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

WEST LIBERTY UNIVERSITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2026 AND 2025

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WEST LIBERTY UNIVERSITY
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YEARS ENDED JUNE 30, 2026 AND 2025

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INDEPENDENT AUDITORS' REPORT

Governing Board
West Liberty University
West Liberty, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of West Liberty University (the University), as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University, as of June 30, 2026 and 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of West Liberty University Foundation, Inc. (the Foundation), which represent 100% of the assets, 100% of the total net position, and 100% of revenues of the discretely presented component unit as of June 30, 2026 and 2025, and the respective changes in financial position for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Foundation, are based solely on the report of the other auditors.

Emphasis of Matter

As discussed in Note 19 to the financial statements, the 2025 West Liberty Foundation financial statements have been restated to correct an error. Our opinion is not modified with respect to that matter.

Basis for Opinions

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

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

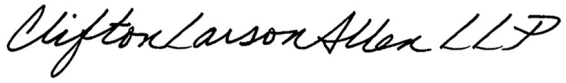
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as well as the schedule of proportionate share of other postemployment obligations and associated schedule of employer contributions, and the schedules of proportionate share of net pension liability and associated schedule of employer contributions, as detailed 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 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

Pittsburgh, Pennsylvania
October 13, 2026

208 University Drive
CUB 109
WEST LIBERTY, WV 26074-0295

Management Discussion and Analysis
Fiscal Year 2026 (Unaudited)
Financial Statements



About West Liberty University

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

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

Overview of the Financial Statements and Financial Analysis

The following discussion and analysis of WLU's financial statements provides an overview of its financial activities for fiscal years 2026 and 2025 with an emphasis on the year ended June 30, 2026 and is required supplementary information prepared in accordance with Governmental Accounting Standards Board (GASB).

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

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

Statement of Net Position

The Statement of Net Position presents the assets (current and noncurrent) plus deferred outflows of resources, liabilities (current and noncurrent) plus deferred inflows of resources, and net position (assets plus deferred outflows minus liabilities plus deferred inflows) of WLU as of June 30, 2026 and 2025. Assets denote the resources available to continue the operations of the University. Liabilities indicate how much the University owes vendors, employees, and lenders. Deferred outflows and inflows are a consumption or acquisition of net assets applicable to a future reporting period and net position measures the equity or the availability of funds of the University for future periods.



Net position is divided into three major categories. The first category, invested in capital assets, net of related debt, provides equity in the property, plant, and equipment owned by WLU. The next category is restricted net position, which is divided into two categories, nonexpendable (permanently restricted) and expendable. Expendable restricted net position is available for expenditure but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The balances that have been restricted by the West Virginia Legislature (Legislature) are within the expendable net position. These restricted activities are fundamental to the normal ongoing operations of WLU and are subject to change by future actions of the Legislature. The final category is unrestricted net position, which is available for expenditure for any lawful purpose of WLU.

Condensed Statements of Net Position
(IN THOUSANDS)

	2026	2025	2024
ASSETS			
Current Assets	$ 10,616	$ 11,815	$ 16,731
Other Noncurrent Assets	10,653	210	608
Capital Assets - Net	74,274	81,818	78,817
Deferred Outflows	649	356	200
Total Assets and Deferred Outflows	$ 96,192	$ 94,199	$ 96,356
LIABILITIES			
Current Liabilities	$ 6,679	$ 10,031	$ 9,979
Noncurrent Liabilities	9,346	13,369	15,561
Deferred Inflows	425	371	776
Total Liabilities and Deferred Inflows	16,450	23,771	26,316
NET POSITION			
Net Investment in Capital Assets	74,007	64,610	60,521
Restricted	214	96	492
Unrestricted	5,521	5,722	9,027
Total Net Position	79,742	70,428	70,040
Total Liabilities, Deferred Inflows and Net Position	$ 96,192	$ 94,199	$ 96,356

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



2026:

Capital assets (net) increased by $3,004,024 due to the completion of several large projects placed into service in the current year. Cash and cash equivalents decreased by $1,012,869 due to the University spending cash earmarked for deferred maintenance projects.

Current liabilities decreased by $3,352,349, as presented in the Statement of Net Position due to completion of large projects noted above and an associated decrease in unearned revenue from deferred maintenance grants and accounts payable due to amounts in the prior year including significant construction payables.

Noncurrent liabilities decreased by $4,022,393 largely due to payments of bonds and leases payable in the current year.

2025:

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

Statement of Revenues, Expenses, and Changes in Net Position

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

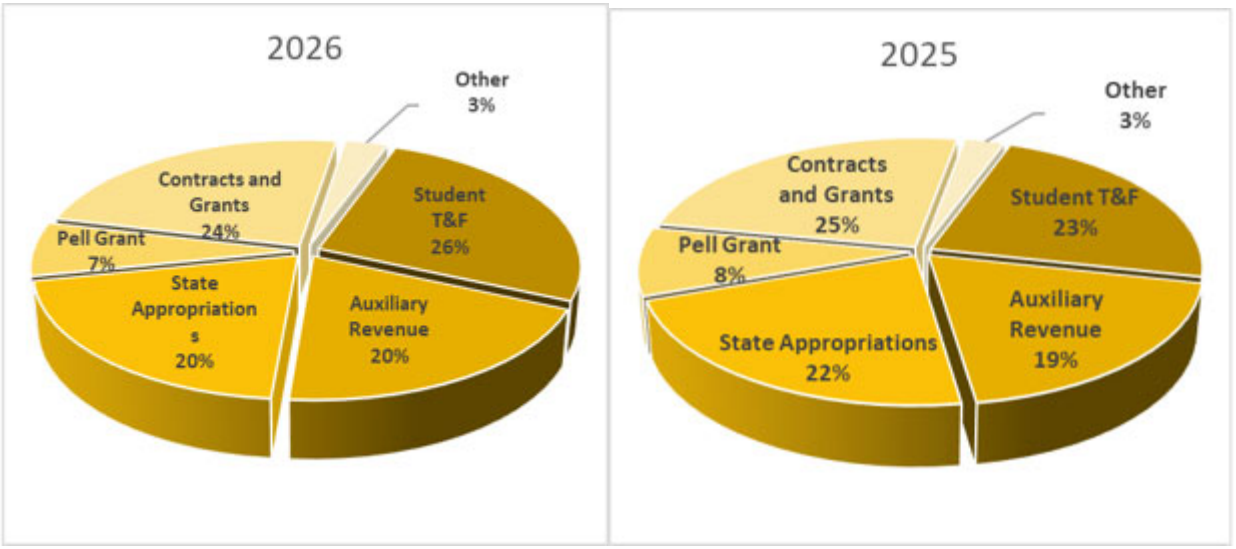
Generally speaking, operating revenues are earned for providing goods and services to the various customers and constituencies of WLU. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the WLU mission.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

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

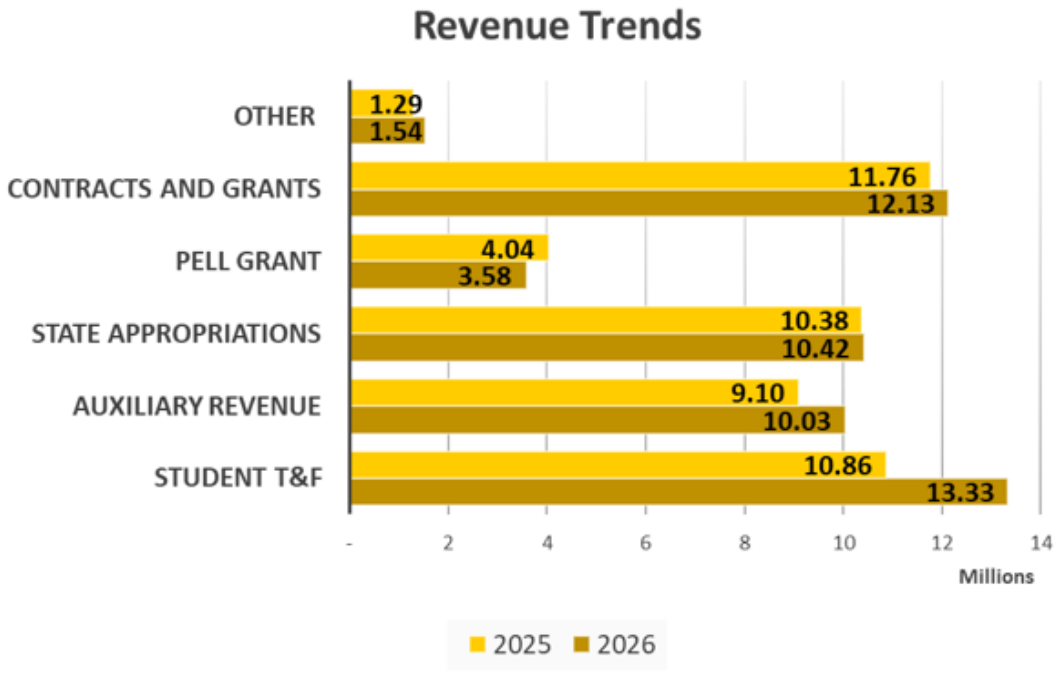
	2026	2025	2024
OPERATING REVENUES	$ 34,060	$ 31,806	$ 34,393
OPERATING EXPENSES	42,946	46,650	43,672
OPERATING LOSS	(8,886)	(14,844)	(9,279)
NONCAPITAL SUBSIDIES	10,636	10,406	-
NONOPERATING REVENUES (NET OF NONOPERATING EXPENSES)	7,564	15,232	14,879
INCREASE IN NET POSITION	9,314	388	5,600
CAPITAL PAYMENTS MADE ON BEHALF OF THE UNIVERSITY	-	-	207
INCREASE IN NET POSITION	9,314	388	5,807
Net Position - Beginning of Year	70,428	70,040	64,233
NET POSITION - END OF YEAR	$ 79,742	$ 70,428	$ 70,040

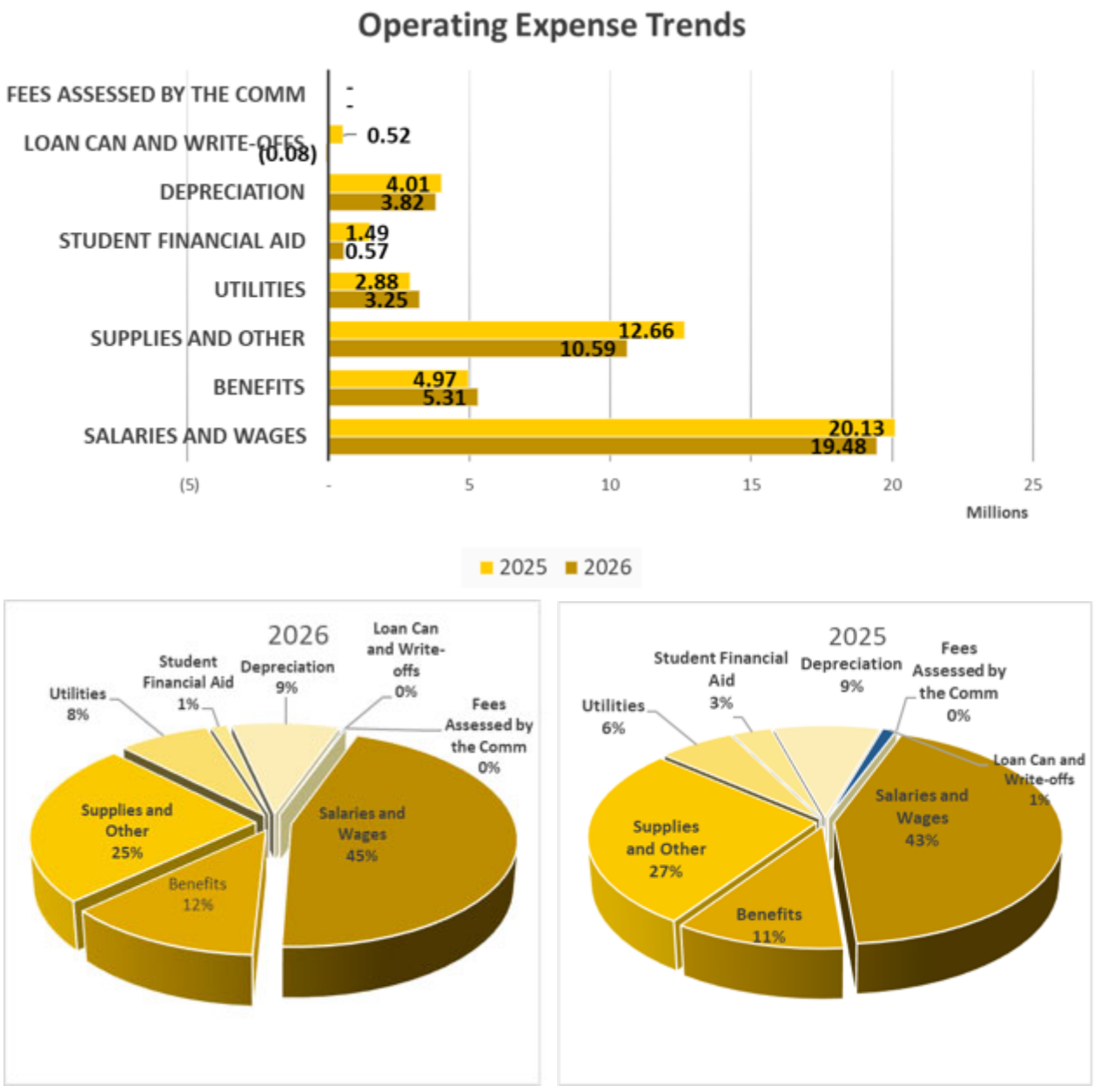
Balances for the year ended June 30, 2024 were not reclassified into the presentation format required by GASB 103.

A review of the individual revenue and expense categories that contributed to the overall increase in net position for the years ended June 30, 2026 and 2025 reveals the following:



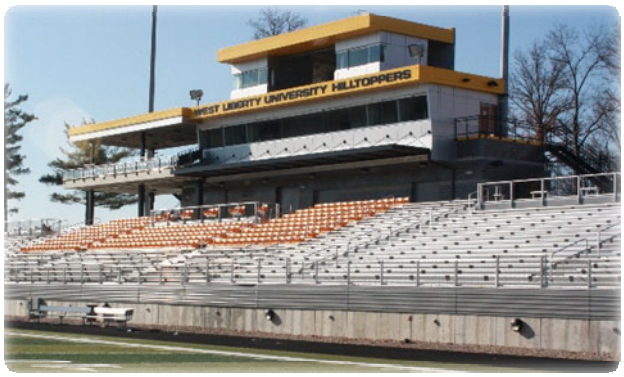
- Student tuition and fees (net of scholarship allowance) accounted for 26% of WLU's revenues in FY26 and 23% in FY25. This increase was primarily driven by a board-approved 4% tuition rate increase for resident and metropolitan student and a 5% increase for out-of-state students enacted by the Board of Governors to offset ongoing inflationary pressures on university operating expenses, including rising costs for goods, services, and utilities.
- The State Appropriations were $10,416,184 in FY26 and $10,380,743 in FY25 representing 20% of total revenues.





- Salary/wages and employee benefit categories made up 57% of the operating expenses of WLU in FY26 and 54% in FY25. Salary, wages, and benefits remained relatively consistent between FY26 and FY25.
- Supplies and Other Services made up 25% of the operating expenses in FY26 and 27% in FY25. Supplies and Other Services decreased by $2,065,836 due to a general decrease in spending in FY26 including lower professional service expenses, consulting costs, reduced maintenance and repair expenses, and lower program related spending.

Capital Asset and Long-Term Financing Activity



2026 Capital:

At the close of Fiscal Year 2026, the University's investment in net capital assets increased by $4,630,000. This growth was heavily driven by the successful completion and deployment of critical campus infrastructure. Backed by a state deferred maintenance grant, several long-term facility updates and equipment modernizations previously held in Construction in Progress (CIP) were officially completed and placed in service during 2026. This strategic funding allowed the University to address vital campus infrastructure backlogs without incurring new institutional debt.

In addition to state-funded projects, the University's capital footprint expanded through significant philanthropic support in Fiscal Year 2026. The University accepted a generous capital gift valued at $1,238,000, consisting of land and cabins that were immediately placed into active service. This transaction increased non-depreciable land assets by $326,000 and depreciable building structures by $912,000, providing the University with valuable functional space without the utilization of operating cash or debt financing.

2025 Capital:

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

2026 and 2025 Long-Term Financing Activity:

Principal repayments on bond debt amounted to $1,923,750 and $1,759,000 for FY26 and FY25, respectively.

Currently Known Facts, Decisions, or Conditions

National college enrollment has been declining since 2011. Despite this trend the University remains very competitive with four-year educational institutions both regionally and nationally. West Liberty University experienced four straight semesters of enrollment increases prior to FY20. From FY25 to FY26 WLU enrollment remains stable.

The University continues to implement cost efficiency strategies and invest in initiatives that will increase retention and enrollment. The University experienced a slight increase in on campus residency from FY25 to FY26. The University continues to broaden its programs of study and continues to seek other revenue sources.

WLU expects a similar outlook for FY27 and in the future as long as State Appropriations are fully funded as expected.

WEST LIBERTY UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

	Primary Government		Component Unit	
	2026	2025	2026	2025 (Restated)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Cash Equivalents	$ 8,273,277	$ 9,286,146	$ 195,206	$ 125,651
Accounts and Contributions Receivable, Net	2,076,099	2,276,835	271,875	32,985
Loans to Students - Current Portion	92,236	77,051	-	-
Prepaid Expenses and Other Current Assets	1,746	2,211	92,191	69,343
Inventories	171,416	170,039	-	-
Arrears Pay Conversion Receivable - Current Portion	1,497	2,994	-	-
Total Current Assets	10,616,271	11,815,276	559,272	227,979
NONCURRENT ASSETS				
Cash and Cash Equivalents, Held by Trustee	73,396	73,140	-	-
Loans to Students - Net of Allowance of $132,322 in 2026 and $521,428 in 2025	2,672	51,551	-	-
Investments	-	-	33,241,628	29,666,802
Beneficial Interest in Perpetual Trust	-	-	3,030,597	2,706,042
Arrears Pay Conversion Receivable	29,288	35,660	-	-
Capital Assets Not Being Depreciated or Amortized	10,547,308	7,728,765		
Capital Assets, Net of Depreciation and Amortization	74,274,362	74,088,881	-	-
Other Post Employment Benefits Asset, Net	-	49,958	-	-
Total Noncurrent Assets	84,927,026	82,027,955	36,272,225	32,372,844
Total Assets	95,543,297	93,843,231	36,831,497	32,600,823
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Refunding of Debt - Net	12,730	19,340	-	-
Deferred Outflows Related to OPEB	636,431	336,593	-	-
Total Deferred Outflows of Resources	649,161	355,933	-	-
Total Assets and Deferred Outflows of Resources	$ 96,192,458	$ 94,199,164	$ 36,831,497	$ 32,600,823

See accompanying Notes to Financial Statements.

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

	Primary Government		Component Unit	
	2026	2025	2026	2025 (Restated)
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts and Other Payables	$ 262,222	$ 2,650,511	$ 4,974	$ 6,285
Accrued Liabilities	2,441,498	2,482,723	16,500	23,615
Unearned Revenues	906,721	1,942,837	-	-
Compensated Absences - Current Portion	176,252	180,253	-	-
Debt Obligation to Commission - Current Portion	196,620	187,090	-	-
Leases Payable - Current Portion	211,238	264,882	-	-
Subscriptions Payable - Current Portion	116,468	103,611	-	-
Notes Payable - Current Portion	200,000	200,000	-	-
Bonds Payable - Current Portion	2,002,000	1,923,750	-	-
Advances from Federal Sponsors - Current	165,617	95,328	-	-
Total Current Liabilities	6,678,636	10,030,985	21,474	29,900
NONCURRENT LIABILITIES				
Advances from Federal Sponsors	43,408	183,931	-	-
Compensated Absences, Net of Current Portion	1,029,989	1,004,317	-	-
Other Post Employment Benefits Liability, Net	172,812	-	-	-
Debt Obligation to Commission, Net of Current Portion	-	196,620	-	-
Leases Payable, Net of Current Portion	250,283	1,815,549	-	-
Subscriptions Payable, Net of Current Portion	-	116,468	-	-
Notes Payable, Net of Current Portion	1,000,000	1,200,000	-	-
Bonds Payable, Net of Current Portion	6,850,302	8,852,302	-	-
Total Noncurrent Liabilities	9,346,794	13,369,187	-	-
Total Liabilities	16,025,430	23,400,172	21,474	29,900
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to OPEB	337,478	234,789	-	-
Deferred Inflows Related to Pension	87,157	135,773	-	-
Total Deferred Inflows of Resources	424,635	370,562	-	-
Total Liabilities and Deferred Inflows of Resources	16,450,065	23,770,734	21,474	29,900
NET POSITION				
Net Investment in Capital Assets	74,007,489	64,610,011	-	-
Restricted - Nonexpendable	-	49,958	29,828,993	25,369,942
Restricted for - Expendable:				
Scholarships	213,887	46,600	-	-
Capital Projects	-	-	726,027	1,618,665
Other	-	-	4,848,403	4,304,902
Unrestricted	5,521,017	5,721,861	1,406,600	1,277,414
Total Net Position	79,742,393	70,428,430	36,810,023	32,570,923
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 96,192,458	$ 94,199,164	$ 36,831,497	$ 32,600,823

See accompanying Notes to Financial Statements.

WEST LIBERTY UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEARS ENDED JUNE 30, 2026 AND 2025

	Primary Government		Component Unit	
	2026	2025	2026	2025 (Restated)
OPERATING REVENUES				
Student Tuition and Fees - Net of Scholarship Allowance of $10,790,192 in 2026 and $11,587,520 in 2025	$ 13,331,908	$ 10,861,464	$ -	$ -
Gifts and Contributions	-	-	2,296,447	3,382,637
Federal Contracts and Grants	5,616,628	7,464,876	-	-
State Contracts and Grants	2,920,342	7,124,580	-	-
Private Contracts and Grants	906,295	673,326	-	-
Auxiliary Enterprise Revenue - Net of Scholarship Allowance of $2,870,481 in 2026 and $3,762,287 in 2025	10,029,746	9,103,640	-	-
Other Operating Revenues	1,255,117	899,982	212,360	187,579
Total Operating Revenues	34,060,036	36,127,868	2,508,807	3,570,216
OPERATING EXPENSES				
Salaries and Wages	19,477,173	20,127,603	-	-
Benefits	5,314,495	4,966,435	-	-
Supplies and Other Services	10,592,646	12,658,482	-	-
Utilities	3,245,067	2,883,532	-	-
Student Financial Aid - Scholarships and Fellowships	570,873	1,485,733	727,915	619,821
Depreciation and Amortization	3,824,040	4,007,714	-	-
Bad Debt Expense	(78,488)	520,428	-	-
Other Operating Expenses	-	-	2,391,179	1,235,945
Total Operating Expenses	42,945,806	46,649,927	3,119,094	1,855,766
OPERATING LOSS	(8,885,770)	(10,522,059)	(610,287)	1,714,450
NONCAPITAL SUBSIDIES				
State Appropriations	10,416,184	10,380,743	-	-
Scholarship Grants	22,741	25,754	-	-
Payments on Behalf of the University	197,071	84,581	-	-
Total Noncapital Subsidies	10,635,996	10,491,078	-	-
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	1,750,226	(30,981)	(610,287)	1,714,450
OTHER NONOPERATING REVENUES (EXPENSES)				
Investment Income	285,345	394,701	4,849,387	2,918,772
Gain on Disposal of Capital Assets	161,739	-	-	
Interest on Indebtedness	(341,785)	(468,284)	-	-
Fees Assessed by the Commission for Debt Service	(17,813)	(17,491)	-	-
Capital Gifts and Grants	7,476,251	510,045	-	-
Total Other Nonoperating Revenues (Expenses)	7,563,737	418,971	4,849,387	2,918,772
INCREASE IN FUND NET POSITION	9,313,963	387,990	4,239,100	4,633,222
Fund Net Position - Beginning of Year	70,428,430	70,040,440	32,570,923	27,937,701
FUND NET POSITION - END OF YEAR	$ 79,742,393	$ 70,428,430	$ 36,810,023	$ 32,570,923

See accompanying Notes to Financial Statements.

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

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 12,418,040	$ 8,412,243
Contracts and Grants	5,795,506	13,036,635
Payments to and on Behalf of Employees	(24,595,921)	(24,908,757)
Payments to Suppliers	(10,590,860)	(12,528,979)
Payments to Utilities	(3,245,067)	(2,841,395)
Payments for Scholarships and Fellowships	(570,873)	(1,485,733)
Collection of Loans to Students	78,488	49,995
Auxiliary Enterprise Charges	10,029,476	9,103,640
Other Receipts - Net	1,255,117	976,665
William D. Ford Direct Lending Receipts	11,133,426	11,313,239
William D. Ford Direct Lending Payments	(11,133,426)	(11,313,239)
Net Cash Used by Operating Activities	(9,426,094)	(10,185,686)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	10,416,184	10,380,743
Federal Pell Grants	3,577,795	4,037,889
Net Cash Provided by Noncapital Financing Activities	13,993,979	14,418,632
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of Capital Assets	(1,632,985)	(3,828,768)
Principal Paid on Notes Payable	(200,000)	(500,000)
Principal Paid on Debt Obligation to Commission	(187,090)	(187,147)
Principal Paid on Bonds	(1,923,750)	(1,758,490)
Proceeds on Sale of Capital Assets	161,739	-
Interest Paid on Long-Term Debt	(319,898)	(369,600)
Principal Paid on Lease and Subscription Liabilities	(1,722,521)	36,078
Interest Paid on Lease and Subscription Liabilities	(23,525)	(99,812)
Funding of Restricted Cash and Cash Equivalents	(256)	1,523
Fees Assessed by Commission for Debt Service	(17,813)	(17,491)
Net Cash Used by Capital Financing Activities	(5,866,099)	(6,723,707)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	285,345	394,701
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,012,869)	(2,096,060)
Cash and Cash Equivalents - Beginning of Year	9,286,146	11,382,206
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 8,273,277	$ 9,286,146

See accompanying Notes to Financial Statements.

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

	2026	2025
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Loss	$ (8,885,770)	$ (10,522,059)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	3,824,040	4,007,714
Pell Grants	(3,577,795)	(4,037,889)
Bad Debt Expense	(78,488)	547,599
Payments Made on Behalf of the University for Employee Benefits	197,071	84,581
Effect of Changes in Operating Assets, Deferred Outflows, Liabilities, and Deferred Inflows:		
Accounts Receivable	208,605	2,229,413
Loans to Students	33,694	49,995
Prepaid Expenses	465	2,349
Inventories	(1,377)	19,531
Accounts Payable	(16,820)	159,797
Due to Commission	10,932	-
Accrued Liabilities	(32,977)	264,167
Compensated Absences	21,671	29,134
Other Postemployment Benefits	49,958	367,513
Net Pension Liability	172,812	(17,216)
Deferred Outflows - Pension	-	2,133
Deferred Outflows - OPEB	(299,838)	(164,658)
Deferred Inflows - Pension	(48,616)	(35,248)
Deferred Inflows - OPEB	102,689	(369,912)
Unearned Revenues	(1,036,116)	(2,801,974)
Advances from Federal Sponsors	(70,234)	(656)
Other	-	-
Net Cash Used by Operating Activities	$ (9,426,094)	$ (10,185,686)
NONCASH TRANSACTIONS		
Capital Asset Additions in Accounts Payable and Accrued Liabilities	$ -	$ 1,347,705
Capital Assets Acquired with Leases and SBITAs	$ 232,710	$ 456,503
Capital Assets Acquired with Gifts and Grants	$ 7,476,251	$ 510,045

NOTE 1 ORGANIZATION

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

A related organization of the University, the West Liberty University Foundation, Incorporated (the Foundation) is part of the University reporting entity under GASB and is included in the accompanying financial statements, as a discretely presented component unit, as the University has no ability to designate management, cannot significantly influence operations of this entity, and is not accountable for the fiscal matters of the Foundation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

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

Net Investment in Capital Assets – This represents the University's total investment in capital assets, net of depreciation, capital related deferred inflows and outflows, and outstanding debt obligations related to those capital assets. To the extent that debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

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

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

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

Unrestricted Net Position – This represents resources derived from student tuition and fees, state appropriations, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the Board to meet current expenses for any purpose.

Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenses are reported when materials or services are received.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Cash and cash equivalents balances on deposit with the State of West Virginia Treasurer's Office (the State Treasurer) are pooled by the State Treasurer with other available funds of the State for investment purposes by the West Virginia Board of Treasury Investments (BTI). These funds are transferred to the BTI, and the BTI is directed by the State Treasurer to invest the funds in specific external investment pools in accordance with West Virginia Code, policies set by the BTI, provisions of bond indentures, and the trust agreements, when applicable. Balances in the investment pools are recorded at fair value or amortized cost, which approximates fair value.

Fair value is determined by a third-party pricing service based on asset portfolio pricing models and other sources in accordance with GASB. The BTI was established by the State Legislature and is subject to oversight by the State Legislature. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. The amounts on deposit are available for immediate withdrawal or on the first day of each month for the WV Short-Term Bond Pool and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

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

Allowance for Doubtful Accounts

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

Inventories

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Noncurrent Cash, Cash Equivalents, and Investments

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

Capital Assets

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

Subscription-Based Information Technology Arrangements (SBITA) Assets

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

Leases

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

Unearned Revenues

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences and Net Other Postemployment Benefits (OPEBs)

GASB provides standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expenditures, assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the State. Effective July 1, 2007, the University was required to participate in this multiple employer cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State. Details regarding this Plan and its stand-alone financial statements can be obtained by contacting West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, West Virginia 25305-0710 or http://www.wvpeia.com (Note 10).

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

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

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 3⅓ years of teaching service extend health insurance for one year of single coverage and five years extend health insurance for one year of family coverage. Faculty hired after July 1, 2009, will no longer receive years of service credit toward insurance premiums when they retire. Employees hired after July 1, 2010, receive no health insurance premium subsidy from the University. Two groups of employees hired after July 1, 2010, will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who retired before July 1, 2010, return to active service after July 1, 2010, and then go back into retirement. In those cases, the original hire date will apply.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Net Pension Liability

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

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

Other Postemployment Benefits (OPEB)

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

Deferred Outflows of Resources

Consumption of net assets by the University that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position. As of June 30, 2026 and 2025, the University had deferred outflows related to net deferred loss on refunding of debt and other postemployment benefits.

Deferred Inflows of Resources

An acquisition of net assets by the University that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statement of net position. As of June 30, 2026 and 2025, the University had deferred inflows from pension and other postemployment benefits.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management

The State's Board of Risk and Insurance Management (BRIM) provides general, property and casualty, and liability coverage to the University and its employees. Such coverage is provided to the University by BRIM through self-insurance programs maintained by BRIM or policies underwritten by BRIM that may involve experience-related premiums or adjustments to BRIM.

BRIM engages an independent actuary to assist in the determination of its premiums so as to minimize the likelihood of premium adjustments to the University or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums the University is currently charged by BRIM and the ultimate cost of that insurance based on the University's actual loss experience. In the event such differences arise between estimated premiums currently charged by BRIM to the University and the University's ultimate actual loss experience, the difference will be recorded as the change in estimate becomes known.

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

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

Classification of Revenues

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

Operating Revenues – Operating revenues are defined as all revenues that don't meet the definition of nonoperating revenues under GASB 103.

Noncapital Subsidies – Noncapital subsidies include resources received from another party or fund (a) for which the University does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the University's current or future fees and charges lower than they would be otherwise as defined in GASB No. 103 *Financial Reporting Model Improvements*.

Nonoperating Revenues – Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory and (5) investment income and expenses.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Restricted Net Position

The University has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Generally, the University attempts to utilize restricted net position first when practicable. The University did not have any designated net position funds as of June 30, 2026 and 2025.

Federal Financial Assistance Programs

The University makes loans to students under the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students, through entities like the University. Direct student loan receivables are not included in the University's statements of net position, as the loans are repayable directly to the U.S. Department of Education. In 2026 and 2025, the University received and disbursed $11,133,426 and $11,313,239, respectively, under the Federal Direct Student Loan Program on behalf of the U.S. Department of Education, which is not included as revenue and expense on the statements of revenues, expenses, and changes in net position.

The University also distributes other student financial assistance funds on behalf of the federal government to students under the Federal Pell Grant, Supplemental Education Opportunity Grant, Academic Competitive Grant, Science Math Access to Retain Talent Grant, Federal Teacher Education Assistance for University and Higher Education Grant, and University Work Study programs and U.S. Department of Education Miscellaneous Funds. The activity of these programs is recorded in the accompanying financial statements. In 2026 and 2025, the University received and disbursed approximately $3,974,226 and $4,261,101, respectively, under these federal student aid programs.

Scholarship Allowances

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Grants and Contracts

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

Service Concession Arrangements

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

Income Taxes

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

Use of Estimates

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

Risks and Uncertainties

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

Adoption of New Accounting Standard

Effective for the year ended June 30, 2026, the University adopted Statement No. 103, *Financial Reporting Model Improvements*, issued by the Governmental Accounting Standards Board (GASB). 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 statement of revenues, expenses, and changes in net position. The University's financial statements contain various updates to the management discussion and analysis and the statement of revenues, expenses, and changes in net position due to the adoption of GASB 103.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standard (Continued)

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

Financial Statement Line Item	As Previously Reported	As Reported Under GASB 103
Operating Revenues		
Federal Contracts and Grants	$ 3,426,987	$ 7,464,876
State Contracts and Grants	7,660,379	7,124,580
Other Operating Revenues	80,227	899,982
Noncapital Subsidies		
State Appropriations	-	10,380,743
Scholarship Grants	-	25,754
Payments on Behalf of the University		197,071
Nonoperating Revenues		
State Appropriations	10,380,743	-
Federal Pell Grants	4,037,889	-
Payments on Behalf of the University	197,071	-
Other Nonoperating Revenues and Expenses	819,755	-
Capital Gifts and Grants	-	510,045

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

NOTE 3 CASH AND CASH EQUIVALENTS

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

2026	Current	Noncurrent	Total
With State Treasurer	$ 7,759,110	$ -	$ 7,759,110
Held by Trustee Bank	-	73,396	73,396
In Bank	511,527	-	511,527
On Hand	2,640	-	2,640
Total	$ 8,273,277	$ 73,396	$ 8,346,673

2025	Current	Noncurrent	Total
With State Treasurer	$ 8,893,038	$ -	$ 8,893,038
Held by Trustee Bank	-	73,140	73,140
In Bank	390,468	-	390,468
On Hand	2,640	-	2,640
Total	$ 9,286,146	$ 73,140	$ 9,359,286

Cash and cash equivalents with the Trustee Bank include deposits held by the Bond Trustee for the bonds issued in May 2012, March 2013, September 2018, and May 2021. The University uses WesBanco Bank (the Trustee Bank) as its trustee bank for the bond proceeds.

The total amount held by the Trustee Bank on June 30, 2026 and 2025, was $73,396 and $73,140, respectively, and was invested in Federated U.S. Treasury Cash Reserves. These funds are rated AAAm by Standard & Poor's and Aaa by Moody's. These funds have neither significant custodial credit risk nor interest rate risk. These funds are neither exposed to a concentration of credit risk nor any foreign currency risk.

The carrying amount of other cash in bank at June 30, 2026 and 2025, was $511,527 and $390,468, respectively, as compared with the bank balance of $514,167 and $393,108, respectively. The difference in these balances was primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by State's agent. Regarding federal depository insurance, accounts are 100% insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Cash and cash equivalents in the bank included $-0- of restricted cash for grants as of June 30, 2026 and 2025.

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

Credit Risk

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

	2026		2025	
External Pool	Carrying Value	S & P Rating	Carrying Value	S & P Rating
WV Money Market Pool	$ 6,104,384	AAAm	$ 8,641,132	AAAm
WV Short-Term Bond Pool	142,909	Not Rated	715,089	Not Rated
Total	$ 6,247,293		$ 9,356,221	

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk (Continued)

A Fund rated AAAm has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. AAAm is the highest principal stability fund rating assigned by Standard & Poor's.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the amounts with the State Treasurer are subject to interest rate risk. The following table provides information on the weighted-average maturities for the WV Money Market Pool:

	2026		2025	
External Pool	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
WV Money Market Pool	$ 6,104,384	46	$ 8,641,132	41

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

	2026		2025	
External Pool	Carrying Value	Effective Duration (Days)	Carrying Value	Effective Duration (Days)
WV Short-Term Bond Pool	$ 142,909	664	$ 715,089	637

Other Investment Risks

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

Cash and Cash Equivalents in Bank with Trustee

Credit Risk

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

	Carrying Value	
Investment Type	2026	2025
Federated U.S. Treasury Cash Reserves	$ 73,396	$ 73,140

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

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Other Investment Risks (Continued)

Custodial Credit Risk

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

Interest Rate Risk and Concentration of Credit Risk

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

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at June 30 were as follows:

	2026	2025
Student Tuition and Fees - Net of Allowance for Doubtful Accounts of $1,390,671 in 2026 and $1,080,054 in 2025	$ 954,111	$ 879,870
Due from West Virginia Agencies	293,919	23,725
Interest Receivable on State Cash Accounts	-	-
Grants and Contracts Receivable	673,764	1,285,022
Other Receivables	154,305	88,218
Total	$ 2,076,099	$ 2,276,835

NOTE 5 CAPITAL ASSETS

Capital asset transactions for the years ended June 30 were as follows:

	2026			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 701,263	$ 326,000	$ -	$ 1,027,263
Construction in Progress	7,027,502	6,665,560	4,173,017	9,520,045
Total Capital Assets Not Being Depreciated	7,728,765	6,991,560	4,173,017	10,547,308
Capital Assets Being Depreciated:				
Infrastructure	13,696,750	-	-	13,696,750
Buildings	116,134,715	3,446,572	-	119,581,287
Leasehold Improvements	829,767	-	-	829,767
Equipment	10,269,128	1,983,892	-	12,253,020
Library Books	2,312,263	-	-	2,312,263
Lease Assets:				
Buildings and Land	2,352,117	-	2,299,828	52,289
Equipment and Vehicles	431,704	232,710	-	664,414
Subscription Assets	692,126	-	-	692,126
Total Capital Assets Being Depreciated	146,718,570	5,663,174	2,299,828	150,081,916
Less Accumulated Depreciation for:				
Infrastructure	9,008,112	789,251	-	9,797,363
Buildings	49,882,724	2,599,356	-	52,482,080
Leasehold Improvements	827,022	645	-	827,667
Equipment	9,248,664	305,771		9,554,435
Library Books	2,302,652	3,905	-	2,306,557
Lease Assets:				
Buildings and Land	786,428	-	737,850	48,578
Equipment and Vehicles	86,341	127,481	-	213,822
Subscription Assets	487,746	89,306	-	577,052
Total Accumulated Depreciation	72,629,689	3,915,715	737,850	75,807,554
Total Capital Assets Being Depreciated, Net	74,088,881	1,747,459	1,561,978	74,274,362
Capital Assets, Net	$ 81,817,646	$ 8,739,019	$ 5,734,995	$ 84,821,670

NOTE 5 CAPITAL ASSETS (CONTINUED)

	2025			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 701,263	$ -	$ -	$ 701,263
Construction in Progress	5,693,345	6,225,930	4,891,773	7,027,502
Total Capital Assets Not Being Depreciated	6,394,608	6,225,930	4,891,773	7,728,765
Capital Assets Being Depreciated:				
Infrastructure	13,696,750	-	-	13,696,750
Buildings	111,161,799	4,972,916	-	116,134,715
Leasehold Improvements	829,767	-	-	829,767
Equipment	10,023,689	267,075	21,636	10,269,128
Library Books	2,312,263	-	-	2,312,263
Lease Assets:				
Buildings and Land	2,656,085	-	303,968	2,352,117
Equipment and Vehicles	-	431,704	-	431,704
Subscription Assets	692,126	-	-	692,126
Total Capital Assets Being Depreciated	141,372,479	5,671,695	325,604	146,718,570
Less Accumulated Depreciation for:				
Infrastructure	8,295,226	712,886	-	9,008,112
Buildings	47,400,367	2,482,357	-	49,882,724
Leasehold Improvements	826,377	645	-	827,022
Equipment	8,919,788	350,512	21,636	9,248,664
Library Books	2,297,842	4,810	-	2,302,652
Lease Assets:				
Buildings	847,832	242,564	303,968	786,428
Equipment	-	86,341	-	86,341
Subscription Assets	363,147	124,599	-	487,746
Total Accumulated Depreciation	68,950,579	4,004,714	325,604	72,629,689
Total Capital Assets Being Depreciated, Net	72,421,900	1,666,981	-	74,088,881
Capital Assets, Net	$ 78,816,508	$ 7,892,911	$ 4,891,773	$ 81,817,646

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

The University had construction commitments totaling $184,746 as of June 30, 2026. Depreciation and amortization expense was $3,824,040 and $4,007,714 at June 30, 2026 and 2025, respectively.

NOTE 6 CHANGES IN LONG-TERM LIABILITIES

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

	2026				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable:					
Revenue Bonds Payable	$ 10,776,052	$ -	$ (1,923,750)	$ 8,852,302	$ 2,002,000
Notes Payable from Direct Borrowings	1,400,000	-	(200,000)	1,200,000	200,000
Other Long-Term Liabilities:					
Advances from Federal Sponsors	279,259	656	(70,890)	209,025	165,617
Compensated Absences	1,184,570	21,671	-	1,206,241	176,252
Subscriptions Payable	220,079	-	(103,611)	116,468	116,468
Leases Payable	2,080,431	221,678	(1,840,588)	461,521	211,238
Debt Obligation to Commission	383,710	-	(187,090)	196,620	196,620
Total Long-Term Liabilities	$ 16,324,101	$ 244,005	$ (4,325,929)	$ 12,242,177	$ 3,068,195

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable:					
Revenue Bonds Payable	$ 12,534,542	$ -	$ (1,758,490)	$ 10,776,052	$ 1,923,750
Notes Payable from Direct Borrowings	1,900,000	-	(500,000)	1,400,000	200,000
Other Long-Term Liabilities:					
Advances from Federal Sponsors	279,915	143,091	(143,747)	279,259	95,328
Compensated Absences	1,155,436	29,134	-	1,184,570	180,253
Subscriptions Payable	311,905	-	(91,826)	220,079	103,611
Leases Payable	1,952,527	515,975	(388,071)	2,080,431	264,882
Debt Obligation to Commission	570,857	-	(187,147)	383,710	187,090
Total Long-Term Liabilities	$ 18,705,182	$ 688,200	$ (3,069,281)	$ 16,324,101	$ 2,954,914

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

NOTE 7 BONDS PAYABLE

Bonds payable at June 30 consisted of the following:

	Interest Rates	Annual Principal Installment Due	Principal Amount Outstanding 2026	Principal Amount Outstanding 2025
Series 2012 Due 2027	2.000-3.250%	$565,000 - $785,000	$ 1,350,000	$ 2,110,000
Series 2013 Due 2028	1.300-2.680	580,000 - 765,000	1,325,000	2,070,000
Series 2018 Due 2038	3.650	140,302 - 353,000	3,407,302	3,646,052
Series 2021 Due 2036	2.174	180,000 - 365,000	2,770,000	2,950,000
Total			$ 8,852,302	$ 10,776,052

NOTE 7 BONDS PAYABLE (CONTINUED)

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

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

The Board of Governors of the University issued bonds on September 20, 2018: the University Capital Improvement Revenue Bonds, Series 2018 (the Series 2018 Bonds) for $5,132,000. The proceeds of the Series 2018 Bonds were issued to finance certain capital improvements to the University. The bond proceeds are being expended from the trustee as funds are requested for payments on capital projects that were preapproved by the Board of Governors of the University. As of June 30, 2026, $5,094,490 had been expended from the bond proceeds for costs of issuance and capital expenditures on the Series 2018 Bonds.

The Board of Governors of the University issued bonds on May 20, 2021: the University Capital Improvement Revenue Bonds, Series 2021 (the Series 2021 Bonds) for $3,020,000. The proceeds of the Series 2021 Bonds were issued to finance certain capital improvements to the University. The bond proceeds are being expended from the trustee as funds are requested for payments on capital projects that were preapproved by the Board of Governors of the University. As of June 30, 2026, $2,986,209 had been expended from the bond proceeds for costs of issuance and capital expenditures on the Series 2021 Bonds. The Series 2021 Bonds are secured by the unspent proceeds being held in escrow by the trustee, which is included in cash and cash equivalents, held by trustee in the accompanying statements of net position. The Series 2021 bonds are also secured by equipment purchased from bond proceeds.

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

NOTE 7 BONDS PAYABLE (CONTINUED)

A summary of the annual aggregate principal and interest payments for years subsequent to June 30, 2026, is as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 2,002,000	$ 251,215	$ 2,253,215
2028	1,596,000	195,303	1,791,303
2029	485,000	157,096	642,096
2030	500,000	142,641	642,641
2031	565,000	127,712	692,712
2032-2036	2,985,302	369,418	3,354,720
2037-2038	719,000	23,126	742,126
Total	$ 8,852,302	$ 1,266,511	$ 10,118,813

NOTE 8 LEASE AND SBITA LIABILITIES

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

Future minimum lease payments under the lease agreements at June 30, 2026, are as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 126,374	$ 16,761	$ 143,135
2028	139,073	10,915	149,988
2029	145,112	4,875	149,987
2030	45,065	932	45,997
2031	5,897	103	6,000
Total	$ 461,521	$ 33,586	$ 495,107

Future minimum SBITA payments under the agreements at June 30, 2026, are as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 116,468	$ 1,903	$ 118,371
Total	$ 116,468	$ 1,903	$ 118,371

NOTE 9 NOTES PAYABLE

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

Future principal payments on these notes payable as of June 30, 2026, are as follows:

Year Ending June 30,	Amount
2027	$ 200,000
2028	200,000
2029	200,000
2030	200,000
2031	200,000
Thereafter	200,000
Total	$ 1,200,000

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

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

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

	2026	2025
Net OPEB Liability (Asset)	$ 173	$ (50)
Deferred Outflows of Resources	636	337
Deferred Inflows of Resources	337	235
Revenues (Expense)	197	85
OPEB Expense	223	(83)
Contributions Made by the University	64	124

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description

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

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

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

Benefits Provided

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Contributions

Pay as you go premiums (paygo) are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidize the retirees' health care.

Members 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, 3⅓ years of teaching service extend health insurance coverage for one year of family coverage, and five years extend health insurance for one year of family coverage. Faculty hired after July 1, 2009, no longer receive years of service credit toward insurance premiums when they retire. Faculty hired on or after July 1, 2010, receive no health insurance premium subsidy when they retire. Two groups of employees hired after July 1, 2010, will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who had an original hire date prior to July 1, 2010, may return to active employment. In those cases, the original hire date may apply.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions

The June 30, 2026, OPEB liability (asset) for financial reporting purposes was determined by an actuarial valuation as of June 30, 2024, and a measurement date of June 30, 2025. The June 30, 2025, OPEB liability (asset) for financial reporting purposes was determined by an actuarial valuation as of June 30, 2023, and a measurement date of June 30, 2024. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

- Inflation rate of 2.50% and discount rate of 7.40%
- Salary increase: Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Healthcare cost trend rates: Trend rate for pre-Medicare and Medicare per capita costs of 5.0% for medical and 8.0% for drug, the trends increase over 4 years to 7.0% and 9.5%, respectively, and then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year-end 2034 (2033 for FY25).
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period beginning June 30, 2017.
- Wage inflation: 2.75% for PERS and 3.25% for Troopers.
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study “Health Care Costs – From Birth to Death.”
- Expenses: Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.
- Mortality postretirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females.
- Mortality pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 100% for females.
-

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

The long-term investment rate of return of 7.40% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the West Virginia Investment Management Board (IMB) and an expected short-term rate of return of 2.75% for assets invested with the WV Board of Treasury Investments (BTI). Long-term pre-funding assets are invested with the IMB. The strategic asset allocation consists of 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund, and 12% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the BTI.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

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

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

Discount Rate

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

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

The following presents the University's proportionate share of the net OPEB liability as of June 30, 2026 and 2025, calculated using the applicable discount rate, as well as what the University's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the applicable rate (dollars in thousands):

	2026		
	1% Decrease in Discount Rate 6.40%	Current Discount Rate 7.40%	1% Increase in Discount Rate 8.40%
Net OPEB Liability (Asset)	$ 660	$ 173	$ (243)

	2025		
	1% Decrease in Discount Rate 6.40%	Current Discount Rate 7.40%	1% Increase in Discount Rate 8.40%
Net OPEB Liability (Asset)	$ 218	$ (50)	$ (273)

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

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

	2026		
	1% Decrease Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase Healthcare Cost Trend Rate
Net OPEB Liability (Asset)	$ (438)	$ 173	$ (243)

	2025		
	1% Decrease Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase Healthcare Cost Trend Rate
Net OPEB Liability (Asset)	$ (393)	$ (50)	$ 366

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

At June 30, 2026 and 2025, the amount recognized as the University's proportionate share of the net OPEB liability (asset) was approximately $172,812 and $(49,958), respectively. At June 30, 2026, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB liability (asset) is $137,103 and the total net OPEB liability/(asset) attributable to the University is $309,915. At June 30, 2025, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB liability is $(156,912) and the total net OPEB liability attributable to the University is $(206,870).

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 due. At June 30, 2026, the University's proportion was 0.183250119%, an increase of 0.303236820% from its proportion of 0.119986701%, calculated as of June 30, 2025. At June 30, 2025, the University's proportion was 0.119986701%, a decrease of .143819741% from its proportion of 0.263806442%, calculated as of June 30, 2024.

For the years ended June 30, 2026 and 2025, the University recognized OPEB expense of $222,692 and $(82,476), respectively. Of this amount, $25,621 and $(167,057) for the years ended June 30, 2026 and 2025, respectively, was recognized as the University's proportionate share of the OPEB expense, and $197,071 and $84,581 for the years ended June 30, 2026 and 2025, respectively, as the amount of OPEB expense attributed to special funding. The University also recognized revenue (expense) of $197,071 and $84,581 for the years ended June 30, 2026 and 2025, respectively, for support provided by the State.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

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

At June 30, 2026, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ 11	$ 48
Net Difference Between Projected and Actual Investment Earnings	157	126
Differences Between Expected and Actual Experience	-	127
Changes in Assumptions	404	36
Contributions After the Measurement Date	64	-
Total	$ 636	$ 337

The University will recognize the $64,016 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as a reduction to OPEB expense as follows (dollars in thousands):

Fiscal Year Ending June 30,	Amortization
2026	$ 171
2027	140
2028	(36)
2029	(40)
Total	$ 235

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ 19	$ 69
Net Difference Between Projected and Actual Investment Earnings	175	57
Differences Between Expected and Actual Experience	-	50
Changes in Assumptions	19	59
Contributions After the Measurement Date	124	-
Total	$ 337	$ 235

NOTE 11 UNRESTRICTED NET POSITION

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

	2026	2025
Total Unrestricted Net Position Before OPEB Liability	$ 5,521,017	$ 5,671,903
Less: OPEB Liability (Asset)	172,812	(49,958)
Total Unrestricted Net Position	$ 5,348,205	$ 5,721,861

NOTE 12 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

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

The State has chartered the Commission with the responsibility to construct or renovate, finance, and maintain various academic and other facilities of the State's universities and Universities, including certain facilities of the University. Financing for these facilities was provided through revenue bonds issued by the former Board of Regents or the former Boards of the University and University Systems (the Boards). These obligations administered by the Commission are the direct and total responsibility of the Commission, as successor to the former Boards.

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

For the years ended June 30 the debt service allocations assessed were as follows:

	2026	2025
Principal	$ 187,090	$ 187,147
Interest	19,199	22,105
Other	17,491	17,669
Total	$ 223,780	$ 226,921

NOTE 13 DEFINED BENEFIT PENSION PLAN

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

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

	2026	2025
Net Pension Liability	$ -	$ -
Deferred Outflows of Resources	-	-
Deferred Inflows of Resources	87,157	135,773
Revenues - Payments on Behalf of the University	-	-
Pension Expense	(48,616)	(50,331)
Contributions Made by WLU	-	-

Plan Description

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

TRS is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the State of West Virginia's Annual Comprehensive Financial Report. TRS issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information for the Plan. A copy of the report may be obtained from the TRS website at https://www.wvretirement.com/Publications.html.

Benefits Provided

TRS provides retirement, death, and disability benefits. A member is eligible for normal retirement at age 60 with 5 years of service, age 55 with 30 years of service or any age with 35 years of service. A member may retire with 30 years of credited service at any age with the pension reduced actuarially if the member retires before age 55. Terminated members with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62. Retirement benefits are equivalent to 2% of average annual salary multiplied by years of service. Average salary is the average of the five highest fiscal years of earnings during the last 15 fiscal years of earnings. Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan, including contribution rates, to the State Legislature.

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

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

Member Contributions

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

Employer Contributions

Employers make the following contributions:

The State (including institutions of higher education) contributes:

1. 15% of gross salary of their State-employed members hired prior to July 1, 1991;
2. 15% of School Aid Formula (SAF) covered payroll of county employed members;
3. 7.5% of SAF-covered payroll of members of the Teachers Defined Contribution Retirement System (TCDRS);
4. a certain percentage of fire insurance premiums paid by State residents; and
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 the June 30, 2024 and 2023, measurement dates, respectively, the University's proportionate share attributable to this special funding subsidy was $-0- and $-0- and is recorded as revenue/(expense).

The University's contributions to TRS for the years ended June 30, 2026, 2025, and 2024, were approximately $-0-, $-0-, and $-0-, respectively.

Assumptions

The total pension liabilities for June 30, 2026 and 2025, financial reporting purposes were determined by actuarial valuations as of July 1, 2024 and 2023, respectively, and rolled forward to June 30, 2025 and 2024, respectively. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994, through fiscal year 2034.
- Investment rate of return of 7.25%, net of pension plan administrative and investment expenses.

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions (Continued)

- Projected salary increases: Teachers 2.75-5.90% and nonteachers 2.75-6.50%, based on age.
- Inflation rate of 2.75% and discount rate of 7.25%
- Mortality rates based on Pub-2016 Mortality Tables, headcount-weighted, projected with Scale MP-2021
- Withdrawal rates: Teachers 1.90-31.50% and nonteachers 2.50-18%.
- Disability rates: 0.000-0.507%
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15-100%
- *Ad hoc* cost-of-living increases in pensions are periodically granted by the State Legislature. However, the retirement system makes no automatic provision for such increases.

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

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

	2026	
Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity	5.3 %	22.5 %
International Equity	6.7	22.5
Core Fixed Income	4.3	15.0
Real Estate	7.2	12.0
Private Equity	8.0	12.0
Private Credit	8.2	6.0
Hedge Funds	5.0	10.0

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions (Continued)

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

Discount Rate

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

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

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

	2026		
	1% Decrease in Discount Rate 6.25%	Current Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
Net Pension Liability (Asset)	$ -	$ -	$ -

	2025		
	1% Decrease in Discount Rate 6.25%	Current Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
Net Pension Liability (Asset)	$ -	$ -	$ -

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions (Continued)

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

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

At June 30, 2026 and 2025, the University's proportionate share of the TRS net pension liability was $-0- and $-0-, respectively. Of this amount, the University recognized was $-0- and $-0-, respectively, as its proportionate share on the Statement of Net Position. The remainder of was $-0- and $-0-, respectively, denotes the University's proportionate share of net pension liability attributable to the special funding provided by the state.

The allocation percentage assigned to each participating employer and nonemployer contributing entity is based on their proportionate share of employer and nonemployer contributions to TRS for each of the fiscal years ended June 30, 2025 and 2024. Employer contributions are recognized when due. The University had a 0.00% proportion at June 30, 2025 and 2024 measurement dates. At the June 30, 2025, measurement date, the University's proportion was 0.000000%, a decrease of 0.000752% from its proportion of 0.000752%, calculated as of June 30, 2024.

For the years ended June 30, 2026 and 2025, the University recognized TRS pension expense of was $(48,616) and $(50,331), respectively. Of this amount, was $(48,616) and $(50,331), respectively was recognized as the University's proportionate share of the TRS (benefit) expense was $-0- and $-0-, respectively, as the amount of pension expense attributable to special funding from a nonemployer contributing entity and was $-0- and $-0-, respectively, as the amount of pension expense from a nonemployer contributing entity not attributable to a special funding situation. The University also recognized (revenue)/expense of was $-0- and $-0-, respectively, for support provided by the State.

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions (Continued)

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

At June 30, 2026, deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ -	$ 87,157
Net Difference Between Projected and Actual Investment Earnings	-	-
Difference Between Projected and Actual Experience	-	-
Changes in Assumptions	-	-
Contributions After Measurement Date	-	-
Total	$ -	$ 87,157

The University will recognize the $-0- reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the TRS net pension liability in the year ending 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 Ending June 30,	Amortization
2027	$ (40,016)
2028	(47,141)
Total	$ (87,157)

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

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

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumptions (Continued)

Payables to the Pension Plan

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

NOTE 14 RETIREMENT PLANS

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

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

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

Total contributions to the TIAA-CREF for the years ended June 30, 2026, 2025, and 2024, were $2,133,224, $2,174,889, and $2,117,324, respectively, which consisted of equal contributions from the University and covered employees of $1,066,612 in 2026, $1,087,445 in 2025, and $1,058,662 in 2024.

Total contributions to the Educators Money for the years ended June 30, 2026, 2025, and 2024, were $-0-, $10,464, and $38,542, respectively, which consisted of equal contributions from the University and covered employees of $-0- in 2026, $5,232 in 2025, and $19,271 in 2024.

The University's total payroll for the years ended June 30, 2026, 2025, and 2024, was $17,776,870, $18,211,273, and $17,965,540, respectively, and total covered employees' salaries in the TIAA-CREF, and Educators Money were $17,776,870 and $-0-, respectively, in 2026; $18,124,076 and $87,197, respectively, in 2025 $17,644,359, and in 2024 $321,181, respectively.

NOTE 15 CONTINGENCIES

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

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

The Internal Revenue Code of 1986 establishes rules and regulations for arbitrage rebates. There were no arbitrage rebate liabilities that were recorded in the financial statements as of June 30, 2026 and 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 by Federal Environmental, Health, and Safety Regulations to manage the presence of asbestos in its buildings in a safe condition. The University addresses its responsibility to manage the presence of asbestos in its buildings on a case-by-case basis. Significant problems of dangerous asbestos conditions are abated as the condition becomes know. The University also addresses the presence of asbestos as building renovation or demolition projects are undertaken and through asbestos operation and maintenance programs directed at containing, managing, or operating with the asbestos in a safe condition.

NOTE 16 SEGMENT INFORMATION

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

NOTE 16 SEGMENT INFORMATION (CONTINUED)

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

A. The Board of Governors of the University issued University Revenue Refunding Bonds, Series 2013

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

The Series 2013 Bonds outstanding consist of $1,325,000 Term Bonds as follows:

Principal Amount	Maturity Date	Interest Rate
$ -	May 1, 2025	2.48 %
1,325,000	May 1, 2028	2.68

B. The Board of Governors of the University issued University Revenue Bonds, Series 2012

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

The Series 2012 Bonds outstanding consist of $1,350,000 Term Bonds as follows:

Principal Amount	Maturity Date	Interest Rate
$ -	November 1, 2023	2.75 %
1,350,000	November 1, 2027	3.25

C. The Board of Governors of the University issued University Revenue Bonds, Series 2018

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

The Series 2018 Bonds outstanding consist of $3,407,302 Term Bonds with variable principal payments at an interest rate of 3.65% and matures on June 1, 2038.

NOTE 16 SEGMENT INFORMATION (CONTINUED)

D. The Board of Governors of the University issued University Revenue Bonds, Series 2021

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

The Series 2021 Bonds outstanding consist of $2,770,000 Term Bonds with variable principal payments at an interest rate of 3.65% and matures on May 1, 2036.

Condensed Statements of Net Position - 2026

	2026			
	WLU Revenue Bond Issue 2021 as of Year Ended June 30, 2026	WLU Revenue Bond Issue 2018 as of Year Ended June 30, 2026	WLU Revenue Refunding Bond 2013 as of Year Ended June 30, 2026	WLU Revenue Bond Issue 2012 as of Year Ended June 30, 2026
Assets:				
Current Assets	$ 244,133	$ 364,554	$ 3,534,535	$ 1,523,262
Noncurrent Assets	3,206,152	4,420,924	7,683,895	6,820,508
Deferred Outflows of Resources	-	-	12,730	-
Total Assets and Deferred Outflows of Resources	$ 3,450,285	$ 4,785,478	$ 11,231,160	$ 8,343,770
Liabilities:				
Current Liabilities	$ 212,527	$ 251,954	$ 770,917	$ 675,122
Noncurrent Liabilities	2,565,000	3,160,302	560,000	785,000
Total Liabilities	2,777,527	3,412,256	1,330,917	1,460,122
Net Position:				
Net Investments in Capital Assets	680,285	(296,137)	6,751,773	6,599,073
Unrestricted	(7,527)	1,669,359	3,148,469	284,576
Total Net Position	672,758	1,373,222	9,900,242	6,883,649
Total Liabilities and Net Position	$ 3,450,285	$ 4,785,478	$ 11,231,159	$ 8,343,771

NOTE 16 SEGMENT INFORMATION (CONTINUED)

Condensed Statements of Revenues, Expenses, and Changes in Net Position- 2026

	2026			
	WLU Revenue Bond Issue 2021 as of Year Ended June 30, 2026	WLU Revenue Bond Issue 2018 as of Year Ended June 30, 2026	WLU Revenue Refunding Bond 2013 as of Year Ended June 30, 2026	WLU Revenue Bond Issue 2012 as of Year Ended June 30, 2026
Operating:				
Operating Revenues	$ -	$ -	$ 1,794,274	$ 891,719
Net Operating Income	-	-	1,794,274	891,719
Nonoperating:				
Nonoperating Revenues	-	-	-	420
Nonoperating Expenses	(197,264)	(441,841)	(932,088)	(333,409)
Prior Period Adjustment	244,133	364,554	(981,823)	-
Net Nonoperating Expense	46,869	(77,287)	(1,913,911)	(332,989)
Net Increase in Net Position	46,869	(77,287)	(119,637)	558,730
Net Position - Beginning of Year	625,889	1,450,509	10,019,879	6,324,919
Net Position - End of Year	$ 672,758	$ 1,373,222	$ 9,900,242	$ 6,883,649

Condensed Statements of Cash Flows - 2026

	2026			
	WLU Revenue Bond Issue 2021 as of Year Ended June 30, 2026	WLU Revenue Bond Issue 2018 as of Year Ended June 30, 2026	WLU Revenue Refunding Bond 2013 as of Year Ended June 30, 2026	WLU Revenue Bond Issue 2012 as of Year Ended June 30, 2026
Net Cash Provided by Operating Activities	$ 135,655	$ 360,220	$ 1,794,274	$ 891,719
Net Cash Provided (Used) by Capital and Related Financing Activities	244,133	364,554	(3,059,450)	(815,802)
Net Increase (Decrease) in Cash and Cash Equivalents	108,478	4,334	(1,265,176)	75,917
Cash and Cash Equivalents - Beginning of Year	135,655	360,220	4,799,711	1,447,345
Cash and Cash Equivalents - End of Year	$ 244,133	$ 364,554	$ 3,534,535	$ 1,523,262

NOTE 16 SEGMENT INFORMATION (CONTINUED)

Condensed Statements of Net Position - 2025

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

Condensed Statements of Revenues, Expenses, and Changes in Net Position- 2025

	2025			
	WLU Revenue Bond Issue 2021 as of Year Ended June 30, 2025	WLU Revenue Bond Issue 2018 as of Year Ended June 30, 2025	WLU Revenue Refunding Bond 2013 as of Year Ended June 30, 2025	WLU Revenue Bond Issue 2012 as of Year Ended June 30, 2025
Operating:				
Operating Revenues	$ -	$ -	$ 1,825,149	$ 910,801
Net Operating Income	-	-	1,825,149	910,801
Nonoperating:				
Nonoperating Revenues	-	-	-	406
Nonoperating Expenses	(202,930)	(447,389)	(843,325)	(371,178)
Prior Period Adjustment	135,655	358,959	(1,014,975)	-
Net Nonoperating Expense	(67,275)	(88,430)	(1,858,300)	(370,772)
Net Increase in Net Position	(67,275)	(88,430)	(33,151)	540,029
Net Position - Beginning of Year	693,164	1,538,939	10,053,030	5,784,890
Net Position - End of Year	$ 625,889	$ 1,450,509	$ 10,019,879	$ 6,324,919

NOTE 16 SEGMENT INFORMATION (CONTINUED)

Condensed Statements of Cash Flows - 2025

	2025			
	WLU Revenue Bond Issue 2021 as of Year Ended June 30, 2025	WLU Revenue Bond Issue 2018 as of Year Ended June 30, 2025	WLU Revenue Refunding Bond 2013 as of Year Ended June 30, 2025	WLU Revenue Bond Issue 2012 as of Year Ended June 30, 2025
Net Cash Provided by Operating Activities	$ 65,655	$ 372,823	$ 1,825,149	$ 910,801
Net Cash Provided (Used) by Capital and Related Financing Activities	(135,655)	(360,220)	(2,158,001)	(815,090)
Net Increase (Decrease) in Cash and Cash Equivalents	70,000	(12,603)	(332,852)	95,711
Cash and Cash Equivalents - Beginning of Year	65,655	372,823	5,132,563	1,351,634
Cash and Cash Equivalents - End of Year	$ 135,655	$ 360,220	$ 4,799,711	$ 1,447,345

NOTE 17 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

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

	2026							
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Loan Cancellations and Write-Offs	Total
Instruction	$ 10,374,911	$ 2,621,600	$ 1,197,134	$ 10,855	$ -	$ -	$ -	$ 14,204,500
Research	502,808	58,418	714,879	-	-	-	-	1,276,105
Public Service	-	-	-	-	-	-	-	-
Academic Support	1,375,035	340,948	260,760	-	-	-	-	1,976,743
Student Services	1,411,051	488,213	479,544	-	-	-	-	2,378,808
General Institutional Support	1,723,506	541,416	2,218,089	678,038	-	-	-	5,161,049
Operations and Maintenance of Plant	1,378,502	542,195	620,254	1,133,401	-	-	-	3,674,352
Student Financial Aid	-	-	-	-	570,873	-	-	570,873
Auxiliary Enterprises	2,711,360	721,705	5,101,986	1,422,773	-	-	-	9,957,824
Depreciation	-	-	-	-	-	3,824,040	-	3,824,040
Other	-	-	-	-	-	-	(78,488)	(78,488)
Total	$ 19,477,173	$ 5,314,495	$ 10,592,646	$ 3,245,067	$ 570,873	$ 3,824,040	$ (78,488)	$ 42,945,806

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

NOTE 18 BALANCES DUE TO OR FROM WEST VIRGINIA STATE AGENCIES

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

	2026	2025
Amounts Due to State Agencies:		
West Virginia BRIM	$ -	$ (105,178)
Other Agencies	-	(6,638)
West Virginia Department of Education	(10,932)	-
Current Liability Due to State Agencies Included in Accounts Payable	(10,932)	(111,816)
Debt Obligation to Higher Education Policy Commission	(196,620)	(383,710)
Notes Payable to Higher Education Policy Commission	(1,200,000)	(1,400,000)
Total Amounts Due to State Agencies	$ (1,407,552)	$ (1,895,526)
Amounts Due from State Agencies:		
Higher Education Policy Commission - Interest Receivable	$ 19,525	$ 23,725
Deferred Maintenance	149,123	-
West Virginia Department of Commerce	-	-
Division of Natural Resources	15,159	-
Other	110,112	-
Total Amounts Due from State Agencies	$ 293,919	$ 23,725

NOTE 19 COMPONENT UNIT DISCLOSURES (FOUNDATION)

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

Investments

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

NOTE 19 COMPONENT UNIT DISCLOSURE (FOUNDATION) (CONTINUED)

Investments (Continued)

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

Fair Value Measurements

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

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

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

	2026			
	Level 1	Level 2	Level 3	Total
Valued on a Recurring Basis:				
Assets:				
Equity Securities	$ 11,891,516	$ -	$ -	$ 11,891,516
Corporate Bonds	-	5,826,243	-	5,826,243
Mutual Funds	12,352,206	-	-	12,352,206
Alternative Investment Funds	5,697	-	-	5,697
Money Market Funds	3,165,966	-	-	3,165,966
Investments and Cash Equivalents at Estimated Fair Value	27,415,385	5,826,243	-	33,241,628
Beneficial Interest in Perpetual Trust	-	3,030,597	-	3,030,597
Liabilities:				
Bank Overdraft	-	-	-	-
Total	$ 27,415,385	$ 8,856,840	$ -	$ 36,272,225

NOTE 19 COMPONENT UNIT DISCLOSURE (FOUNDATION) (CONTINUED)

Fair Value Measurements (Continued)

	2025			
	Level 1	Level 2	Level 3	Total
Valued on a Recurring Basis:				
Assets:				
Equity Securities	$ 18,011,167	$ -	$ -	$ 18,011,167
Corporate Bonds	-	5,549,529	-	5,549,529
Mutual Funds	3,213,211	-	-	3,213,211
Alternative Investment Funds	8,947	-	-	8,947
Money Market Funds	2,883,948	-	-	2,883,948
Investments and Cash Equivalents at Estimated Fair Value	24,117,273	5,549,529	-	29,666,802
Beneficial Interest in Perpetual Trust	-	-	2,706,042	2,706,042
Total	$ 24,117,273	$ 5,549,529	$ 2,706,042	$ 32,372,844

Fair value of the contribution from the beneficial interest in the perpetual trust is measured by using the fair value of the assets held in the trusts as reported by the trustee as of June 30, 2026. The Foundation considers the measurement of its beneficial interest in the trusts to be a Level 3 measurement within the fair value hierarchy because, even though that measurement is based on the adjusted fair values of the trusts' assets reported by the trustee, the Foundation will never receive those assets or have the ability to direct the trustee to redeem them.

The beneficial interest in perpetual trust (split interest agreement) is valued using unobservable inputs (Level 3) in accordance with the authoritative guidance on fair value measurements. Changes to the beneficial interest in perpetual trust in fiscal year 2026 are as follows:

Prior Period Restatement

During the current year audit, the Foundation identified errors affecting its previously issued financial statements as of and for the year ended June 30, 2025. Accordingly, the Foundation has restated its previously issued 2025 financial statements. In addition, during the year ended June 30, 2026, approximately $994,000 previously reported as unrestricted net position was reclassified as restricted net position. This reclassification had no effect on total net assets. The effects of these error corrections are shown below:

	June 30, 2025, As Previously Reported	Prior Period Restatement	June 30, 2026 As Adjusted or Restated
Statement of Net Position			
Prepaid Expenses and Other Current Assets	$ 76,896	$ (7,553)	$ 69,343
Accrued Liabilities	-	23,615	23,615
Total Assets	32,608,376	(7,553)	32,600,823
Total Liabilities	6,285	23,615	29,900
Total Net Position	32,602,091	(31,168)	32,570,923
Total Liabilities and Net Position	32,608,376	(7,553)	32,600,823
Statement of Revenues, Expenses, and Changes in Net Position			
Other Operating Expenses	407,733	23,615	431,348
Increase in Net Position	4,656,837	(23,615)	4,633,222
Net Position - Beginning of Year	27,945,254	(7,553)	27,937,701
Net Position - End of Year	32,602,091	(31,168)	32,570,923

NOTE 19 COMPONENT UNIT DISCLOSURE (FOUNDATION) (CONTINUED)

Prior Period Restatement (Continued)

	Unrestricted	Restricted for Expendable	Restricted for Non-Expendable	Total
As Restate Above	$ 2,271,856	$ 5,583,559	$ 24,715,508	$ 32,570,923
Net Position Classification Correction	(994,442)	340,008	654,434	-
As Reclassified	1,277,414	5,923,567	25,369,942	32,570,923

WEST LIBERTY UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF TRS NET PENSION LIABILITY
AND SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2026 AND 2025

SCHEDULE OF PROPORTIONATE SHARE OF TRS NET PENSION LIABILITY

Measurement Date June 30,	University's Proportionate Share as a Percentage of Net Pension Liability	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Employee Payroll	University's Proportionate Share as a Percentage of Covered Payroll	University's Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2016	0.0001940 %	$ 797	$ 1,518	$ 2,315	$ 501	159.08 %	61.42 %
2017	0.0001812	626	1,384	2,010	500	125.20	67.85
2018	0.0001136	355	919	1,274	344	103.20	71.20
2019	0.0001054	314	757	1,070	304	103.13	72.64
2020	0.0001062	342	743	1,085	295	116.00	70.89
2021	0.0001041	163	364	526	729	22.31	86.38
2022	0.0000764	197	438	635	536	37.00	77.78
2023	0.0000075	17	35	52	21	80.95	100.05
2024	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2017	$ 75	$ 80	$ (5)	$ 500	16.00 %
2018	75	75	-	344	21.80
2019	50	50	-	304	16.45
2020	46	46	-	295	15.59
2021	43	43	-	729	5.90
2022	32	32	-	536	5.97
2023	1	1	-	21	4.76
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-

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

Notes to Required Supplementary Information

Year Ended June 30, 2026

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

WEST LIBERTY UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET)
AND SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2026 AND 2025

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET)

Measurement Date June 30,	University's Proportionate Share as a Percentage of Net OPEB Liability	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Employee Payroll	University's Proportionate Share as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
2017	0.259296877 %	$ 6,376	$ 1,310	$ 7,686	$ 16,257	39.22 %	25.10 %
2018	0.289509047	6,211	1,284	7,495	15,398	40.34	30.98
2019	0.300551085	4,987	1,020	6,007	16,910	29.49	39.69
2020	0.295079092	417	288	706	17,864	2.34	73.49
2021	0.298188531	(89)	(17)	(106)	12,979	(0.68)	101.81
2022	0.290760405	324	111	435	15,543	2.08	93.59
2023	0.263806442	(417)	(178)	(595)	18,513	(2.25)	93.59
2024	0.119986701	(50)	(157)	(207)	17,966	(0.28)	102.19
2025	0.001832501	-	-	-	17,777	-	95.76

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2018	$ 533	$ 533	$ -	$ 15,398	3.46 %
2019	592	592	-	16,910	3.50
2020	619	619	-	17,864	3.47
2021	570	570	-	12,979	4.39
2022	544	544	-	15,543	3.50
2023	342	342	-	18,513	1.85
2024	48	48	-	17,966	0.27
2025	124	124	-	18,124	0.68
2026	64	64	-	17,777	0.36

Notes to Required Supplementary Information

For the Year Ended June 30, 2026

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

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

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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*

Governing Board
West Liberty University
West Liberty, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of West Liberty University (the University), as of and for the year ended June 30, 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 13, 2026. Our report includes a reference to other auditors who audited the financial statements of West Liberty University Foundation, Inc. (the Foundation), the University's discretely presented component unit, as described in our report on the University's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards* and, accordingly, do not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

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

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

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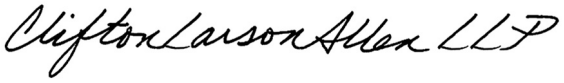
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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

Pittsburgh, Pennsylvania
October 13, 2026



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