West Virginia University

Audit Presentation
Year Ended June 30, 2023

Don Loberg, Principal
Chris Knopik, Principal
Daniel Persaud, Principal
Overview

Overview of the Audit Process

Audit Results

Governance Communication Letter
Auditors’ Responsibilities

West Virginia University

Provide an opinion on the Financial Statements as a Whole

Understand Key Internal Controls but not to Opine on the Controls

Communicate Significant or Greater Control Issues Observed During the Audit Process

Research Corporation

Provide an opinion on the Financial Statements as a Whole

Provide an opinion on compliance with major federal awards

Understand Key Internal Controls but not to Opine on the Controls

Communicate Significant or Greater Control Issues Observed During the Audit Process
Audit Process- Risk Based Approach

- Fair value of Investments
- SBITA Implementation
- Pension Liability/OPEB & Deferred Inflows/Outflows
- Revenue and Related Receivables
- Compensation and Related Benefits
- Internal Controls
- Estimates
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.
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
Questions and Feedback

• We welcome any questions pertaining to the audit, governance communication letter, management letter or other matters related to the engagement.

• We appreciate the opportunity to serve as the auditors for West Virginia University and welcome any feedback relative to our performance.
Don Loberg  
Principal, Higher Education  
612.397.3064  
Don.Loberg@claconnect.com

Chris Knopik  
Principal, Higher Education  
612.397.3266  
Chris.knopik@claconnect.com

Daniel Persaud  
Principal, Higher Education  
612.397.3084  
Daniel.Persaud@claconnect.com

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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
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