	36,386	20,267	16,119	-	-
Mutual Bond Funds	17,088	2,050	7,605	5,417	2,016
	$ 71,655	$ 23,553	$ 31,711	$ 11,299	$ 5,092

2025

Investment Type	Fair Value	Investment Maturities: Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Fixed Income Commingled Fund	$ 16,694	$ 1,242	$ 7,063	$ 5,526	$ 2,863
US Treasury Securities	32,949	16,847	16,102	-	-
Mutual Bond Funds	16,430	854	9,234	4,568	1,774
	$ 66,073	$ 18,943	$ 32,399	$ 10,094	$ 4,637

Interest rate risk is managed by limiting the time period or duration of the specific investment.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. Since this risk is minimized by the commingled funds structure, concentration risk disclosure is not required for external pooled funds.

At June 30, 2026 and June 30, 2025, the University's investments were not subject to concentration of credit risk.

Custodial Credit Risk

The 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. This risk is not applicable to external investment pools and open-end mutual funds.

No investments were subject to custodial credit risk at June 30, 2026 or 2025.

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. Disclosure is not required for external investment pools unless the fund represents a significant portion of the University's investments.

The University's exposure to foreign currency risk is as follows at June 30 (dollars in thousands):

Currency		2026		2025
Australian Dollar	$	566	$	637
Brazilian Real		478		351
British Pence		-		3,279
British Pound		4,176		-
Canadian Dollar		1,334		1,468
Cayman Island Dollar		4		2
Chilean Peso		41		35
China Renminbi		540		344
Columbian Peso		23		6
Czech Koruna		5		7
Danish Krone		226		430
Egyptian Pound		5		3
Euro		7,414		6,393
Hong Kong Dollar		2,407		1,872
Hungarian Forint		10		10
Iceland Krona		1		1
Indian Rupee		1,215		1,169
Indonesian Rupiah		128		94
Israeli Arorot		-		87
Israeli New Shekel		83		-
Japanese Yen		3,795		3,180
Korean Won		1,241		-
Kuwaiti Dinar		11		-
Kuwaiti Fil		-		12
Malaysian Ringgit		119		79
Mexican Peso		265		205
New Zealand Dollar		16		13
Norwegian Krone		128		157
Philippine Peso		81		26
Polish Zloty		129		73
Qatari Riyal		22		20
Romanian Leu		2		2
Russian Ruble		-		11
Saudi Arabia Riyal		278		217
Singapore Dollar		145		122
South African Cent		-		44
South African Rand		242		148
South Korean Won		778		1,024
Swedish Krona		271		512
Swiss Franc		1,484		1,297
Taiwan Dollar		2,348		1,334
Thai Baht		207		74
Turkish Lira		62		57
UAE Dirham		108		82
Total Investments in Foreign Currency	$	30,388	$	24,877
US Dollar		177,442		164,353
Total Investments	$	207,830	$	189,230

7. LESSOR ARRANGEMENTS

The University leases certain real estate to external parties. During the years ended June 30, 2026 and 2025, the University recognized revenues related to these lease arrangements of $1,589,000 and $1,449,000, respectively. This includes the amortization of deferred inflows and interest income. The general terms of these lease agreements are as follows:

Lease Type	Description	Rate	Lease Term	Payment Frequency	Payment Amount	Other Terms
Real Estate	Land - Research Park	2.96%	3/4/2016 to 3/3/2056	Annually	42,500	
Real Estate	Ground Lease	3.23%	1/1/2024 to 12/31/2056	Annually	21,000	Escalating every 5 years
Real Estate	LG Sublease at University Place Garage	3.27%	9/15/2024 to 12/31/2026	Monthly	17,225	
Real Estate	Boreman RFL House	3.27%	7/1/2022 to 5/15/2035	Annually	8,250	Escalating to $47,000 in
Real Estate	Huntington Bank office in Mountainlair	3.27%	2/20/2026 to 6/30/2031	Monthly	5,333	Escalating 3% annually
Real Estate	Cell Tower-Arnold Apartments	3.23%	7/25/2012 to 4/30/2027	Monthly	4,346	Escalating 3% annually
Real Estate	Cell Tower-Summit Hall	3.27%	5/1/2024 to 4/30/2031	Monthly	3,700	
Real Estate	Cell Tower-Engineering PRT	3.03%	5/1/2022 to 4/30/2027 with 5 year assumed renewal	Monthly	3,579	Escalating 3% annually
Real Estate	Cell Tower-Wise Library	3.27%	5/1/2024 to 4/30/2031 with 5 years assumed renewal	Monthly	3,300	Escalating 10% each
Real Estate	Cell Tower-Arnold Hall	3.03%	5/1/2022 to 4/30/2027 with 5 years assumed renewal	Monthly	3,165	Escalating 3% annually
Real Estate	Cell Tower-Knapp Hall	3.23%	rolling 24 month notice period	Monthly	2,985	Escalating 3% annually
Real Estate	Cell Tower-Chestnut Ridge Research Building	3.23%	rolling 24 month notice period	Monthly	2,813	Escalating 3% annually
Real Estate	Cell Tower-Braxton Tower	3.23%	rolling 24 month notice period	Monthly	2,550	Escalating 10% each
Real Estate	Cell Tower-Dadisman Hall	3.23%	rolling 24 month notice period	Monthly	2,550	Escalating 10% each
Real Estate	Cell Tower-Brooke Tower	3.23%	5/1/2023 to 4/30/2028	Monthly	2,530	Escalating 10% each
Real Estate	Cell Tower-Carter Hall/Beckley, WV	3.27%	5/1/2025 to 4/30/2030	Monthly	2,200	
Real Estate	Building - Beckley, WV		7/1/2025 to 6/30/2027 with assumed renewal through 6/30/2030	Monthly	1,400	Escalating 3% annually
Real Estate	Office space - Morgantown, WV	3.03%	10/1/2022 to 9/30/2031	Monthly	750	
Real Estate	Fish Hatchery - Wardensville, WV	3.27%	2/1/2025 to 1/31/2030	Monthly	700	
Real Estate	Land - Montgomery, WV	3.03%	3/28/2023 to 3/27/2028 with 5 year assumed renewal	Monthly	214	
Equipment	Equipment and facilities at HSC	3.27%	rolling 15 month notice period	Monthly	41,223	
Real Estate	NASA IV&V Facility Fairmont	3.27%	4/1/2025 to 4/20/2027	Monthly	20,833	

There was no revenue related to variable receipts, residual value guarantees, or termination penalties not previously included in the measurement of the related lease receivable during the years ended June 30, 2026 and 2025.

8. CAPITAL AND INTANGIBLE RIGHT-TO-USE ASSETS

Balances and changes in capital and intangible right-to-use assets were as follows as of June 30 (dollars in thousands):

2026

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated or amortized:				
Land	$ 82,647	$ 4,007	$ (2,117)	$ 84,537
Construction in progress	39,999	68,902	(63,141)	45,760
Public Private Partnerships:				
Land	29	-	-	29
Total capital assets not being depreciated or amortized	$ 122,675	$ 72,909	$ (65,258)	$ 130,326
Other capital assets:				
Land improvements	$ 64,644	$ 1,541	$ -	$ 66,185
Buildings	1,897,113	40,910	(15,466)	1,922,557
Equipment	275,432	17,198	(11,920)	280,710
Library books	184,797	2,834	(174)	187,457
Software	69,344	6,400	-	75,744
Infrastructure	415,272	18,790	(2,246)	431,816
Other intangible assets:				
Intangible right to use software	356,236	25,181	-	381,417
Other intangible assets	125	2,500	-	2,625
Leased assets:				
Buildings	30,674	1,518	(822)	31,370
Equipment	412	1,837	(12)	2,237
Subscription assets	48,312	5,672	(1,373)	52,611
Public Private Partnerships:				
Equipment	838	-	-	838
Buildings	270,020	-	-	270,020
Land Improvements	3,955	-	-	3,955
Infrastructure	746	-	-	746
Total other capital assets	3,617,920	124,381	(32,013)	3,710,288
Less accumulated depreciation and amortization:				
Land improvements	(52,483)	(1,989)	-	(54,472)
Buildings	(660,424)	(36,794)	3,528	(693,690)
Equipment	(190,050)	(17,904)	10,830	(197,124)
Library books	(174,336)	(3,268)	131	(177,473)
Software	(65,739)	(1,823)	-	(67,562)
Infrastructure	(295,909)	(8,336)	19	(304,226)
Other intangible assets:				
Intangible right to use software	(288,715)	(38,183)	-	(326,898)
Other intangible assets	(3)	(898)	-	(901)
Leased assets:				
Buildings	(13,491)	(3,012)	374	(16,129)
Equipment	(56)	(274)	12	(318)
Subscription assets	(26,713)	(12,680)	7,045	(32,348)
Public Private Partnerships:				
Equipment	(615)	(53)	-	(668)
Buildings	(46,273)	(4,605)	-	(50,878)
Land Improvements	(1,771)	(181)	-	(1,952)
Infrastructure	(502)	(50)	-	(552)
Total other capital assets	(1,817,080)	(130,050)	21,939	(1,925,191)
Other capital assets , net	$ 1,800,840	$ (5,669)	$ (10,074)	$ 1,785,097
Capital Assets Summary:				
Capital assets not being depreciated or amortized	122,675	72,909	(65,258)	130,326
Other capital assets	3,617,920	124,381	(32,013)	3,710,288
Total cost of capital assets	3,740,595	197,290	(97,271)	3,840,614
Less accumulated depreciation and amortization	$ (1,817,080)	$ (130,050)	$ 21,939	$ (1,925,191)
	$ 1,923,515	$ 67,240	$ (75,332)	$ 1,915,423

2025	Beginning Balance - Restated	Additions	Reductions	Ending Balance
Capital assets not being depreciated or amortized:				
Land	$ 83,878	$ -	$ (1,231)	$ 82,647
Construction in progress	31,019	45,236	(36,256)	39,999
Public Private Partnerships:				
Land	29	-	-	29
Total capital assets not being depreciated or amortized	$ 114,926	$ 45,236	$ (37,487)	$ 122,675
Other capital assets:				
Land improvements	$ 63,438	$ 1,206	$ -	$ 64,644
Buildings	1,875,911	24,880	(3,678)	1,897,113
Equipment	265,697	21,598	(11,863)	275,432
Library books	182,359	2,597	(159)	184,797
Software	64,450	4,941	(47)	69,344
Infrastructure	404,314	11,348	(390)	415,272
Other intangible assets:				
Intangible right to use software	288,147	68,089	-	356,236
Other intangible assets	125	-	-	125
Leased assets:				
Buildings	28,423	2,830	(579)	30,674
Equipment	180	346	(114)	412
Subscription assets	36,277	25,725	(13,690)	48,312
Public Private Partnerships:				
Equipment	819	19	-	838
Buildings	270,020	-	-	270,020
Land Improvements	3,955	-	-	3,955
Infrastructure	746	-	-	746
Total other capital assets	3,484,861	163,579	(30,520)	3,617,920
Less accumulated depreciation and amortization:				
Land improvements	(50,318)	(2,165)	-	(52,483)
Buildings	(624,996)	(36,478)	1,050	(660,424)
Equipment	(182,116)	(16,627)	8,693	(190,050)
Library books	(170,829)	(3,621)	114	(174,336)
Software	(64,252)	(1,534)	47	(65,739)
Infrastructure	(288,831)	(7,468)	390	(295,909)
Other intangible assets:				
Intangible right to use software	(258,277)	(30,438)	-	(288,715)
Other intangible assets	(3)	-	-	(3)
Leased assets:				
Buildings	(10,603)	(3,004)	116	(13,491)
Equipment	(122)	(48)	114	(56)
Subscription assets	(17,797)	(10,719)	1,803	(26,713)
Public Private Partnerships:				
Equipment	(565)	(50)	-	(615)
Buildings	(41,668)	(4,605)	-	(46,273)
Land Improvements	(1,590)	(181)	-	(1,771)
Infrastructure	(452)	(50)	-	(502)
Total other capital assets	(1,712,419)	(116,988)	12,327	(1,817,080)
Other capital assets , net	$ 1,772,442	$ 46,591	$ (18,193)	$ 1,800,840
Capital Assets Summary:				
Capital assets not being depreciated or amortized	114,926	45,236	(37,487)	122,675
Other capital assets	3,484,861	163,579	(30,520)	3,617,920
Total cost of capital assets	3,599,787	208,815	(68,007)	3,740,595
Less accumulated depreciation and amortization	$ (1,712,419)	$ (116,988)	$ 12,327	$ (1,817,080)
Capital assts, net	$ 1,887,368	$ 91,827	$ (55,680)	$ 1,923,515

Included in capital assets are land and buildings that are being held for sale. The land has an estimated historical cost of $212,000 and the buildings have a total estimated historical cost of $4.6 million, accumulated depreciation of $1.7 million and a net book value of $2.9 million. This property is located in Montgomery, the former site of WVUIT. This property is expected to be sold by June 30, 2027.

Depreciation on capital assets is computed using the straight-line method over the estimated useful life of the asset (see Note 2m). The University's depreciation expense for fiscal years 2026 and 2025 was $75.1 million and $72.9 million, respectively.

The University has also entered into several public private partnerships (see Notes 15 and 23). In accordance with governmental accounting standards, the University records right-to-use assets based on the value at acquisition. These assets are amortized over the shorter of the contract term or the estimated useful life of the underlying asset.

Amortization on intangible right-to-use assets is computed using the straight-line method over the contract term or the estimated useful life of the underlying asset (see Note 2m). The University's amortization expense for fiscal years 2026 and 2025 was $54.9 million and $44.1 million, respectively.

The University maintains various collections of inexhaustible assets for which no value can be practically determined. 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. Accordingly, such collections are not capitalized.

9. LONG-TERM LIABILITIES

Balances and changes in long-term liabilities were as follows at June 30 (dollars in thousands):

2026	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Real estate purchase agreements payable	$ 9,989	$ -	$ (736)	$ 9,253	$ 822
Advances from federal government	7,104	-	(2,908)	4,196	-
Debt service assessment payable to the Commission	17,537	-	(4,672)	12,865	4,756
Leases payable	76,468	6,776	(8,158)	75,086	3,281
Subscription liabilities	18,738	11,345	(12,234)	17,849	10,358
Bonds payable	747,920	30,000	(41,966)	735,954	36,538
Notes payable	60,679	2,500	(3,442)	59,737	3,647
Other noncurrent liabilities	42,158	12,694	(8,031)	46,821	680
Total long-term liabilities	$ 980,593	$ 63,315	$ (82,147)	$ 961,761	$ 60,082

2025	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Real estate purchase agreement payable	$ 10,639	$ -	$ (650)	$ 9,989	$ 667
Advances from federal government	10,697	-	(3,593)	7,104	-
Debt service assessment payable to the Commission	22,133	-	(4,596)	17,537	4,672
Leases payable	77,469	3,548	(4,549)	76,468	3,210
Subscription liabilities	16,442	17,714	(15,418)	18,738	8,299
Bonds payable	779,464	-	(31,544)	747,920	32,112
Notes payable	59,857	3,667	(2,845)	60,679	3,450
Other noncurrent liabilities	41,064	10,656	(9,562)	42,158	597
Total long-term liabilities	$ 1,017,765	$ 35,585	$ (72,757)	$ 980,593	$ 53,007

10. OTHER POST EMPLOYMENT BENEFITS

Employees of the University are enrolled in the OPEB plan which is administered by PEIA and the RHBT.

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

	2026	2025
Net OPEB (Asset) Liability	$ 5,082	$ (1,469)
Deferred Outflows of Resources	18,976	9,705
Deferred Inflows of Resources	9,510	6,562
Revenues	5,795	2,487
OPEB Expense	8,280	1,043
Contributions made by the University	2,257	3,654

Plan Description

The OPEB plan is a cost-sharing, multiple-employer, defined benefit other post-employment 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 membership was expanded from eight to ten members with Senate Bill 205 on March 11, 2022, effective 90 days from passage on June 9, 2022. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary, or designee, serves as Chairman of the Board and is a voting member. One member represents the hospitals, one member represents the non-hospital health care providers, four members represent labor, education, public employees and public retirees and the 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 non-participating 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 similar plans), or are approved, in writing, by the PEIA Director must, in the case of education employees, meet the minimum eligibility requirements of the State Teachers Retirement System ("STRS"), and in all other cases meet

the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

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.

Benefits Provided

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

Contributions

Pay as you go premiums ("paygo") are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidized the retirees' health care by approximately $38.0 million for the fiscal year endjng 2025. In fiscal year 2024, there was no subsidization of the retirees' healthcare from paygo premiums. The paygo rate for the period ending June 30, 2025 was $34 per active health policy per month.

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

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

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

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

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

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

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 coverage for one year of family coverage. Faculty hired after July 1, 2009 no longer receive years of service

credit toward insurance premiums when they retire. Faculty hired on or after July 1, 2010 receive no health insurance premium subsidy when they retire. Two groups of employees hired after July 1, 2010 will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010 who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who had an original hire date prior to July 1, 2010 may return to active employment. In those cases, the original hire date may apply.

Basis of Allocation

OPEB amounts have been allocated to each contributing employer based on their proportionate share of employer contributions to the RHBT for the fiscal year ended June 30, 2025. 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 (asset) 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

For the year ended June 30, 2026, the net OPEB asset for financial reporting purposes was determined by an actuarial valuation as of June 30, 2024, rolled forward to June 30, 2025. For the year ended June 30, 2025, the net OPEB asset for financial reporting purposes was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost method.

- Amortization method: Level percentage of payroll, closed.

- Investment rate of return: 7.40%, net of OPEB plan investment expense, including inflation.

- Projected salary increases: dependent on pension system ranging from 2.75% to 5.18%, including inflation.

- Healthcare cost trend rates: Trend rate for pre-Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% 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 2034.

- Inflation rate: 2.50%.

- Discount rate: 7.40%

- Mortality rates: based on Pub-2010.

The actuarial assumptions used in the June 30, 2024 and June 30, 2023 valuations were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The long-term investment rate of return of 7.40% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the West Virginia Investment Management Board ("IMB") and an expected short-term rate of return of 2.75% for assets invested with the WV Board of Treasury Investments ("BTI").

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future rates of return were developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions, and forecast returns were provided by the plan's investment advisors, including the IMB. The projected return for the Money Market Pool held with the IMB assumed inflation of 2.5% plus a 25-basis point spread. The target allocation and estimates of the annualized long-term expected real returns assuming a 1-year horizon are summarized below:

2026

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	45.0%	7.4%
Fixed Income	15.0%	3.9%
Private Credit and Income	6.0%	7.4%
Hedge Funds	10.0%	4.5%
Private Equity	12.0%	10.0%
Real Estate	12.0%	7.7%

2025

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	45.0%	7.4%
Fixed Income	15.0%	3.9%
Private Credit and Income	6.0%	7.4%
Hedge Funds	10.0%	4.5%
Private Equity	12.0%	10.0%
Real Estate	12.0%	7.7%

Discount rate. The discount rate used to measure the OPEB (asset) liability was 7.40%. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with prefunding and investment policies. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB (asset) liability.

Sensitivity of the net OPEB (asset) liability to changes in the discount rate. The University's proportionate share of the net OPEB liability as of June 30, 2026 calculated using the discount rate of 7.40%, as well as what the University's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.40%) or one percentage point higher (8.40%) than the current rate, and the University's proportionate share of the net OPEB (asset) liability as of June 30, 2025 calculated using the discount rate of 7.40%, as well as what the University's OPEB asset would be if it were calculated using a discount rate that is one percentage lower (6.40%) or one percentage higher (8.40%) than the current rate are as follows (dollars in thousands):

2026

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
Net OPEB (asset) liability	$ 12,706	$ 5,082	$ (4,680)

2025

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
Net OPEB (asset) liability	$ 6,421	$ (1,469)	$ (8,040)

Sensitivity of the net OPEB (asset) liability to changes in healthcare cost trend rates. The following presents the University's proportionate share of the net OPEB (asset) liability as of June 30, 2026 and June 30, 2025 calculated using the current healthcare cost trend rates, as well as what the University's net OPEB (asset) liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates (dollars in thousands):

2026

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB (asset) liability	$ (8,438)	$ 5,082	$ 17,300

2025	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB (asset) liability	$ (11,548)	$ (1,469)	$ 10,771

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

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

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

At June 30, 2026, the amount recognized as the University's proportionate share of the net OPEB liability was approximately $5,082,000. At June 30, 2026, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB liability is $4,032,000 and the total net liability attributable to the University is $9,114,000.

At June 30, 2025, the amount recognized as the University's proportionate share of the net OPEB asset was approximately $1,469,000. At June 30, 2025, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB asset is $4,613,000 and the total net asset attributable to the University is $6,082,000.

The allocation percentage assigned to each contributing employer is based on the employer's proportionate share of employer contributions to the RHBT for the fiscal years ended June 30, 2025 and June 30, 2024. Employer contributions are recognized when billed. At June 30, 2025, the University's proportion was 5.388935714%, an increase of 1.861364910% from its proportion of 3.527570804% calculated as of June 30, 2024. At June 30, 2024, the University's proportion was 3.527570804%, a decrease of 2.79650101% from its proportion of 6.320220905% calculated as of June 30, 2023.

For the year ended June 30, 2026, the University recognized an OPEB expense of $8,280,000. Of this amount, $2,484,000 was recognized as the University's proportionate share of the OPEB expense, and $5,796,000 as the amount of OPEB expense attributed to special funding. The University also recognized revenue of $5,796,000 for support provided by the State.

For the year ended June 30, 2025, the University recognized an OPEB expense of $1,043,000. Of this amount, $(1,444,000) was recognized as the University's proportionate share of the OPEB expense, and $2,487,000 as the amount of OPEB expense attributed to special funding. The University also recognized a contra revenue of $2,487,000 for support provided by the State.

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

2026

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 221	$ 1,008
Net difference between projected and actual investment earnings	-	3,713
Difference between expected and actual experience	4,625	3,742
Changes in assumptions	11,873	1,047
Contributions after the measurement date	2,257	-
	$ 18,976	$ 9,510

2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 374	$ 1,675
Net difference between projected and actual investment earnings	-	1,673
Difference between expected and actual experience	5,116	1,477
Changes in assumptions	561	1,737
Contributions after the measurement date	3,654	-
	$ 9,705	$ 6,562

The University will recognize the $2,257,000 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as an addition of the net OPEB liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (dollars in thousands):

Fiscal Year Ended	Amortization
June 30, 2027	$ 4,563
June 30, 2028	3,302
June 30, 2029	203
June 30, 2030	(859)
	$ 7,209

11. DEFINED BENEFIT PENSION PLAN

Some employees of the University are enrolled in a defined benefit pension plan, the TRS, which is administered by the CPRB.

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

	2026	2025
Net Pension Liability	$ 508	$ 1,047
Deferred Outflows of Resources	209	292
Deferred Inflows of Resources	829	1,031
Revenues	17	168
Pension Credit	(522)	(415)
Contributions Made by the University	120	157

TRS

Plan Description

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

TRS is considered a component unit of the State for financial reporting purposes, and, as such, its financial report is also included in the State'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 ttps://www.wvretirement.com.

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 the pension reduced actuarially if the member is less than age 55 and has between 30 and 35 years of service. For all employees hired after July 1, 2015, qualification for normal retirement is age 62 with 10 years of service. All members hired after July 1, 2015 may retire with the pension reduced actuarially if the member is between the ages of 60 and 62 with 10 years of service or between ages 55 and 62 with 30 years of service. Terminated members with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62. For all employees hired after July 1, 2015, this age increases to 64 with 10 years of service. Retirement benefits are equivalent to 2% of average annual salary multiplied by years of service. Average salary is the average of the 5 highest fiscal years of earnings during the last 15 fiscal years of earnings. Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan, including contribution rates, to the Legislature.

Contributions

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

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

Employer Contributions - Employers make the following contributions:

The State (including institutions of higher education) contributes:

1. 15% of gross salary of their State-employed members hired prior to July 1, 1991;

2. 15% of School Aid Formula (SAF) covered payroll of county-employed members;

3. 7.5% of School Aid Formula (SAF)-covered payroll of members of the Teachers' Defined Contribution Retirement System (TDCRS);

4. a certain percentage of fire insurance premiums paid by State residents;

5. under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the TRS unfunded liability within 40 years of June 30, 1994. As of June 30, 2026 and 2025, the University's proportionate share attributable to this special funding subsidy was ($6,000) and $130,000, respectively.

The University's contributions to TRS for the years ended June 30, 2026, 2025, and 2024, were approximately $120,000, $157,000, and $210,000, respectively.

Assumptions

For the year ended June 30, 2026, the total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2024 and rolled forward to June 30, 2025. For the year ended June 30, 2025, total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2023 and rolled forward to June 30, 2024. 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 through fiscal year 2034.
- Investment rate of return of 7.25%, net of pension plan investment expenses.
- Projected salary increases: Teachers 2.75–5.90% and non-teachers 2.75–6.50%, based on age.
- Inflation rate of 2.75%.
- Discount rate of 7.25%
- Mortality rates based on Pub-2016 General Employees Table
- Withdrawal rates: Teachers 1.90%-31.50% and non-teachers 2.50%-18.00%.
- Disability rates: 0.000%-0.507%
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15%-100%
- Ad hoc cost-of-living increases in pensions are periodically granted by the Legislature. However, the retirement system makes no automatic provision for such increases.

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

The long-term expected rate of return on pension plan investments was determined using 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 percentages and by adding expected inflation. Best estimates of the long-term geometric rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2025 and June 30, 2024 are summarized below.

2025

Asset Class	Long-term Expected Real Rate of Return	Target Allocation
Domestic equity	5.3%	22.5%
International equity	6.7%	22.5%
Fixed income	4.3%	15.0%
Real estate	7.2%	12.0%
Private equity	8.0%	12.0%
Hedge funds	5.0%	10.0%

2024

Asset Class	Long-term Expected Real Rate of Return	Target Allocation
Domestic equity	5.9%	22.5%
International equity	8.1%	22.5%
Fixed income	4.9%	15.0%
Real estate	6.8%	12.0%
Private equity	8.0%	12.0%
Hedge funds	4.3%	10.0%

Discount rate. The discount rate used to measure the total TRS pension liability at both June 30, 2026 and June 30, 2025 was 7.25%. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policies. Based on those assumptions, TRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on TRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the University's proportionate share of the TRS net pension liability as of June 30, 2026 and June 30, 2025 calculated using the discount rate of 7.25%, as well as what the University's TRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate (dollars in thousands):

2026

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$ 1,441	$ 508	$ 111

2025

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$ 1,757	$ 1,047	$ 446

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

The TRS net pension liability as of June 30, 2026 was measured as of July 1, 2024 rolled forward to June 30, 2025, which is the measurement date. The total pension liability at June 30, 2026 was determined by an actuarial valuation as of July 1, 2024 and rolled forward to the measurement date.

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

At June 30, 2026, the University's proportionate share of the TRS net pension liability was $1,324,000. Of this amount, the University recognized approximately $508,000 as its proportionate share on the statement of net position. The remainder of $816,000 denotes the University's proportionate share of net pension liability attributable to the special funding. TRS measured the net pension liability as of June 30, 2025.

At June 30, 2025, the University's proportionate share of the TRS net pension liability was $2,779,000. Of this amount, the University recognized approximately $1,047,000 as its proportionate share on the statement of net position. The remainder of $1,732,000 denotes the University's proportionate share of net pension liability attributable to the special funding. TRS measured the net pension liability as of June 30, 2024.

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 June 30, 2025, the University's proportion was .039081%, a decrease of .016412% from its proportion of .055493% calculated as of June 30, 2023. At June 30, 2024, the University's proportion was .055493%, a decrease of .012819% from its proportion of 0.068312% calculated as of June 30, 2023.

For the year ended June 30, 2026, the University recognized a TRS pension credit of ($522,000). Of this amount, ($539,000) was recognized as the University's proportionate share of the TRS expense and ($6,000) as the amount of pension credit attributable to special funding and $23,000 as the pension expense related to a non-special funding from a non-employer contributing entity. The University also recognized revenue of $17,000 for support provided by the State.

For the year ended June 30, 2025, the University recognized a TRS pension credit of ($415,000). Of this amount, ($583,000) was recognized as the University's proportionate share of the TRS expense and $130,000 as the amount of pension expense attributable to special funding and $38,000 as the pension expense related to a non-special funding from a

non-employer contributing entity. The University also recognized revenue of $168,000 for support provided by the State.

Deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follows at June 30 (dollars in thousands):

2026

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ -	$ 691
Net difference between projected and actual investment earnings	-	110
Difference between expected and actual experience	88	-
Contributions after the measurement date	120	-
Changes in assumptions	1	28
	$ 209	$ 829

2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ -	$ 923
Net difference between projected and actual investment earnings	-	108
Difference between expected and actual experience	108	-
Contributions after the measurement date	157	-
Changes in assumptions	27	-
	$ 292	$ 1,031

The University will recognize the $120,000 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the TRS net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in TRS pension expense as follows:

Fiscal Year Ended	Amortization
June 30, 2027	$ (118)
June 30, 2028	(369)
June 30, 2029	(225)
June 30, 2030	(28)
	$ (740)

Payables to the Pension Plan

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

12. BONDS PAYABLE

Bonds payable consisted of the following at June 30 (dollars in thousands):

	Original Interest Rate	Annual Principal Installment Due	2026 Principal Amount Outstanding	2025 Principal Amount Outstanding
Revenue Improvement Bonds, 2011 Series A, due through 2026	3.87%	$ 420 to $ 744	$ 4,318	$ 5,047
Revenue Bonds (Taxable), 2012 Series A, due through 2042	4.50%	$ 147 to $ 394	-	9,608
Revenue Bonds (Taxable), 2012 Series B, due through 2032	variable rate	$ 0 to $ 339	1,892	2,151
Revenue Refunding and Improvement Bonds (Taxable), 2013 Series B, due through 2043	4.04%	$ 995 to $ 890	10,520	10,980
Improvement Revenue Bonds (Taxable), 2014 Series B, due through 2043	4.50%	$ 10,075 to $ 24,105	79,050	79,050
Improvement Revenue Bonds, 2016 Series A, due through 2046,	variable rate	$ 0 to $ 678	13,503	14,181
Revenue Bonds, 2019 Series A, due through 2050	3.11%	$ 0 to $ 5,095	77,995	79,725
Revenue Bonds, 2019 Series B, due through 2042	1.89%	$ 0 to $ 8,345	39,125	39,125
Revenue Bonds, 2020 Series A, due through 2045	2.46%	$ 0 to $ 30,565	314,995	336,104
Revenue Bonds, 2020 Series B, due through 2036	2.20%	$ 595 to $ 163	8,053	8,845
Revenue Bonds, 2021 Series A, due through 2045	3.11%	$ 0 to $ 7,430	25,670	25,670
Revenue Bonds, 2021 Series B, due through 2042	3.06%	$ 0 to $ 7,125	45,005	45,005
Revenue Bonds, 2022 Series A, due through 2036	2.60%	$ 575 to $ 1,630	15,825	17,055
Revenue Bonds, 2023 Series A, due through 2038	4.95%	$ 1120 to $ 5,219	48,425	51,311
Revenue Bonds, 2025 Series A, due through 2038	4.77%	$ 337 to $ 4,689	29,662	-
Unamortized Bond Premium			21,916	24,063
Net Bonds Payable			$735,954	$747,920
Current Portion			36,538	32,112
Noncurrent Portion			$699,416	$715,808

Bond Indenture, Pledged Revenues and Board Authorization

The 2004 Bonds and all subsequently issued WVU Bonds ("the Bonds") are limited obligations of the Board, payable from and secured by a pledge of Fees and Gross Operating Revenues received by the Board, any interest earnings thereon and on the funds and accounts held by the Bond Trustee, and funds representing capitalized interest. Fees include Institutional Capital Fees, Auxiliary Fees, and Auxiliary Capital Fees. Gross Operating Revenues include all rents fees, charges and other income received by or accrued to the University from the operation and use of the Auxiliary Facilities. The Bonds are also payable from (but not secured by) other monies legally available to be used for such purposes.

The Bonds contain provisions that in the event of default (1) in due and punctual payment of principal or interest or (2) on any other covenants, agreements or conditions, the outstanding principal and accrued interest are due and payable immediately.

The WVU Bond Trust Indenture, dated as of November 1, 2004, is the original indenture upon which the 2004 Bonds were issued. Subsequently issued WVU Bonds were issued based on Supplemental Indentures to the 2004 Indenture, as resolved by the Board as follows:

Bond Issue	Indenture or Supplemental Indenture	Board Resolution
2004 A, B and C	Original	Adopted November 5, 2004
2011A	First Supplemental	Amended August 10, 2011
2011 B	Second Supplemental	Adopted June 6, 2011
2012 A	Third Supplemental	Adopted June 7, 2012
2012 B	Fourth Supplemental	Adopted September 28, 2012
2013 A and B	Fifth Supplemental	Adopted December 13, 2012
2014 A, B and C	Sixth Supplemental	Adopted April 4, 2014
2016 A	Seventh Supplemental	Adopted June 1, 2016
2019 A	Eighth Supplemental	Adopted July 31, 2019
2019 B	Ninth Supplemental	Adopted July 31, 2019
2020 A	Tenth Supplemental	Adopted January 24, 2020
2020 B	Eleventh Supplemental	Dated August 1 2020-Closing August 6, 2020
2011 A	PNC Amendment Twelth Supplemental	Dated February 1, 2021
2021 A and B	Thirteenth Supplemental	Dated May 1, 2021-Closing May 27, 2021
2022 A	Fourteenth Supplemental	Dated April 1, 2022-Closing April 14, 2022
2023 A	Fifteenth Supplemental	Dated May 1, 2023-Closing May 23, 2023
2025 A	Sixteenth Supplemental	Dated July 1, 2025-Closing July 2, 2025

2011 Bonds

During fiscal year 2012, the Board issued $250.3 million in revenue bonds as follows:

2011 Series A In August 2011, the Board issued the 2011 Series A Improvement Revenue bonds to finance the acquisition of a multi-story apartment complex known as "The Augusta on the Square" and other lots, buildings, houses and structures which were subject to liens

thereupon. The 2011 Series A bonds were issued on August 16, 2011 in the amount of $12,710,197.

2011 Series B In October 2011, the Board issued the 2011 Series B Improvement Revenue bonds in the par amount of $187,605,000. The actual proceeds received equaled $205.6 million. These bonds were issued to refinance the Childcare Center, Engineering Sciences Building, Energy Performance Lease Phase II, and Energy Performance Phase III lease purchases and to finance new projects. On March 10, 2020, these bonds were refunded in the amount of $154,743,974 with the issuance of the 2020 Series A bonds.

The 2011 bond proceeds of $268.3 million included net original issue premium of $18.0 million.

2012 Bonds

During fiscal year 2013, the Board issued the 2012 Bonds as follows:

2012 Series A On July 26, 2012, the Board issued the 2012 Series A (Taxable) bonds in the amount of $13,270,555 to finance the acquisition of the Suncrest Plaza. These bonds were a private placement bond issue with the Huntington Investment Company.

On March 9, 2026, the 2012 Series A bonds were redeemed at a price equal to 100% of the outstanding principal of $9.4 million, accrued interest of $.2 million, and a make-whole premium of $.2 million using the proceeds from the sale of the Suncrest Building (Peak Health) of $11.0 million. The unamortized premium of $.1 million was written off.

2012 Series B On December 13, 2012, the 2012 Series B (taxable) bonds were issued in the amount of $4,800,000 to finance the acquisition of the Square at Falling Run/Loop.

These bonds were a private placement bond issue with First United Bank & Trust, for a fixed rate of 2.5% for three years then adjusting annually based on the average yield on the U.S. Treasury Securities adjusted to a constant maturity of one year plus 175 basis points. The interest rate has a floor of 2.5%.

2013 Bonds

On February 13, 2013, the Board issued $210.5 million in revenue bonds as follows.

2013 Series A The 2013 Series A bonds were issued in the par amount of $138,325,000. The actual proceeds received equaled $160.5 million. These bonds were issued to (a) advance refund a portion of the University Revenue Improvement Bonds 2004 Series C, dated December 2, 2004, and issued in the original principal amount of $138,710,000, (b) advance refund a portion of the University Revenue Refunding Bonds 2004 Series B, dated December 2, 2004, maturing on and after October 1, 2015 and issued in the original principal amount of $55,430,000, (c) finance a portion of the costs of the 2013 A projects at the University including reimbursement to the University for certain capital expenditures made on the 2013 Series A projects prior to the issuance of the 2013 Series A bonds, and (d) pay the costs of issuance of the 2013 Series A bonds. On March 10, 2020, these bonds were refunded in the amount of $150,693,649 with the issuance of the 2020 Series A bonds.

2013 Series B The 2013 Series B bonds (Taxable) series were issued in the amount of $72,180,000 to (a) advance refund that portion of the 2004 Series C bonds not refunded with the proceeds of the 2013 Series A bonds, (b) finance a portion of the costs of the 2013 Series B projects including reimbursement to the University for certain capital expenditures made on the 2013 Series B projects prior to the issuance of the 2013 Series B bonds (the acquisition of the Sunnyside property), and (c) pay the costs of issuance of the 2013 Series B bonds.

2014 Bonds

On October 1, 2014, the Board issued $189.2 million in revenue bonds as follows:

2014 Series A The 2014 Series A bonds (tax exempt) were issued in the amount of $60,000,000. The actual proceeds received equaled $65,562,000. These bonds were issued to (a) finance the modernization of the University's Personal Rapid Transit system (the "PRT") including reimbursement for prior capital expenditures related to this project and (b) pay the costs of issuance of the 2014 Series A bonds. On March 10, 2020, these bonds were refunded in the amount of $71,004,970 with the issuance of the 2020 Series A bonds.

2014 Series B The 2014 Series B bonds (taxable) were issued in the amount of $79,050,000 to (a) finance certain Athletics capital projects including reimbursement for prior capital expenditures related to these projects and (b) pay the costs of issuance of the 2014 B bonds.

2014 Series C The 2014 Series C bonds (tax exempt) were issued in the amount of $50,190,000 with an interest rate based on the SIFMA index plus 53 basis points to (a) refund (the "Refunding") the 2011 Series C bonds, dated October 5, 2011 and (b) pay the costs of issuance of the 2014 C bonds. The initial Par Call Date with respect to the 2014 C Bonds was October 1, 2019. On September 25, 2019, these bonds were refunded in the amount of $50,190,000 with the issuance of the 2019 Series B bonds.

2016 Bonds

On June 29, 2016, the Board issued $20,000,000 in revenue bonds as follows:

2016 Series A The 2016 Series A bonds (tax exempt) were issued in the amount of $20,000,000 to finance Phase 1 of the Health Science Center infrastructure plan and to pay the costs of issuance. In fiscal year 2016, the University received proceeds of $327,000; the remaining proceeds of $19.7 million were received in fiscal year 2017.

2019 Bonds

On September 25, 2019, the Board issued $124,965,000 in revenue bonds as follows:

2019 Series A The 2019 Series A bonds (tax exempt) were issued in the amount of $85,840,000. The actual proceeds received equaled $101,315,156 of which $95,000,000 was designated for projects for Athletics, Hodges Hall and Reynolds Hall. The remaining proceeds of $5,826,351 were for capitalized interest; $488,805 was for cost of issuance.

2019 Series B The 2019 Series B bonds (tax exempt) were issued in the amount of $39,125,000. The actual proceeds received equaled $50,534,241. These bonds were issued to refund the 2014 Series C Bonds in the amount of $50,190,000. The refunding and redemption of the 2014 Series C Bonds was deemed more advantageous to the Board, the

University and the State, considering the financial effect, the implementation and other relevant factors, than remarketing them.

2020 Bonds

During fiscal year 2020 and 2021, the Board issued the 2020 revenue bonds as follows:

2020 Series A On March 10, 2020 the Board issued the 2020 Series A revenue bonds (taxable) in the amount of $377,785,000. These bonds were used to refinance the 2011 Series B bonds in the amount of $154,743,974, the 2013 Series A bonds in the amount of $150,693,649, and the 2014 Series A bonds in the amount of $71,004,970. The remaining funds were used for cost of issuance and other fees.

2020 Series B On August 6, 2020, the Board issued the 2020 Series B revenue bonds (taxable) in the amount of $12,500,000. These bonds were used to finance costs of improvements to Milan Puskar Stadium and the Coliseum.

2021 Bonds

On May 27, 2021 the Board issued the 2021 revenue bonds as follows:

2021 Series A The 2021 Series A bonds (tax exempt) were issued in the amount of $25,670,000. The actual proceeds received was $33,615,736 of which $32,297,560 was designated for Hodges Hall and the HSC Infrastructure Phase II projects, $1,083,844 was for capitalized interest, and $234,331 was for cost of issuance and underwriter's discount.

2021 Series B The 2021 Series B bonds (taxable) were issued in the amount of $45,005,000. The actual proceeds equaled $45,005,000 of which $43,530,325 was designated for projects related to Athletics and Reynolds Hall, $1,144,307 was for capitalized interest, and $330,368 was for cost of issuance and underwriter's discount.

2022 Bonds

On April 14, 2022 the Board issued the 2022 revenue bonds as follows:

2022 Series A The 2022 Series A bonds (taxable) were issued in the amount of $20,000,000 to finance the design, acquisition, construction, and equipping of certain capital improvements as part of the University annual capital improvements program and to pay the costs of issuance.

2023 Bonds

On May 23, 2023 the Board issued the 2023 revenue bonds as follows:

2023 Series A The 2023 Series A bonds (taxable) were issued in the amount of $56,500,000 to (a) finance the design, acquisition, construction, and equipping of certain capital improvements as part of the University annual capital improvements program, $25.0 million, (b) finance Phase I of the ERP Modernization Plan consisting primarily of the preliminary planning, design, development and implementation of the modernized enterprise resource planning platform, including related applications and software, $31.0 million, and (c) pay the costs of issuance, $.5 million.

2025 Bonds

On July 2, 2025 the Board issued the 2025 revenue bonds as follows:

2025 Series A The 2025 Series A bonds (taxable) were issued in the amount of $30,000,000 to (a) finance Phase II of the ERP Modernization Plan consisting primarily of the planning, design, development and implementation of the modernized enterprise resource planning platform, including related applications and software, $30.0 million, and (b) pay the costs of issuance, $.07 million**.**

Bond Summary

For the years ended June 30, 2026 and June 30, 2025, the University recorded a deferred loss on refunding of $11,093,000 and $11,776,000, respectively, on the statement of net position.

Total principal and interest payments remaining to be paid at June 30, 2026 and 2025 were $989.1 million and $1.0 billion, respectively. Total gross pledged revenue for fiscal year 2026 and 2025 was $179.0 million and $162.2 million, respectively.

The scheduled maturities of the revenue bonds are as follows (dollars in thousands):

Fiscal Year Ending June 30,	Principal	Interest	Total Payments
2027	$ 34,541	$ 24,137	$ 58,678
2028	31,144	23,379	54,523
2029	31,968	22,527	54,495
2030	32,265	21,636	53,901
2031	32,590	20,711	53,301
2032-2036	179,120	88,029	267,149
2037-2041	187,270	55,494	242,764
2042-2046	166,115	17,300	183,415
2047-2050	19,025	1,864	20,889
Bonds Payable	714,038	$ 275,077	$ 989,115
Unamortized Bond Premium	21,916		
Net Bonds Payable	735,954		
Current Portion	36,538		
Noncurrent Portion	$ 699,416		

13. LESSEE ARRANGEMENTS

The University leases real estate, equipment and software from external parties. The general terms of these lease agreements are as follows:

Lease Type	Description	Lessee	Related Party Lessor	Rate	Lease Term	Payment Frequency	Payment Amount
Real Estate	Evansdale Crossing	WVU	WVU Connector	2.96%	7/1/2020 - 11/30/2055	Monthly	185,453
Real Estate	One Waterfront	WVU	WVU Foundation	2.96%	5/18/2001 - 5/31/2031	Monthly	$ 164,583
Real Estate	CED Building on Hartman Run Road	WVU		3.05%	8/1/2016 - 7/31/2026	Monthly	33,370
Real Estate	HSC Fresh Kitchen	WVU	HSC Fresh	4.18%	9/1/2019 - 8/31/2036	Monthly	31,445
Real Estate	UPark Grab n Go	WVU	University Park	2.96%	8/1/2015 - 12/31/2054	Monthly	4,318
Real Estate	Office Space in Charleston, WV	WVU		3.27%	1/1/2020 - 12/31/2026	Monthly	2,917
Real Estate	Putnam County Extension	WVU		3.23%	7/1/2023 -6/30/2028	Monthly	2,382
Real Estate	Office space Morgantown, WV	WVU		3.27%	7/1/2024 to 12/31/2027	Monthly	2,218
Real Estate	Cabell County Extension	WVU		3.27%	4/1/2026-6/30/2028	Monthly	1,450
Equipment	UPark and Oakland Hall security	WVU		7.85%	6/1/2026-5/31/2031	Annually	302,326
Equipment	Library server equipment	WVU		3.27%	6/1/2026-9/30/2030	Annually	75,273
Equipment	Athletics baseball equipment	WVU		3.27%	7/16/2025-7/15/2028	Annually	40,000
Equipment	Postage and Mail	WVU		13.71%	12/30/2024 to 12/29/2029	Quarterly	6,432
Equipment	Postage and Mail	WVU		3.27%	4/30/2025 - 4/29/2030	Quarterly	2,170
Equipment	Postage and Mail	WVU		3.23%	9/1/2023 - 9/30/2027	Quarterly	2,165
Equipment	Postage and Mail	WVU		13.71%	12/30/2024 to 12/29/2029	Quarterly	1,476
Equipment	Postage and Mail	WVU		3.03%	10/1/2022 - 10/1/2027	Quarterly	814
Equipment	Postage and Mail	WVU		3.05%	5/10/2021 - 5/9/2026	Quarterly	637
Equipment	Postage and Mail	WVU		3.23%	3/1/2024 - 2/27/2027	Quarterly	572
Real Estate	Equities House in Charleston, WV	WVURC		3.27%	3/1/2019 - 6/30/2029	Monthly	33,647
Real Estate	Office Space in Charleston, WV	WVURC		3.27%	10/1/2025 - 9/30/2030	Biannually	21,000
Real Estate	Building on Canyon Road	WVURC		3.05%	9/16/2017 - 3/31/2036	Monthly	10,827
Real Estate	Office Space on Dents Run Road	WVURC		3.27%	8/1/2019 - 3/31/2028	Monthly	6,665
Real Estate	Office Space in Morgantown, WV	WVURC		3.23%	7/1/2023 - 6/30/2028	Monthly	7,692
Real Estate	Office Space in Lewisburg, WV	WVURC		3.27%	10/1/2021-9/30/2025; 10/1/2025 - 9/30/2030	Monthly	4,465
Real Estate	Office Space in Washington, DC	WVURC		3.27%	11/17/2017 - 12/31/2026	Monthly	2,780
Real Estate	Office Space in Martinsburg, WV	WVURC		3.27%	1/1/2023 - 12/31/2025 (lease terminated early)	Monthly	1,770
Equipment	Nav1FUS Ultrasound Device	WVURC		3.27%	6/1/2025-5/31/2027	Quarterly	18,900

The future lease payments are discounted using the interest rate charged by the lessor or the interest rate implicit in the lease. If the interest rate could not be readily determined, the estimated incremental borrowing rate was used.

The scheduled principal and interest payments to maturity are as follows (dollars in thousands):

Fiscal Year Ending June 30,	Principal	Interest
2027	$ 3,281	$ 2,292
2028	3,751	2,167
2029	3,654	2,037
2030	3,360	1,913
2031	2,827	1,795
2032-2036	5,693	8,286
2037-2041	3,951	7,498
2042-2046	4,511	6,876
2047-2051	5,232	6,154
2052-2056	5,990	5,318
2057-2061	6,746	4,381
2062-2066	7,821	3,306
2067-2071	9,066	2,061
2072-2076	9,203	626
Lease Payable	$ 75,086	$ 54,710
Current Portion	3,281	
Noncurrent Portion	$ 71,805	

There were no variable lease payments, residual value guarantees, or termination penalties not previously included in the measurement of the related lease liabilities during the years ended June 30, 2026 and 2025. The monthly payments on the University Grab-n-Go lease are adjusted according to the Consumer Price Index (CPI-U Urban Consumers South Region All Items) every five years; such adjustments cannot exceed 3% per year unless mutually agreed upon by both parties.

See Note 8 for balances and changes in intangible right-to-use assets, including leased assets, at June 30, 2026 and 2025.

14. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The University has entered into various subscription-based information technology arrangements with external vendors. The subscription term of these contracts vary and range from October 6, 2021 through January 31, 2031. Most payments are annual. Payment amounts range from $11,180 to $864,883. If the interest rate was not readily determinable, the University's incremental borrowing rate was used.

The scheduled principal and interest payments to maturity are as follows (dollars in thousands):

Fiscal Year Ending June 30,	Principal	Interest
2027	$ 10,358	$ 541
2028	5,274	240
2029	1,804	71
2030	267	14
2031	146	5
Subscription Liabilities	$ 17,849	$ 871
Current Portion	10,358	
Noncurrent Portion	$ 7,491	

There were no variable payments or termination penalties not previously included in the measurement of the related subscription liabilities during the years ended June 30, 2026 and 2025.

See Note 8 for balances and changes in intangible right-to-use assets, including subscription assets, at June 30, 2026 and 2025.

15. PUBLIC PRIVATE PARTNERSHIPS

The University has entered into various public private partnerships for the development of residential and retail facilities.

a. *West Virginia Campus Housing, LLC ("WVCH")* — In fiscal year 2013, the University entered into a public-private arrangement with Paradigm and WVCH for the design, construction, financing, management and operation of University Place (student housing and commercial facilities). In October 2012, the University acquired 39 parcels of real property with improvements from Paradigm in the Sunnyside area for $14.6 million. Subsequently, in February 2013, the University entered into lease and development, sublease and joint operating agreements with Paradigm and WVCH. This project was completed in November 2014, and in accordance with the lease and development agreement, WVCH transferred buildings in the amount of $75.4 million, and non-capital furniture and equipment in the amount of $2.1 million, to the University during fiscal year 2015. An additional $14.6 million of capital assets

(buildings, land improvements and infrastructure) were transferred to the University in fiscal year 2016.

The agreement stipulates that WVCH will retain all rents collected at the facility and will provide a percentage of net revenue annually to the University. The University will provide for any shortfall in the payment of scheduled principal and interest on the project loan and any interest related swap or other hedging transaction as required through June 30, 2025. WVCH will pay the University a management fee of 4% of gross revenues for management of the project, excluding the commercial leasing portion. WVCH will reimburse the University for other expenses incurred in the ordinary course of managing the project. WVCH may make annual distributions to the University after rents due to the University are paid so long as the operating accounts contain sufficient working capital. WVCH will also pay the University $5.9 million, with an annual cap of $737,500, based on cash available after payment of principal and interest on the project loan and reimbursement of current year project expenses, to reimburse the University for indirect fixed costs associated with student life activities.

The University wrote off accounts receivable of $5.1 million during fiscal year 2026 as a result of a negotiated resolution of litigation concerning this public-private arrangement and related financing. This included project reimbursable expenses of $1.6 million, management fees of $3.1 million, Seneca Hall conversion costs of $147,000 and student life activity costs of $226,000.

b. *University Park at Evansdale, LLC ("UPE")* — In fiscal year 2014, the University entered into a public-private arrangement with UPE for the development, financing, construction and management of University Park (student housing and commercial facilities). Per this agreement, the University leases the land to UPE. UPE constructed improvements upon the land and transferred the improvements to the University. The University leases the land, improvements and personal property located on the premises to UPE. The agreement will be in place for 40 years with a guaranteed option to renew for a term equal to the remaining term of any leasehold deed of trust then outstanding, if any, plus 15 years and an option to extend the agreement for one additional term of 10 years. This project was completed in August 2015.

   The agreement stipulates that UPE will retain all rents collected at the facility and will provide a percentage of net revenue annually to the University. UPE will pay the University a management fee of 4% of gross revenues for management of the project, excluding the commercial leasing portion. UPE will reimburse the University for reasonable expenses incurred in the ordinary course of rendering services under the management and operating agreement.

   Under sublease agreements with UPE, UPE subleases the Grab-n-Go premises at University Park to the University. (See Note 13 for more information.)

c. *Downtown Campus Parking Associates ("DCPA")* — In fiscal year 2013, the University entered into a public-private arrangement with Paradigm and WVCH for the development, financing, construction and management of student housing facilities and various amenities including commercial and parking facilities (known as University Place). WVCH entered into an agreement with DCPA (an affiliate of WVCH) to sublease the certain portion of real property and delegate, transfer and assign its duties and obligations under the lease and development agreement with the University for the acquisition, design, development, financing, construction and operation of the parking

facilities project. Under this agreement, DCPA constructed and transferred ownership of certain parking facility improvements, including a 500-space parking garage with first floor commercial space. This project was completed in November 2015 and DCPA transferred the garage building and parking equipment in the amount of $17.9 million to the University in fiscal year 2016.

The parking facilities sublease agreement stipulates that the University will remit 100% of net revenues received from the operation of the parking facilities to DCPA as lease payments, not to exceed DCPA's scheduled principal and interest on the parking facilities financing for the current year plus its net operating margin (deficit) from the parking facilities project. If the University's net revenues from the operation of the parking facilities are insufficient to meet DCPA's debt-service and operating needs, the University will make additional lease payments in the amount of the shortfall, which will be owed back to the University from housing revenues of WVCH. Accordingly, the University recorded lease payments of $509,000 and additional lease payments of $529,000 to DCPA as of June 30, 2025.

DCPA obtained financing for the project in an amount not to exceed $40.0 million. The University's understanding was that up to $24.0 million was to construct the parking garage and the remaining $16.0 million was to be used to acquire additional property and to construct a surface lot on the additional property. The University became aware that $14.0 million of the $16.0 million was used to make improvements to the WVCH property. It is the position of the University that it is only required to cover any shortfall on the $24.0 million allocated to the parking garage.

The University wrote off accounts receivable of $1.8 million for preferential rent during fiscal year 2026 as a result of a negotiated resolution of litigation concerning this public-private arrangement and related financing.

d. *WVU Connector, LLC* — In fiscal year 2014, the University entered into a public-private arrangement with WVU Connector for the development of certain real property owned by the University on its Evansdale campus for a full-service student support services project, amenities and limited commercial development (Evansdale Crossing). According to this agreement, the University leased the property to WVU Connector and WVU Connector constructed improvements upon the property. The initial term of the lease will be for 40 years with the option to extend the lease term for two additional terms of 10 years. The project was completed in December 2015.

The agreement stipulates that WVU Connector will retain all rents collected at the facility and will provide a percentage of net revenue annually to the University. WVU Connector will pay the University a management fee of 1% of gross rental revenues for management of the project. The University will pay common area maintenance ("CAM") fees to WVU Connector and cover operating expenses in excess of CAM.

Under a sublease agreement with WVU Connector, WVU Connector subleases space at Evansdale Crossing to the University. (See Note 13 for more information.)

16. DIRECT PLACEMENT DEBT (NOTES PAYABLE)

Health Sciences Center Construction Loan – In December 2012, the Corporation refinanced various construction loans with United Bank, Inc. in the principal amount of $22.1 million at an interest rate, initially 1.90%, resetting every five years. Beginning August 2014, the loan agreement allows the Corporation to prepay the loan with 60 days notice and without any penalty or premium, and it allows the bank to "put" all or part of the loan to the Corporation with 60 days notice and without any penalty or premium.

The loan is pledged by facilities and administrative revenues received by the Corporation under any grants, contracts, and other agreements on behalf of the HSC as follows:

1) 30% of the total HSC facilities and administrative revenues, up to a total of $6.8 million ("threshold amount") received by the Corporation in any single fiscal year.

2) 70% of the total HSC facilities and administrative revenues above the threshold amount received by the Corporation in such fiscal year.

The Health Sciences Construction Loan contains provisions for the event of default in the payment of interest or principal; under the loan documents; breach of contract; filing of liens against collateral; litigation against borrower; levy upon the collateral; bankruptcy or insolvency; cessation of legal existence; transfer or encumbrance or collateral; false representation or warranty; adverse change in financial condition or in the condition of the collateral; significant curtailment of operations; or failure to disprove default. In the event of default, United Bank, Inc. will be entitled to proceed with the following remedies: (1) acceleration of maturity and the sale of collateral, and (2) increase in the interest rate applicable to any payment due, but not paid when due, by five percent during the period of time that the default is uncured.

Upon sixty days' prior written notice, beginning on August 21, 2014, United Bank, Inc. will have the right to put all or a portion of the loan outstanding back to the Corporation and the Corporation will be required to pay the principal amount being put plus accrued interest, but without any penalty or premium.

Total principal to be paid at June 30, 2026 and June 30, 2025 was approximately $12.6 million and $13.4 million, respectively. Total interest paid through June 30, 2026 and June 30, 2025 was approximately $7.9 million and $7.2 million, respectively. Total facilities and administrative revenues earned by HSC during fiscal year 2026 and 2025 were $21.0 million and $21.9 million, respectively. Total pledged revenue as of June 30, 2026 and June 30, 2025 was $14.7 million and $15.3 million, respectively.

Beckley Loan – During fiscal year 2016, the Corporation negotiated a 90-day note with United Bank in the amount of $12 million for reimbursement of the purchase and start-up costs related to the Beckley campus of the University. This note, which would have ended on September 27, 2016, was extended until December 27, 2016. The extension was for the same amount under the same terms.

On December 15, 2016, the Corporation closed on a note with United Bank for $36,090,000. The proceeds of the loan were used to pay the 90 day note in full and to reimburse the University for the purchase of the Beckley campus as well as for capital improvements to the campus. Additionally, the proceeds include capital interest of $3.0

million as the loan will have a capitalized interest period of three years. The amortization term was 30 years. The interest rate is set for 5-year increments beginning with a rate of 3.11% fixed for the first five years and a spread to the 5-year constant U.S. Treasury Maturity rate thereafter. The spread is based on the University's rating with Moody's.

On December 22, 2017, the Corporation closed on a new note with Wells Fargo for $42.0 million. The proceeds of the loan were used to pay the United Bank loan and provide additional funds for the Beckley campus projects. The amortization term for the loan is 40 years with a fixed interest rate of 4.45%.

On August 9, 2016, the Corporation entered into a lease agreement with the University for the lease of assets required by the University for the operation of the Beckley campus. This agreement was amended on December 15, 2016 to reflect an increase in the principal amount of the loan. This agreement was again amended on December 22, 2017 in conjunction with the Wells Fargo note. The base rentals are to equal the principal and interest payments on the loan.
The deed of trust on the property on the Beckley campus including the buildings, structures and improvements, and fixtures is secured as collateral on this note along with any income from leases and rents.

The Beckley Loan contains provisions for the event of default in the payment of interest, principal or premium when due; in any covenant or agreement, any provision of the security instrument, the lease agreement, or any other provision of the operative agreement; a deposit shortfall under the cash management agreement; false representation or warranty; if final judgment for the payment of money is rendered against the Corporation and the Corporation fails to discharge within sixty days; default under any other mortgage or security agreement covering any part of the property; bankruptcy or insolvency; cessation of legal existence; if the lease, any other lease or any lease guaranty ceases to be in full force and effect; any set-off, abatement, withholding, suspension or reduction in rent paid or payable by the tenant under the lease; or filing of liens against the collateral.

In the event of default, Wells Fargo will be entitled to proceed with the following remedies: (1) declare the entire unpaid balance, accrued interest and premium immediately due and payable; (2) sell the collateral.

Financed purchases –The University has entered into certain contracts that transfer ownership of the underlying asset to the University by the end of the contract term and do not contain termination options. As of June 30, 2026, these contracts include agreements with Siemens Building Technologies, Inc. for Phase III of the Energy Performance contract which was financed by lease purchase agreements with Suntrust Leasing Corporation ("Suntrust") and a lease purchase agreement with Dell Financial Services, LLC and Juniper Financial Services.

GBE Foundation Loan - On July 30, 2025, GBE entered into a non-revolving line of credit agreement with the Foundation for $2.5 million to finance the purchase of intangible assets. Principal and interest payments are due on a quarterly basis at an interest rate of 4.25%. The outstanding note from the direct borrowing contains a provision that in the event of default, outstanding amounts will become immediately due.

The scheduled maturities of the notes payable are as follows (dollars in thousands):

Fiscal Year Ending June 30,	Principal	Interest
2027	$ 3,647	$ 2,537
2028	3,021	2,537
2029	3,158	2,400
2030	2,878	2,257
2031	2,227	2,138
2032-2036	10,965	9,068
2037-2041	7,073	6,631
2042-2046	6,157	5,308
2047-2051	7,689	3,776
2052-2056	9,601	1,864
2057-2058	3,321	118
	59,737	38,634
Current Portion	3,647	
Noncurrent Portion	$ 56,090	

17. REAL ESTATE PURCHASE AGREEMENTS PAYABLE

Square at Falling Run/Loop Agreement - During fiscal year 2013, the University purchased several properties located at the Square at Falling Run/Loop. This purchase included a real estate purchase agreement payable to the City of Morgantown Building Commission in the amount of $4.2 million due in 2026 less the following credits: 1) all B&O taxes paid to the City of Morgantown prior to August 31, 2026 for construction expenditures on the Loop project in excess of $30 million, 2) all B&O taxes paid to the City of Morgantown prior to August 31, 2026 for construction expenses on the College Park project, and 3) all B&O taxes paid to the City of Morgantown prior to August 31, 2026 arising from and directly associated with any construction, retail, commercial, rental, and other development activities located in, or with respect to the completion of, the commercial space in the Square at Falling Run, College Park, and Sunnyside, 4) all Airport Grant Funds received or obtained prior to August 31, 2026 as a result of Transferee's direct solicitation efforts, or indirectly as a result of specifically identifiable efforts, contracts, or commitments. The above credits have reduced the liability to $0 at both June 30, 2026 and June 30, 2025. Also, the purchase included a Tax Increment Financing (TIF) District Guaranty to First United Bank & Trust for $120,000 annually through September 1, 2032. This has been recorded at a present value of $1,484,607 at the following interest rates: 2.5% through June 2014, 3.5% from June 2014 through June 2017, and 5.69% from June 2017 through June 2033.

Evansdale Campus Financing Agreement - During fiscal year 2015, the University obtained external financing from WesBanco in the amount of $13,250,000 to finance the purchase of real estate on the Evansdale Campus. The University agreed to make installment payments of $759,000 per year through September 1, 2024. In July 2024 an amendment was executed to refinance the $10.5 million bullet payment due on September 1, 2024.

This real estate, located on the Evansdale Campus, is secured as collateral on this agreement along with any income from rents and leases.

The Evansdale Campus Agreement contains provisions for the event of default in the failure to pay any lease payment or any other required payment when due; in the failure to maintain insurance on the property; in any other covenant, condition or agreement; or insolvency or liquidation. In the event of default, Wesbanco can terminate this agreement and retake possession of this property and can lease, sublease or sell the property; declare an amount equal to all payments due during the fiscal year in which the default occurred to be immediately due and payable; or increase the interest rate by a two-percentage point margin. Once the default is cured, the interest rate will return to the rate provided in the agreement on the date following the date the payment is made during the default.

The scheduled maturities of the real estate purchase agreements payable (Evansdale Campus Financing Agreement) are as follows (dollars in thousands):

Fiscal Year Ending June 30,	Principal	Interest
2027	$ 786	$ 541
2028	915	533
2029	981	467
2030	1,055	384
2031	1,128	310
2032-2035	4,098	453
Real Estate Purchase Agreements Payable	8,963	2,688
Current Portion	786	
Noncurrent Portion	$ 8,177	

These liabilities are classified as real estate purchase agreements payable on the statement of net position.

18. STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS (DEBT SERVICE PAYABLE TO COMMISSION)

The University is a State institution of higher education. It receives a State appropriation in partial support of its operations. In addition, the University is subject to the legislative and administrative mandates of State government. Those mandates affect all aspects of the University's operations, its tuition and fee structure, its personnel policies and its administrative practices.

The State has chartered the Commission with the responsibility to construct or renovate, finance and maintain various academic and other facilities of the State's universities and colleges, including certain facilities of the University. Financing for these facilities was provided through revenue bonds issued by either the former Board of Regents, the former University System of West Virginia, the former State College System of West Virginia or the former Interim Governing Board (collectively, the "Boards"). These obligations

administered by the Commission are the direct and total responsibility of the Commission, as successor to the former boards.

The Commission assesses each public institution of higher education for funds to meet the payment of debt service on these various bonds. Certain tuition and registration fees (referred to as system fees) of the members of the former State University System are generally pledged as collateral for the Commission's bond indebtedness. Student fees collected by the institution in excess of the debt service allocation are retained by the institution for internal funding of capital projects and maintenance. The bonds remain as a capital obligation of the Commission; however, effective June 30, 2002, an amount of principal related to each institution was reported as debt service assessment payable to the Commission by each institution and as a receivable by the Commission.

The Commission issued 2004 Series B Higher Education Facilities Revenue Bonds (the "HEPC 2004 B Bonds") in August 2004 to provide funds for capital improvements at institutions of higher education throughout the State's universities and colleges, including the University. In June 2012, a portion of the HEPC 2004 Bonds were advance refunded by the State of West Virginia Higher Education Policy Commission Revenue Refunding Bonds (Higher Education Facilities) 2012 Series A and Revenue Bonds (Higher Education Facilities) 2012 Series B Bonds (the "HEPC 2012 Bonds"). The HEPC 2004 B Bonds and the HEPC 2012 Bonds are secured by the pledge of higher education institutions' tuition and registration fees as well as excess lottery revenues. The HEPC 2004 B Bonds and the HEPC 2012 Bonds are considered an indirect obligation of the University and the principal amount of the bonds related to the University is not reported as a payable to the Commission.

The scheduled maturities of the debt service payable to the Commission are as follows (dollars in thousands):

Fiscal Year Ending June 30,	Principal	Interest
2027	$ 4,756	$ 5,861
2028	4,853	5,761
2029	1,153	5,647
2030	1,084	5,716
2031	1,019	5,781
Debt Service Assessment Payable to the Commission	$ 12,865	$ 28,766
Current Portion	4,756	
Noncurrent Position	$ 8,109	

19. DEFINED CONTRIBUTION PENSION PLANS

Substantially all eligible employees of the University participate in either TRS or the Teachers Insurance and Annuities Association - College Retirement Equities Fund (TIAA-CREF). (See Note 11 for information regarding TRS.)

The TIAA-CREF plan is a defined-contribution benefit plan in which benefits are based upon amounts contributed plus investment earnings. Each employee who elects to participate in this plan is required to make a contribution equal to 3% (for employees of the Corporation enrolled in TIAA-CREF) or 6% (for employees of the State enrolled in TIAA-CREF or Empower Retirement) of their total annual compensation. The University simultaneously matches the employees' 3% or 6% contribution. Contributions are immediately and fully vested.

Contributions to the TIAA-CREF for each of the last three fiscal years were approximately as follows (dollars in thousands):

Fiscal Year Ending June 30,	WVU	Employees	Total
2026	$ 33,515	$ 33,515	$ 67,030
2025	32,846	32,846	65,692
2024	33,217	33,217	66,434

The University's total payroll for fiscal years 2026, 2025, and 2024 was $588.3 million, $585.5 million, and $594.2 million, respectively; total covered employees' salaries in TIAA-CREF were approximately $560.3 million in fiscal year 2026, $552.4 million in fiscal year 2025, and $558.8 million in fiscal year 2024, respectively.

20. COMMITMENTS

a. *Purchase Commitment* – The University has signed an agreement providing for the purchase of steam through the year 2027 from a nearby facility that commenced operations in late 1992. In 2023, this agreement was extended through August 1, 2029. Under the agreement, the University has an annual minimum steam purchase requirement, purchased at an operating rate calculated in accordance with the agreement. This operating rate is adjusted monthly based on actual production costs and other cost indices. Management believes that the rate is comparable to market rates. At June 30, 2026, the University was committed to an additional purchase of $631,000 to meet the minimum steam purchase requirement for the contract year ended September 30, 2026. The University anticipates substantially meeting the minimum steam purchase requirement for the remaining term of its commitment; however, payments in future years will be dependent on actual operating costs and other cost indices in those years.

b. *Construction Commitments* – The University has entered into contracts for the construction and improvement of various facilities. These outstanding contractual commitments totaled approximately $6.0 million at June 30, 2026.

c. *Other Commitments* – The University is involved in legal action regarding normal business activities. Management does not feel that these actions are material and pose a

financial threat to the University and, accordingly, no liability is accrued at June 30, 2026 and 2025.

21. AFFILIATED ORGANIZATIONS

The University has affiliations with separately incorporated organizations including West Virginia United Health System, Inc. ("WVUHS"), which includes West Virginia University Hospitals, Incorporated and West Virginia University Innovation Corporation ("WVUIC"); West Virginia University Alumni Association, Incorporated (the "Association"); West Virginia University Medical Corporation; the Physician's Office of Charleston; University Healthcare Physicians, Inc.; the West Virginia University Dental Corporation; Potomac State College Alumni Association; WV Campus Housing, LLC; American Campus Communities Operating Partnership, LLP ("ACC"), University Park at Evansdale, LLC; Downtown Campus Parking Associates; WVU Connector, LLC, and HSC Fresh Kitchen, LLC. Oversight responsibility for these entities rests with independent Boards and management not otherwise affiliated with the University. These organizations do not meet the criteria for determination as component units of the University as described in GASB standards. Accordingly, the financial statements of all such organizations are not included in the accompanying financial statements.

The National Aeronautics and Space Administration Independent Verification and Validation facility was established in Fairmont, West Virginia in 1993 in partnership with the University. Under a cooperative agreement with the University, verification and validation research programs are conducted at the facility. The facility is operated and maintained by the University's Facilities and Services Division.

Related Party Transactions

a. *West Virginia University Medical Corporation* – West Virginia University Medical Corporation (the "Morgantown practice plan") is a West Virginia not-for-profit corporation and serves as the faculty practice plan of West Virginia University School of Medicine (WVUSOM) in Morgantown WV. The membership of the Morgantown practice plan consists of physicians who are faculty members of the WVUSOM. The Morgantown practice plan coordinates its activities with these schools by operating outpatient clinics staffed by such faculty, billing and collecting for professional medical services furnished by the Morgantown practice plan's membership, appropriately distributing receipts generated by billings, providing educationally oriented clinical practice settings and opportunities, and providing other clinical practice management services. On January 1, 2023, the Eastern practice plan merged into the Morgantown practice plan. As a result of the merger, the Morgantown practice plan expects to more closely align the operational goals of both organizations in support of the WVUSOM and WVUHS.

   The University is reimbursed by the Morgantown practice plan for the use of certain facilities, Physician Office Center (POC) utility costs and other costs of the WVUSOM, including medical malpractice insurance premiums. The University reimburses the Morgantown practice plan for costs associated with the services it provides to the University. During fiscal year 2004, the Legislature reallocated HSC state appropriations to the Medicaid program in Health and Human Services. The HSC currently receives some state appropriations through the Medicaid program from the Morgantown practice plan. The University leases certain land and building space on

the Health Science Center campus to the Morgantown practice plan on a short-term basis or for a nominal amount.

Total funds disbursed to the Morgantown practice plan and total funds collected from the Morgantown practice plan totaled $5.2 million and $96.4 million in fiscal year 2026 and $7.4 million and $77.1 million in fiscal year 2025, respectively. Accounts receivable at June 30, 2026 and 2025 include $7.6 million and $7.1 million, respectively, due from the Morgantown practice plan for such items as mission support, reimbursement for medical malpractice insurance, facility rental fees, utility cost reimbursement, and faculty teaching support. There were no amounts due to the Morgantown practice plan at June 30, 2026 or 2025.

b. *West Virginia University Physicians of Charleston* – West Virginia University Physicians of Charleston (the "Charleston practice plan") is a West Virginia not-for-profit corporation and serves as the faculty practice plan of WVUSOM in Charleston, WV. The membership of the Charleston practice plan consists of physicians who are faculty members of the WVUSOM. The Charleston practice plan coordinates its activities with these schools by operating outpatient clinics staffed by such faculty, billing and collecting for professional medical services furnished by the plan's membership, distributing receipts generated by billings, providing educationally oriented clinical practice settings and opportunities, and providing other practice management services.

   The University is reimbursed by the Charleston practice plan for costs of the WVUSOM, Charleston Division, including medical malpractice insurance premiums and salary support. The HSC currently receives some state appropriations through the Medicaid program from Physicians of Charleston. Accounts receivable due from Physicians of Charleston for such items as mission support and reimbursement for medical malpractice insurance.

   Total funds collected from the Charleston practice plan totaled $7.2 million in fiscal year 2026 and $7.4 million in fiscal year 2025, respectively. Accounts receivable at June 30, 2026 and 2025 include $400,000 and $500,000, respectively, for such items as medical malpractice insurance and salary support. There were no amounts due to the Charleston practice plan at June 30, 2026 or 2025. There were no funds disbursed to the Charleston practice plan in fiscal year 2026 or 2025.

c. *West Virginia University Dental Corporation* – West Virginia University Dental Corporation (the "dental practice plan") is a West Virginia not-for-profit corporation and serves as the faculty practice plan of West Virginia School of Dentistry (WVUSOD). The membership of the dental practice plan consists of dentists who are faculty members of the WVUSOD. The dental practice plan coordinates its activities with these schools by operating outpatient clinics staffed by such faculty, billing and collecting for professional medical services furnished by the plan's membership, distributing receipts generated by billings, providing educationally oriented clinical practice settings and opportunities, and providing other practice management services.

   The University is reimbursed by the dental practice plan for the use of certain facilities and other costs of the School of Dentistry, including medical malpractice insurance premiums, salary support and dental clinic supplies. Accounts receivable due from Dental Corporation for such items as mission support, reimbursement for medical

malpractice insurance, facility rental fees and reimbursement of dentistry clinic supplies.

Total funds collected from the dental practice plan totaled $2.4 million in fiscal year 2026 and $2.1 million in fiscal year 2025, respectively. Accounts receivable at June 30, 2026 and 2025 include $200,000 and $200,000, respectively, for such items as medical malpractice insurance, facility rental fees, clinic supplies and student expenses. There were no amounts due to the dental practice plan at June 30, 2026 or 2025. There were no funds disbursed to the dental practice plan in fiscal year 2026 or 2025.

d. *West Virginia University Hospitals, Incorporated* – The Hospital is a not-for-profit corporation, established in West Virginia, to facilitate clinical education and research of the HSC. The Hospital's tertiary care teaching facility, Ruby Memorial, serves as the primary teaching hospital for the faculty and residents of the HSC and operates graduate medical education programs. The Hospital has entered into a Resident Support agreement with the University, under which the Hospital reimburses the WVUSOM for resident salaries and fringes support and for the cost of malpractice insurance for the residents. The Hospital also compensates the WVUSOM for a range of services via the Clinical Teaching Support agreement, Medical Direction and Support agreement, Mission Support agreement and Faculty Physician Support agreement. During fiscal year 2004, the Legislature reallocated HSC state appropriations to the Medicaid program in Health and Human Services. The HSC currently receives some state appropriations through the Medicaid program from the Hospital. The University leases certain land and building space on the Health Science Center campus to the Hospital on a short-term basis or for a nominal amount.

   During fiscal years 2026 and 2025, $60.0 million and $54.0 million, respectively, was received from WVUH for such items as residents' support, reimbursement for medical malpractice insurance for the residents, reimbursement of salaries and fringe benefits for hospital employees paid by the University, reimbursement for electricity and steam costs, and rent. Accounts receivable at June 30, 2026 and 2025 include $2.3 million and $2.6 million, respectively, due from WVUH for such items. During fiscal years 2026 and 2025 $100,000 and $300,000, respectively, was paid to WVUH for rent and other services. Accounts payable at both June 30, 2026 and 2025 were $0 for such items.

e. *West Virginia University Innovation Corporation (WVUIC)* – Effective April 1, 2022, WVUIC's bylaws were amended and restated such that the WVUHS and the University have equal voting control in WVUIC through appointment of 50% each of the Board of Directors of WVUIC. Also effective April 1, 2022, an asset purchase agreement was executed whereby WVUIC acquired a former pharmaceutical manufacturing facility from Viatris, Inc., Mylan, Inc. and Mylan Pharmaceuticals, Inc. at a purchase price of $1. According to the purchase agreement, the facility cannot be sold for the first 12 years from the date the facility was acquired. The facility is no longer being operated as a pharmaceutical manufacturing facility and WVUIC intends to sub-divide, market and lease the space to potential future tenants. During the first two years of WVUIC's operation of the facility, costs and excess revenues will be allocated 75% to WVUHS and 25% to the Corporation. WVUHS has control over WVUIC through a management services and operation agreement with WVUIC and economic interest, thus WVUIC's financial statements are included in the consolidated financial statements for WVUHS.

During fiscal year 2024, the Corporation paid $432,000 to WVUIC for its allocated share of WVUIC's operating margin from April 1, 2023 through June 30, 2023. WVUHS covered 100% of the operating margin for the period ending June 30, 2023 and June 30, 2024. The Corporation paid $998,000 to WVUIC for its allocated share of the operating margin from July 1, 2024 through March 31, 2025.

f. *West Virginia University Alumni Association, Incorporated* – The Association is a West Virginia not-for-profit corporation and was established to promote and advance the interests and welfare of the University and to foster a spirit of fraternity and loyalty among graduates, former students, faculty and other friends of the University.

On November 4, 2021, the University and the Association entered into a master administrative agreement. Under this agreement, as of January 3, 2022, the University will supervise, direct, control and manage the operations of the Association, including alumni relations strategy, in collaboration and consultation with the Association. The Association will continue to manage alumni data, fundraising for the Association, and communications related to alumni development efforts and will retain ownership of the Erickson Alumni Center ("the Center"). Association staff officially became employees of the University on or before January 3, 2022 and, under this agreement, the University will provide the Association with the following services at no cost: information technology services; financial, accounting, and risk management services; communication and marketing services; legal services; business services including mail, facilities management, construction and maintenance management, and procurement; human resources support; support for the development of corporate sponsorships; government relations services; and other general administrative services.

The Association was billed $1,232,000 and $1,157,000 for contracted services provided by the University during fiscal year 2026 and 2025, respectively; $768,000 and $698,000 was forgiven for fiscal years 2026 and 2025, respectively. The Association owed the University $113,000 and $106,000 at June 30, 2026 and 2025, respectively, for contracted services.

The Alumni Center provided University departments with meeting rooms and catered events throughout the year. Catering and rental revenue received from the University was approximately $623,000 and $583,000 for the years ended June 30, 2026 and 2025, respectively.

The Center is located on land leased from the University for rent of $1 per year. The term of this land lease is for forty years with options to renew for additional forty year periods.

22. WEST VIRGINIA UNIVERSITY FOUNDATION, INCORPORATED

The Foundation is a separate non-profit organization incorporated in the State of West Virginia that has as its purpose "to aid, strengthen and further in every proper and useful way the work and services of West Virginia University . . . and its affiliated non-profit organizations . . ." Oversight of the Foundation is the responsibility of an independently elected Board of Directors. In carrying out its responsibilities, the Board of Directors of the Foundation employs management, forms policy and maintains fiscal accountability over funds administered by the Foundation. The Foundation does not meet the criteria for determination as a component unit of the University as described by GASB. The economic resources held by the Foundation do not entirely or almost entirely benefit the University.

Most of the University's endowments are under the control and management of the Foundation.

The Foundation's assets totaled $4.3 billion and $3.3 billion at June 30, 2026 and 2025, respectively, with net assets of $1.5 billion and $1.4 billion at June 30, 2026 and 2025, respectively. Gifts, grants, pledges and bequests to the Foundation totaled $190.6 million and $88.9 million in fiscal years 2026 and 2025, respectively.

Total funds expended by the Foundation in support of University activities totaled $128.8 million and $106.8 million in fiscal years 2026 and 2025, respectively. This support is primarily recorded as gifts and capital grants and gifts and the related expenditures are primarily recorded as salaries and wages, benefits and capital assets in the University's financial statements.

In addition to the lease of One Waterfront (see Note 13), the University has an agreement with the Foundation to lease spaces in the parking garage of One Waterfront. The payments are variable and are recognized as expenses in the period incurred.

23. SERVICE CONCESSION ARRANGEMENT

The University has identified one contract for services that meets the four criteria of a service concession arrangement (SCA) per GASB Statement No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"*. SCA's are defined as a contract between a government and an operator, another government or a private entity, in which the operator provides services, the operator collects and is compensated by fees from third parties, the government still has control over the services provided and the government retains ownership of the assets at the end of the contract.

This contract is with American Campus Communities Operating Partnership, LLP (ACC OP). Per the contract, ACC OP financed, designed, constructed, furnished and equipped a student housing facility (College Park, WV). This facility was completed at the start of the fall semester 2014. The agreement will be in place for 40 years with the option to extend the agreement for two additional 10-year terms, at which time the facility will be returned to the University in substantially the same condition as it was when transferred to them at the start of the agreement. The agreement stipulates that the ACC OP will retain all rents collected at the facility and will provide a percentage of net revenue annually to the University. Per the operating agreement, the University will provide certain services including marketing, lease management, billing, collections, security, parking enforcement and other services, and will receive a management fee for providing such services.

During fiscal year 2015, the University recorded a capital asset with a fair market value of $34,952,000 and a deferred inflow of resources. This deferred inflow is being amortized to auxiliary revenue over the term of the agreement (40 years). The University has recorded an accounts receivable of $94,000 and $152,000 at June 30, 2026 and 2025, respectively, for reimbursable project expenses. At June 30, 2026, the University recognized management fee revenue and its share of the net revenue of $17,000 and $434,000 respectively. At June 30, 2025, the University recognized management fee revenue and its share of the net revenue of $33,000 and $0, respectively. This revenue is included in revenue from auxiliary enterprises on the statement of revenues, expenses and changes in net position.

24. CONTINGENCIES

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

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

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 or 2025.

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

At both June 30, 2026 and 2025, the University has recorded a liability of $0 and $79,000, respectively, for asbestos removal in accordance with the provisions of GASB.

25. SUBSEQUENT EVENTS

On August 20, 2026, the University issued $62.8 million of revenue bonds (2026 Series A Bonds) to (a) finance a portion of the costs of the Series A Project, and (b) pay the costs of issuance of the 2026 Series A Bonds and related costs; and $31.2 million of taxable revenue bonds (2026 Series B Bonds) to (a) finance a portion of the costs of the Series B Projects, including the reimbursement of costs previously incurred in connection with Series B Projects; and (b) pay the costs of issuance of the 2026 Series B Bonds and related costs. The 2026 Series A Bonds were structured as a 5.0% fixed rate bond maturing on October 1, 2046. The 2026 B Bonds were structured as fixed rate bonds ranging from 5.322% to 5.815% with a final maturity date of October 1, 2044.

In July 2026, the University completed the negotiated resolution of litigation concerning the University Place public-private partnership and related financing. The settlement provides for the University's full ownership of University Place, including the parking facilities, which will preserve the properties as a critical part of the University's student housing inventory. Under the agreement, all pending claims and counterclaims were dismissed. The

settlement provides for mutual termination of the existing University Place ground lease and related subleases and the retirement of project financing. See Note 15, “Public Private Partnerships”, for additional information.

26. BLENDED COMPONENT UNIT

As described in Note 2, the following presents the condensed financial statements as of June 30 (in thousands):

2026
Statement of Net Position

	WVU Excluding Component Units	WVU Research Corporation	Gold & Blue	Eliminations	WVU Combined
Assets					
Current Assets	$ 400,521	$ 114,697	$ 1,544	$ -	$ 516,762
Leases Receivable - West Virginia University, Current Portion	-	372		(372)	-
Accounts Receivable - GBE	-	-	360	(360)	-
Accounts Receivable - Corporation	26,559	-	-	(26,559)	-
Total Current Assets	427,080	115,069	1,904	(27,291)	516,762
Capital and Intangible Right-to-Use Assets, net	1,718,250	65,245	1,602	-	1,785,097
Capital Assets - Nondepreciable	126,314	4,012	-	-	130,326
Leases Receivable - West Virginia University	-	781	-	(781)	-
Intangible Right to Use Assets - Intra-Entity Leases, net	1,119	-	-	(1,119)	-
Other Noncurrent Assets	180,996	2,860	-	-	183,856
Total Noncurrent Assets	2,026,679	72,898	1,602	(1,900)	2,099,279
Total Assets	$ 2,453,759	187,967	3,506	(29,191)	2,616,041
Deferred Outflows of Resources	$ 30,278	-		-	30,278
Total Assets and Deferred Outflows of Resources	$ 2,484,037	$ 187,967	$ 3,506	$ (29,191)	$ 2,646,319
Liabilities and Deferred Inflows of Resources					
Current Liabilities	$ 247,725	$ 45,786	$ 917	$ -	$ 294,428
Leases Payable - WVU Research Corporation, Current Portion	372	-	-	(372)	-
Accounts Payable - GBE	-	-	477	(477)	-
Accounts Payable - West Virginia University	-	26,559		(26,559)	-
Total Current Liabilities	248,097	72,345	1,394	(27,408)	294,428
Noncurrent Liabilities	853,230	52,355	1,684	-	907,269
Leases Payable - WVU Research Corporation	781	-		(781)	-
Total Noncurrent Liabilities	854,011	52,355	1,684	(781)	907,269
Total Liabilities	$ 1,102,108	124,700	3,078	(28,189)	1,201,697
Deferred Inflows of Resources	$ 48,655	1,558	-	(1,119)	49,094
Total Liabilities and Deferred Inflows of Resources	$ 1,150,763	$ 126,258	$ 3,078	$ (29,308)	$ 1,250,791
Net Position					
Net Investment in Capital Assets	$ 1,016,509	$ 21,972	$ (556)	$ -	$ 1,037,925
Restricted Nonexpendable	19,877	-	-	-	19,877
Restricted Expendable	64,923	2,995	1,153	-	69,071
Unrestricted Net Position	232,082	36,742	(169)	-	268,655
Total Net Position	$ 1,333,391	$ 61,709	$ 428	$ -	$ 1,395,528

Statement of Revenues, Expenses and Changes in Net Position

	WVU Excluding Component Units	WVU Research Corporation	Gold & Blue	Eliminations	WVU Combined
Operating Revenues					
Student Tuition and Fees, net	$ 414,148	$ -	$ -	$ -	$ 414,148
Federal Land Grants	9,182	-	-	-	9,182
Local Land Grants	1,713	-	-	-	1,713
Federal Grants and Contracts	25,622	92,543	-	-	118,165
State Grants and Contracts	36,964	37,761	-	-	74,725
Local Grants and Contracts	366	388	-	-	754
Nongovernmental Grants and Contracts	127,607	16,111	-	-	143,718
Federal Pell Grants	31,083	-	-	-	31,083
Operating Gifts	6,743	-	1,259	-	8,002
Sales and Services of Educational Departments	14,736	343	-	-	15,079
Auxiliary Enterprises, net	151,413	-	3,081	-	154,494
Net Operating Revenue from the University to Gold & Blue	-	-	15,509	(15,509)	-
Net Operating Revenue from Gold & Blue to the University	629	-	-	(629)	-
Net Operating Revenue from the Corporation	2,174	-	-	(2,174)	-
Amortization - intra-entity leases	-	373	-	(373)	-
Service Agreement Revenue from Parkersburg	250	-	-	-	250
Other Operating Revenues	14,732	967	31	-	15,730
Total Operating Revenues	837,362	148,486	19,880	(18,685)	987,043
Operating Expenses					
Depreciation and Amortization	125,763	3,389	898	-	130,050
Net Operating Expenses to the University	-	2,174	-	(2,174)	-
Net Operating Expenses from the University to Gold & Blue	15,509	-	-	(15,509)	-
Net Operating Expenses from Gold & Blue to the University	-	-	629	(629)	-
Amortization - intra-entity leases	373	-	-	(373)	-
Other Operating Expenses	999,526	154,383	19,622	-	1,173,531
Total Operating Expenses	1,141,171	159,946	21,149	(18,685)	1,303,581
Operating Loss	(303,809)	(11,460)	(1,269)	-	(316,538)
Noncapital Subsidies					
State Appropriations	230,338	-	-	-	230,338
State Lottery Appropriations	3,900	-	-	-	3,900
Payments on Behalf of the University/Corporation	5,917	-	-	-	5,917
Non-capital Gifts	101,296	13,111	-	-	114,407
Total Noncapital Subsidies	341,451	13,111	-	-	354,562
Operating Loss and Noncapital Subsidies	37,642	1,651	(1,269)	-	38,024
Nonoperating Revenues (Expenses)					
Capital Grants and Gifts	48,301	11,190	-	-	59,491
Net Nonoperating Expenses to the University	-	(6,168)	-	6,168	-
Net Nonoperating Expenses from the University to Gold & Blue	(4,007)	-	-	4,007	-
Net Nonoperating Revenues from the Corporation	6,168	-	-	(6,168)	-
Net Nonoperating Revenues from the University to Gold & Blue	-	-	4,007	(4,007)	-
Investment Income	28,873	3,635	-	-	32,508
Interest on Student Loans Receivable	318	-	-	-	318
Interest on Capital Asset-Related Debt	(27,826)	(2,543)	(92)	-	(30,461)
Interest expense to the Research Corporation	(43)	-	-	43	-
Interest revenue from the University	-	43	-	(43)	-
Assessments by Commission for Debt Service	(6,173)	-	-	-	(6,173)
Debt Issuance Costs	(97)	-	-	-	(97)
Transfer of Assets to the University from Gold & Blue	-	-	(4,007)	4,007	-
Transfer of Assets from Gold & Blue to the University	4,007	-	-	(4,007)	-
Transfer of Assets to the University from the Corporation	17,067	(17,067)	-	-	-
Transfer of Assets to the Corporation from the University	(11,159)	11,159	-	-	-
Other Nonoperating Revenues - Net	2,190	974	-	-	3,164
Net Nonoperating Revenues (Expenses)	57,619	1,223	(92)	-	58,750
Increase (Decrease) in Net Position	95,261	2,874	(1,361)	-	96,774
Net Position at Beginning of Year	1,238,130	58,835	1,789	-	1,298,754
Net Position at End of Year	$ 1,333,391	$ 61,709	$ 428	$ -	$ 1,395,528

Statement of Cash Flows

	WVU Excluding Component Units	WVU Research Corporation	Gold & Blue	WVU Combined
Cash Provided By (Used In):				
Operating Activities	$ (199,485)	$ 9,942	$ 173	$ (189,370)
Noncapital Financing Activities	368,107	13,547	-	381,654
Capital Financing Activities	(109,776)	(5,421)	(418)	(115,615)
Investing Activities	13,274	538	-	13,812
Increase (Decrease) in Cash and Cash Equivalents	72,120	18,606	(245)	90,481
Cash and Cash Equivalents, Beginning of Year	175,890	38,779	1,789	216,458
Cash and Cash Equivalents, End of Year	248,010	57,385	1,544	306,939

2025
Statement of Net Position

	WVU Excluding Component Units	WVU Research Corporation	Gold & Blue	Eliminations	WVU Combined
Assets					
Current Assets	$ 364,326	$ 106,305	$ 1,789	$ -	$ 472,420
Leases Receivable - West Virginia University, Current Portion	-	360		(360)	-
Accounts Receivable - Corporation	18,842	-	-	(18,842)	-
Total Current Assets	383,168	106,665	1,789	(19,202)	472,420
Capital and Intangible Right-to-Use Assets, net	1,736,383	64,457	-	-	1,800,840
Capital Assets - Nondepreciable	116,863	5,812	-	-	122,675
Leases Receivable - West Virginia University	-	1,152	-	(1,152)	-
Intangible Right to Use Assets - Intra-Entity Leases, net	1,492	-	-	(1,492)	-
Other Noncurrent Assets	167,521	1,589	-	-	169,110
Total Noncurrent Assets	2,022,259	73,010	-	(2,644)	2,092,625
Total Assets	$ 2,405,427	179,675	1,789	(21,846)	2,565,045
Deferred Outflows of Resources	$ 21,773	-	-	-	21,773
Total Assets and Deferred Outflows of Resources	$ 2,427,200	$ 179,675	$ 1,789	$ (21,846)	$ 2,586,818
Liabilities and Deferred Inflows of Resources					
Current Liabilities	$ 264,948	$ 46,487	$ -	$ -	$ 311,435
Leases Payable - WVU Research Corporation, Current Portion	360	-	-	(360)	-
Accounts Payable - West Virginia University	-	18,842		(18,842)	-
Total Current Liabilities	265,308	65,329	-	(19,202)	311,435
Noncurrent Liabilities	875,057	53,576	-	-	928,633
Leases Payable - WVU Research Corporation	1,152	-		(1,152)	-
Total Noncurrent Liabilities	876,209	53,576	-	(1,152)	928,633
Total Liabilities	$ 1,141,517	118,905	-	(20,354)	1,240,068
Deferred Inflows of Resources	$ 47,553	1,935	-	(1,492)	47,996
Total Liabilities and Deferred Inflows of Resources	$ 1,189,070	$ 120,840	$ -	$ (21,846)	$ 1,288,064
Net Position					
Net Investment in Capital Assets	$ 995,917	$ 21,842	$ -	$ -	$ 1,017,759
Restricted Nonexpendable	18,097	-	-	-	18,097
Restricted Expendable	56,456	1,513	-	-	57,969
Unrestricted Net Position	167,660	35,480	1,789	-	204,929
Total Net Position	$ 1,238,130	$ 58,835	$ 1,789	$ -	$ 1,298,754

Statement of Revenues, Expenses and Changes in Net Position

	WVU Excluding Component Units	WVU Research Corporation	Gold & Blue	Eliminations	WVU Combined
Operating Revenues					
Student Tuition and Fees, net	$ 391,996	$ -	$ -	$ -	$ 391,996
Federal Land Grants	9,121	-	-	-	9,121
Local Land Grants	1,519	-	-	-	1,519
Federal Grants and Contracts	29,005	103,007	-	-	132,012
State Grants and Contracts	40,661	42,141	-	-	82,802
Local Grants and Contracts	328	196	-	-	524
Nongovernmental Grants and Contracts	121,541	15,958	-	-	137,499
Federal Pell Grants	33,461	-	-	-	33,461
Operating Gifts	1,854	-	-	-	1,854
Sales and Services of Educational Departments	13,665	344	-	-	14,009
Auxiliary Enterprises, net	137,873	-	-	-	137,873
Net Operating Revenue from the University	-	1,186	1,789	(2,975)	-
Amortization - intra-entity leases	-	373	-	(373)	-
Service Agreement Revenue from Parkersburg	250	-	-	-	250
Other Operating Revenues	11,017	414	-	-	11,431
Total Operating Revenues	792,291	163,619	1,789	(3,348)	954,351
Operating Expenses					
Depreciation and Amortization	113,922	3,066	-	-	116,988
Net Operating Expenses to the Corporation	1,186	-	-	(1,186)	-
Net Operating Expenses to Gold & Blue	1,789	-	-	(1,789)	-
Amortization - intra-entity leases	373	-	-	(373)	-
Other Operating Expenses	982,403	168,843	-	-	1,151,246
Total Operating Expenses	1,099,673	171,909	-	(3,348)	1,268,234
Operating (Loss) Income	(307,382)	(8,290)	1,789	-	(313,883)
Noncapital Subsidies					
State Appropriations	197,208	-	-	-	197,208
State Lottery Appropriations	3,867	-	-	-	3,867
Payments on Behalf of the University/Corporation	2,857	-	-	-	2,857
Non-capital Gifts	73,254	14,578	-	-	87,832
Total Noncapital Subsidies	277,186	14,578	-	-	291,764
Operating (Loss) Income and Noncapital Subsidies	(30,196)	6,288	1,789	-	(22,119)
Nonoperating Revenues (Expenses)					
Capital Grants and Gifts	89,140	-	-	-	89,140
Net Nonoperating Expenses to the Corporation	(3,703)	-	-	3,703	-
Net Nonoperating Revenues from the University	-	3,703	-	(3,703)	-
Bond/capital projects proceeds from the Higher Education Policy Commission	315	-	-	-	315
Investment Income	23,521	2,206	-	-	25,727
Interest on Student Loans Receivable	408	-	-	-	408
Interest on Capital Asset-Related Debt	(27,526)	(2,589)	-	-	(30,115)
Interest expense to the Research Corporation	(55)	-	-	55	-
Interest revenue from the University	-	55	-	(55)	-
Assessments by Commission for Debt Service	(6,249)	-	-	-	(6,249)
Transfer of Assets to the University	7,457	(7,457)	-	-	-
Transfer of Assets from the University	(3,101)	3,101	-	-	-
Other Nonoperating Revenues - Net	7,257	37	-	-	7,294
Net Nonoperating Revenues (Expenses)	87,464	(944)	-	-	86,520
Increase in Net Position	57,268	5,344	1,789	-	64,401
Net Position at Beginning of Year	1,180,862	53,491	-	-	1,234,353
Net Position at End of Year	$ 1,238,130	$ 58,835	$ 1,789	$ -	$ 1,298,754

Statement of Cash Flows

	WVU Excluding Component Units	WVU Research Corporation	Gold & Blue	WVU Combined
Cash Provided By (Used In):				
Operating Activities	$ (224,067)	$ 1,322	$ 1,789	$ (220,956)
Noncapital Financing Activities	294,200	14,161	-	308,361
Capital Financing Activities	(110,411)	(5,351)	-	(115,762)
Investing Activities	15,167	1,076	-	16,243
Increase (Decrease) in Cash and Cash Equivalents	(25,111)	11,208	1,789	(12,114)
Cash and Cash Equivalents, Beginning of Year	201,001	27,571	-	228,572
Cash and Cash Equivalents, End of Year	175,890	38,779	1,789	216,458

27. SEGMENT INFORMATION

See Note 12 for descriptive information for the University's segment.

Condensed financial information for each of the University's segments follow:

(Dollars in Thousands)

	AUXILIARIES As of/Year Ended 2026	AUXILIARIES As of/Year Ended 2025
CONDENSED SCHEDULES OF NET POSITION		
Assets and Deferred Outflows of Resources:		
Current Assets	$ 67,832	$ 73,412
Noncurrent and Capital Assets	1,208,273	1,200,020
Total Assets	1,276,105	1,273,432
Deferred Outflows of Resources:		
Deferred Loss on Refunding	11,093	11,776
Deferred Outflows Related to Other Post Employment Benefits	1,293	581
Total Assets and Deferred Outflows of Resources	$ 1,288,491	$ 1,285,789
Liabilities, Deferred Inflows, and Net Position:		
Current Liabilities	$ 89,434	$ 94,095
Long-Term Liabilities	793,681	811,261
Total Liabilities	883,115	905,356
Deferred Inflows of Resources:		
Deferred service concession arrangements	29,048	30,056
Deferred inflows related to Dining Services Contract	4,719	5,393
Deferred inflows related to capital leases	767	-
Deferred inflows related to Other Post Employment Benefits	648	393
Total Liabilities and Deferred Inflows of Resources	$ 918,297	$ 941,198
Net Position:		
Net investment in capital assets	$ 421,092	$ 401,813
Restricted	46,540	38,728
Unrestricted net deficit	(97,438)	(95,950)
Total Net Position	$ 370,194	$ 344,591
CONDENSED SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION		
Auxiliary and Capital Fees	$ 27,729	$ 27,097
Operating Revenues	142,648	119,574
Operating Expenses	(209,667)	(190,007)
Operating Loss	(39,290)	(43,336)
Noncapital Subsidies:		
State Appropriations	517	514
Payments on behalf of the University	481	322
Non-capital gifts	34,823	26,659
Total noncapital subsidies	35,821	27,495
Operating loss and noncapital subidies	(3,469)	(15,841)
Nonoperating Revenues/Expenses:		
Investment Income	1,984	2,024
Net Transfers from Other Funds	53,712	15,945
Other Nonoperating Income	10,896	3,805
Gifts	-	-
Other Nonoperating Expenses	(10,897)	(318)
Interest Expense	(26,623)	(26,311)
Net nonperating revenues/expenses	29,072	(4,855)
Increase (Decrease) in Net Position	25,603	(20,696)
Net Position - Beginning of Year	344,591	365,287
Net Position - End of Year	$ 370,194	$ 344,591

(continued)

CONDENSED SCHEDULES OF CASH FLOWS				
Net Cash Flows (Used in) Operating Activities	$	(43,050)	$	(23,303)
Net Cash Flows Provided by				
Capital and Related Financing Activities		43,090		1,064
Net Cash Flows Provided by				
Investing Activities		1,984		2,024
Increase in Cash		2,024		(20,215)
Cash - Beginning of Year		94,468		114,683
Cash - End of Year	$	96,492	$	94,468
Reconciliation of cash				
Cash classified as current assets	$	49,952	$	55,740
Cash classified as noncurrent assets		46,540		38,728
	$	96,492	$	94,468

28. FUNCTIONAL CLASSIFICATION OF EXPENSES

(Dollars in Thousands)

The University's operating expenses by functional and natural classification are as follows:

	Year Ended June 30, 2026 Natural Classification								
Functional Classification	**Salaries & Wages**	**Benefits**	**Scholarships & Fellowships**	**Utilities**	**Supplies & Other Services**	**Depreciation and Amortization**	**Loan Cancellations & Write Offs**	**Other Operating Expenses**	**Total**
Instruction	$ 260,327	$ 83,791	$ -	$ 257	$ 30,485	$ -	$ -	$ 2	$ 374,862
Research	94,134	37,743	-	115	65,482	-	-	253	197,727
Public Service	36,864	9,059	-	114	22,247	-	-	12	68,296
Academic Support	30,647	7,637	-	165	6,870	-	-	4,015	49,334
Student Services	22,490	8,773	-	23	8,526	-	-	-	39,812
Operation and Maintenance of Plant	20,025	7,628	-	30,226	24,239	-	-	830	82,948
General Institutional Support	72,538	20,169	-	243	59,672	-	-	1,176	153,798
Student Financial Aid	-	-	51,201	-	-	-	-	-	51,201
Auxiliary Enterprises	51,231	8,615	-	8,996	69,519	-	-	16,903	155,264
Depreciation and Amortization	-	-	-	-	-	130,050	-	-	130,050
Loan Cancellations and Write Offs	-	-	-	-	-	-	289	-	289
Total Expenses	$ 588,256	$ 183,415	$ 51,201	$ 40,139	$ 287,040	$ 130,050	$ 289	$ 23,191	$ 1,303,581

	Year Ended June 30, 2025 Natural Classification								
Functional Classification	**Salaries & Wages**	**Benefits**	**Scholarships & Fellowships**	**Utilities**	**Supplies & Other Services**	**Depreciation and Amortization**	**Loan Cancellations & Write Offs**	**Other Operating Expenses**	**Total**
Instruction	$ 257,395	$ 74,806	$ -	$ 262	$ 28,317	$ -	$ -	$ -	$ 360,780
Research	92,456	38,846	-	259	62,291	-	-	17	193,869
Public Service	39,850	9,919	-	136	29,106	-	-	14	79,025
Academic Support	30,751	6,675	-	159	12,698	-	-	115	50,398
Student Services	21,783	7,972	-	20	9,670	-	-	33	39,478
Operation and Maintenance of Plant	18,621	6,213	-	28,694	14,410	-	-	2,270	70,208
General Institutional Support	76,529	18,520	-	75	55,263	-	-	259	150,646
Student Financial Aid	-	-	58,281	-	-	-	-	-	58,281
Auxiliary Enterprises	48,117	9,647	-	8,352	67,171	-	-	13,459	146,746
Depreciation and Amortization	-	-	-	-	-	116,988	-	-	116,988
Loan Cancellations and Write Offs	-	-	-	-	-	-	1,815	-	1,815
Total Expenses	$ 585,502	$ 172,598	$ 58,281	$ 37,957	$ 278,926	$ 116,988	$ 1,815	$ 16,167	$ 1,268,234

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REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF OPEB LIABILITY AND CONTRIBUTIONS

Schedule of Proportionate Share of Net OPEB (Asset) Liability (dollars in thousands):

Measurement Date	University's Proportionate Share as a Percentage of Net OPEB (Asset) Liability	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Employee Payroll	University's Proportionate Share as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
June 30, 2025	5.388935714%	$ 5,082	$ 4,032	$ 9,114	$ 53,111	9.57%	95.76%
June 30, 2024	3.527570804%	(1,469)	(4,613)	(6,082)	97,653	-1.50%	102.19%
June 30, 2023	6.320220905%	(10,002)	(4,269)	(14,271)	103,385	-10.24%	109.66%
June 30, 2022	6.577692349%	7,321	2,508	9,829	116,479	7.08%	93.59%
June 30, 2021	7.006088092%	(1,701)	(410)	(2,111)	117,035	-1.46%	101.81%
June 30, 2020	6.834451221%	30,616	6,675	37,291	130,967	26.16%	73.49%
June 30, 2019	6.802662334%	113,459	23,097	136,556	139,162	86.63%	39.69%
June 30, 2018	6.786307714%	145,905	30,091	175,996	141,514	104.85%	30.98%
June 30, 2017	6.435215970%	158,433	32,345	190,778	-	111.96%	25.10%

Schedule of Employer Contributions (dollars in thousands):

Fiscal Year End	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a percentage of Covered Employee Payroll
June 30, 2026	$ 3,654	$ 2,257	$ 1,397	$ 77,904	2.90%
June 30, 2025	1,395	3,654	(2,259)	53,111	6.88%
June 30, 2024	6,338	1,395	4,943	97,653	1.43%
June 30, 2023	7,734	6,339	1,395	103,385	6.13%
June 30, 2022	12,776	7,520	5,256	116,479	6.46%
June 30, 2021	13,210	12,760	450	117,035	10.90%
June 30, 2020	14,016	13,191	825	130,967	10.07%
June 30, 2019	13,867	14,043	(176)	139,162	10.09%
June 30, 2018	13,218	13,850	(632)	141,514	9.79%

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

Notes to Required Supplementary Information
For the Year Ended June 30, 2026 and 2025

There are no factors that affect trends in the amounts reported, such as change in benefit terms or assumptions. With only nine years reported in the required supplementary information, there is no additional information to include in the notes. Information, if necessary, can be obtained from the RHBT and PEIA at www.peia.wv.gov.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS

Schedule of Proportionate Share of TRS Net Pension Liability (dollars in thousands):

Measurement Date	University's Proportionate Share as a Percentage of Net Pension Liability	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Payroll	University's Proportionate Share as a Percentage of Covered Employee Payroll	University's Plan Fiduciary Net Position as a Percentage of Total Pension Liability
June 30, 2025	0.039081%	$ 508	$ 816	$ 1,324	$ 1,027	66.70%	89.27%
June 30, 2024	0.055493%	1,047	1,732	2,779	1,152	102.01%	84.24%
June 30, 2023	0.068312%	1,564	3,194	4,758	1,373	135.74%	80.42%
June 30, 2022	0.083889%	2,158	3,670	5,828	1,738	157.18%	77.78%
June 30, 2021	0.108170%	1,690	3,780	5,470	2,225	97.27%	86.38%
June 30, 2020	0.147516%	4,751	10,324	15,075	2,276	213.57%	70.89%
June 30, 2019	0.162037%	4,821	11,638	16,459	2,901	211.82%	72.64%
June 30, 2018	0.199086%	6,216	16,106	22,322	3,998	214.27%	71.20%
June 30, 2017	0.265661%	9,179	20,298	29,477	4,667	229.55%	61.42%
June 30, 2016	0.308824%	12,692	24,175	36,867	4,438	271.95%	61.42%
June 30, 2015	0.299518%	10,379	23,682	34,061	-	233.86%	66.25%

Schedule of Employer Contributions (dollars in thousands):

Fiscal Year End	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Employee Payroll
June 30, 2026	$ 152	$ 120	$ 32	$ 761	15.77%
June 30, 2025	210	157	53	1,027	15.29%
June 30, 2024	281	210	71	1,152	18.23%
June 30, 2023	353	270	83	1,373	19.67%
June 30, 2022	451	358	93	1,738	20.60%
June 30, 2021	610	450	160	2,225	20.23%
June 30, 2020	780	604	176	2,276	26.54%
June 30, 2019	939	730	209	2,901	25.16%
June 30, 2018	1,199	856	343	3,998	21.41%
June 30, 2017	1,307	1,197	110	4,667	25.65%

Notes to Required Supplementary Information
For the Years Ended June 30, 2026 and 2025

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

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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
West Virginia University
Morgantown, 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 West Virginia 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 15, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

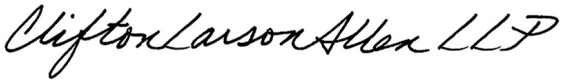
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Report on Compliance and Other Matters

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.*

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 15, 2026



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