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# West Virginia University

Audit Presentation

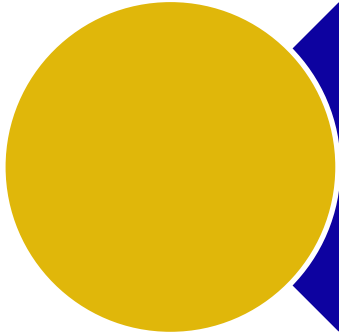
Year Ended June 30, 2023

Don Loberg, Principal

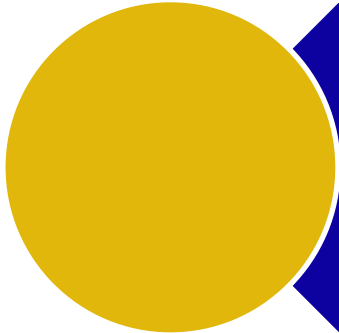
Chris Knopik, Principal

Daniel Persaud, Principal

# Overview



Audit Results



State of Higher  
Education



# West Virginia University Audit Results Summary

## Opinion

- Unmodified Opinion – highest level of assurance

## Adjustments and Results

- No material audit adjustments



# Research Corporation Audit Results Summary

## Opinion

- Unmodified Opinion – highest level of assurance
- Unmodified Opinion – compliance with Uniform Guidance

## Adjustments and Results

- No material audit adjustments
- No Findings relating to compliance issues causing material financial impact



# Internal Control Reporting- Definitions and Results

## West Virginia University

No material weaknesses

No significant  
deficiencies

## Research Corporation

No material weaknesses

No significant  
deficiencies

Material Weaknesses – deficiencies in internal control such that there is a reasonable possibility that a **material misstatement** would not be prevented or detected and corrected on a timely basis.

Significant Deficiencies – deficiencies in internal control that are **less severe than material weaknesses**, yet important enough to **merit attention by those charged with governance**.





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# State of Higher Education

West Virginia University

# Current Financial Influences in Higher Education



Enrollment pressures



HEERF Hangover



Turnover and employee retention



Increasing costs – student experience



Negative perception of higher education



Financial Sustainability



# The Financial Story



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# Revenue Sources in Public Higher Ed

Net Tuition

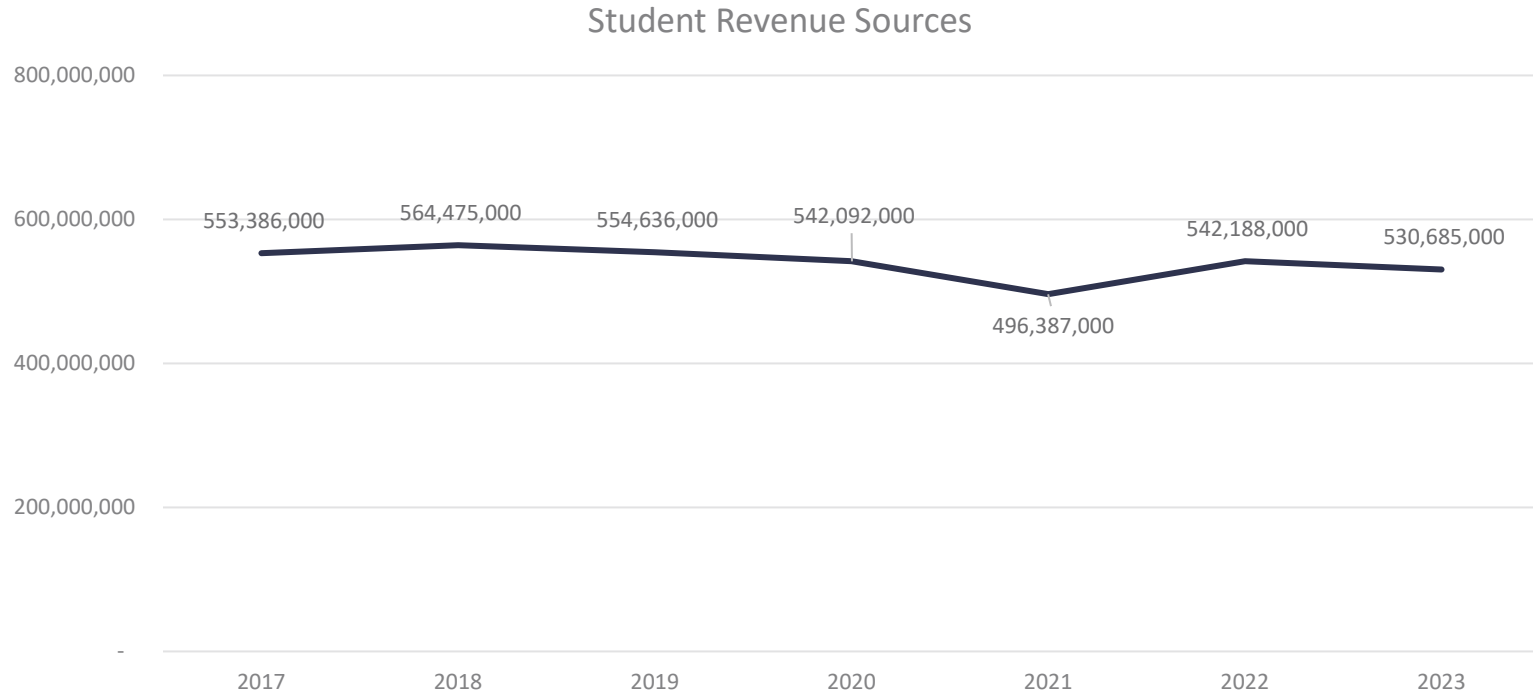
Auxiliary  
Revenue

Grants and  
Contracts

State  
Appropriations



# Trends: Net Tuition & Auxiliary Revenue Sources



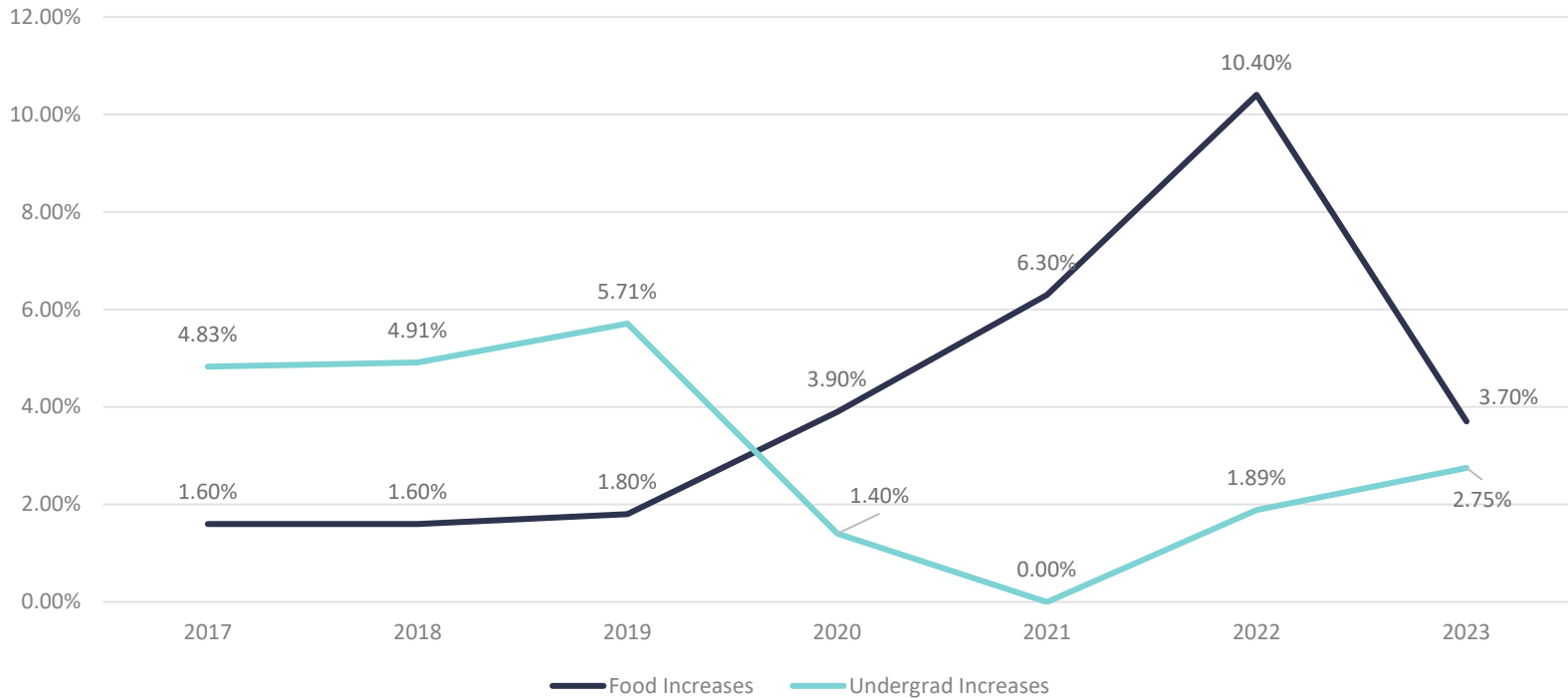
# Trends: WVU % Tuition Increases and Inflation %



\* InflationSource: BLS.gov



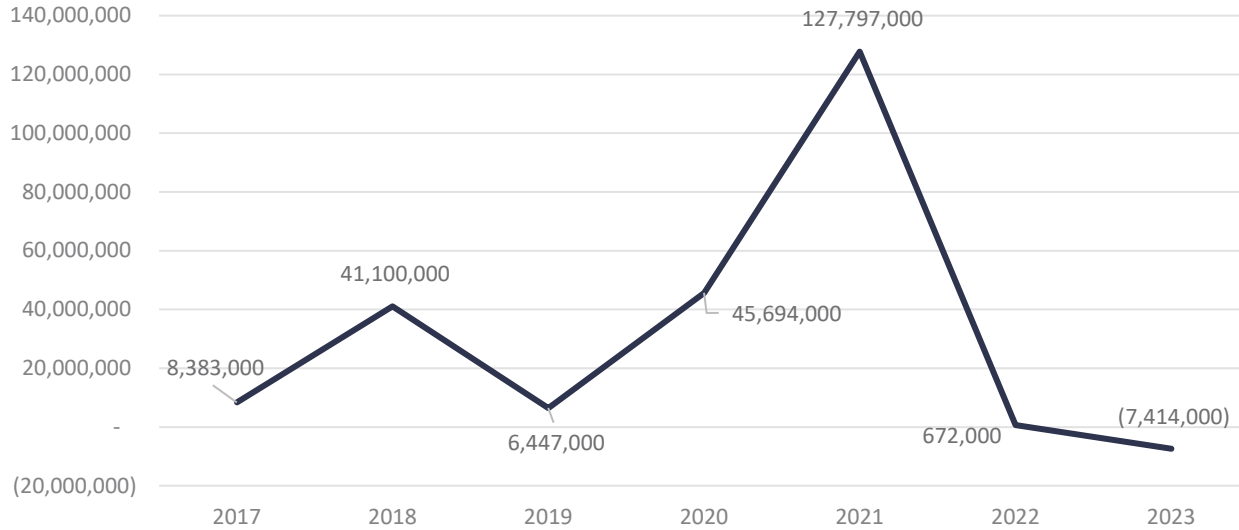
# Trend: WVU % Increase and U.S. Food Price Increases



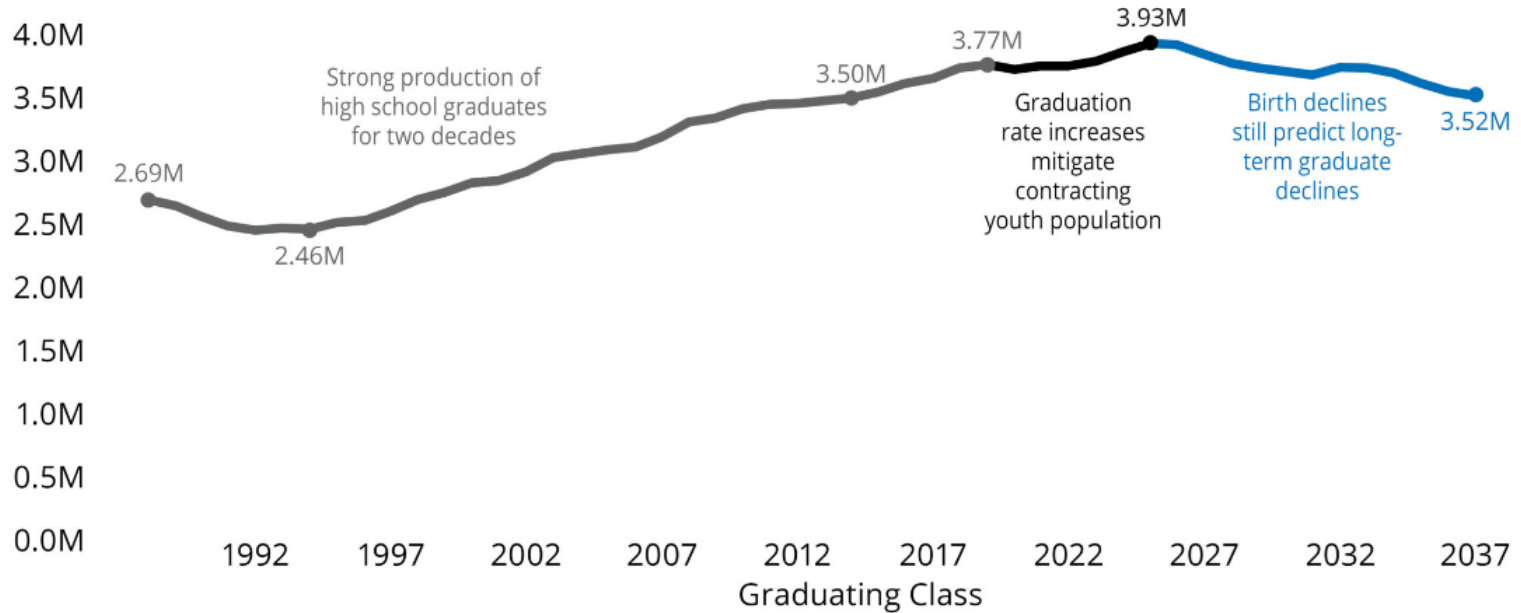
# Trends: Operating Bottom Line



# Trends: Total Bottom Line



# High School Graduation Projections



■ Class of 1988 to 2019 (reported) ■ Class of 2020 to 2025 (projected: increase) ■ Class of 2026 to 2037 (projected: decrease)

Source: Western Interstate Commission for Higher Education, *Knocking at the College Door*, 10th edition, 2020. See [Technical Appendix](#) for detailed sources of data through the Class of 2019; WICHE projections, Class of 2020 through 2037.





There are opportunities!





# Opportunities based on Environment



Transfer of Wealth



The Culling of institutions



Acceptance and investing in online classes



Acquisitions and mergers



Greater collaboration within the system

# Questions?



# Governance Communication Letter

## Overall

- Provides an update on the audit since the planning meeting
- Subscription Arrangement implemented
- No changes in scope of audit

## Estimates

- Depreciable lives
- Allowance for doubtful accounts
- Compensated absences
- Scholarship allowance
- Other postemployment benefits liability
- Unearned revenue
- Fair value of Investments
- Net pension items
- Functional Expenses (Innovation Corporation)
- We are comfortable with management's estimate

## Difficulties

- No difficulties encountered
- No disagreements encountered
- No other findings to report

## Other

- No material adjustments recorded
- No passed adjustments
- Audit reports have been issued





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