



West Virginia University

Board of Governors

2025 - 2026

Meeting Agenda Booklet

November 7, 2025

Board Members

**Charles Capito
Bray Cary
Elmer Coppoolse
Kevin Craig
Scott Crichlow
Michael D'Annunzio
Dr. Lesley Cottrell
Dr. Patrice Harris
Terry Hauser
Robert "Rusty" Hutson, Chair**

**Susan Lavenski
Oliver Luck
James Martin
Paul Mattox, Secretary
Robert Reynolds, Vice-Chair
Steven Ruby
Dianne Stewart
Colin Street
Charles Wilfong**

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS MEETING

LOCATION: Erickson Alumni Center,
Barnette Board Room AND
Via Zoom Link Listed Below

DATE: November 7, 2025

TIME: 9:30 a.m.

MEETING AGENDA

Please click the link below to join the webinar:

<https://wvu.zoom.us/j/97592106763>

	AGENDA ITEM	PRESENTER
I.	CALL TO ORDER	<i>Hutson</i>
II.	APPROVAL OF SEPTEMBER 12, 2025 MEETING MINUTES	<i>Hutson</i>
III.	REPORT FROM PRESIDENT MICHAEL T. BENSON	<i>Benson</i>
IV.	REPORT FROM THE INTERIM CHIEF FINANCIAL OFFICER	<i>Weiss</i>
V.	PRESENTATION AND APPROVAL OF THE FY25 AUDITED FINANCIAL STATEMENTS FOR WEST VIRGINIA UNIVERSITY AND WEST VIRGINIA UNIVERSITY RESEARCH CORPORATION • AGENDA ITEM FOR WVU • FINANCIAL STATEMENTS FOR WVU • CLA LETTER FOR WVU • AGENDA ITEM FOR WVURC • FINANCIAL STATEMENTS FOR WVURC • CLA LETTER FOR WVURC	<i>Weiss</i>
VI.	PRESENTATION OF WVU ATHLETICS CAPITAL MASTER PLAN; APPROVAL OF MILAN PUSKAR STADIUM WEST TOWER PROJECT; APPROVAL OF PREMIUM SEATING UPGRADES AT HOPE COLISEUM	<i>Baker</i>

VII.	PRESENTATION AND APPROVAL OF POTOMAC STATE COLLEGE SCIENCE BUILDING RENOVATION PROJECT	<i>Wallace</i>
VIII.	NOTICE OF PROPOSED RULEMAKING FOR WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS TALENT AND CULTURE RULE 3.4 – DRUG AND ALCOHOL TESTING FOR FTA AND FMSCA COVERED POSITIONS	<i>Cimino</i>
IX.	COMMITTEE REPORTS • Report from the Divisionals Committee (Mattox) • Report from the Academic Affairs and Accreditation Committee (Capito) • Report from Strategic Plans and Initiatives Committee (Coppoolse) • Report from the Finance, Facilities, and Revitalization Committee (Ruby) • Report from the Audit Committee (Reynolds)	<i>Various</i>
X.	CONSENT AGENDA (FOR BOARD REVIEW AND ACTION) 1. Jackson's Mill Lodge Renovation -- Project Budget Increase 2. Reedsville Farm Horse Barn Replacement 3. Sale of Partial Interest in Real Property 4. Authorization of the West Virginia University Police Department ("WVUPD") to Participate in a Program Designed to Conditionally Transfer Excess Personal Property from the Department of Defense to State Law Enforcement Agencies ("1033 Program") 5. County Extension Appointments 6. Naming Opportunity 7. Discontinuance of the BS: Health Services Administration in the School of Public Health, WVU Main Campus 8. Approval of New Undergraduate Certificate in River Conservation Management, WVU Main Campus 9. Approval of New Undergraduate Certificate in Wetland Management, WVU Main Campus 10. Discontinuation of Existing Programs: MS in Applied and Environmental Microbiology; Entomology; Environmental, Soil and Water Sciences; Plant Pathology; and Horticulture 11. Approval of new program: MS in Plant and Soil Sciences 12. Approval of New Program: MA in Strategic Organizational Communication	<i>Weiss & Gavin</i> <i>Weiss & Gavin</i> <i>Taylor & Wiles</i> <i>St.Clair & Swain</i> <i>Kreider</i> <i>Baker</i> <i>Benson & Kreider</i> <i>Benson & Kreider</i> <i>Benson & Kreider</i> <i>Benson & Kreider</i> <i>Benson & Kreider</i> <i>Benson & Kreider</i>

XI.	INFORMATION ITEM (WRITTEN ONLY) • Educational Materials 2024-2025 Report • Capital Projects Update	<i>Widders</i>
XII.	POTENTIAL EXECUTIVE SESSION UNDER AUTHORITY IN WEST VIRGINIA CODE SECTION 6-9A-4(b)(8), (b)(9), and (b)(12) to discuss potential strategic initiatives relating to academic and administrative priorities for the University; a confidential security update; strategic and legislative priorities for the University; and a legal update from the General Counsel.	<i>Hutson</i>
XIII.	DISCUSSION EMANATING FROM EXECUTIVE SESSION (IF ANY)	<i>Hutson</i>
XIV.	ADJOURNMENT	<i>Hutson</i>

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

September 12, 2025

The two hundred thirty fourth meeting of the West Virginia University Board of Governors was held on September 12, 2025 in Morgantown, WV, in person and via zoom webinar. Board members in attendance/participating via zoom included Chair Rusty Hutson and members Charles Capito, Bray Cary, Dr. Lesley Cottrell, Elmer Coppoolse, Scott Crichlow, Kevin Craig, Michael D’Annunzio, Dr. Patrice Harris, Terry Hauser, Susan Lavenski, Oliver Luck, James Martin, Paul Mattox, Robert Rekynolds, Steve Ruby, Colin Street, Dianne Stewart and Charles Wilfong.

Other participants included:

President Michael Benson;

WV Governor Patrick Morrissey and the First Lady;

General Counsel, Stephanie Taylor;

Interim Provost and Vice President for Academic Affairs, Paul Kreider;

Vice President for Strategic Communications and Marketing, Heather Richardson;

Vice President and Executive Dean of Health Sciences, Clay Marsh;

Vice President and Chief Financial Officer, Paula Congelio;

Senior Associate Vice President for Finance, Barbara Weiss;

Associate Vice President of Talent and Culture, Mario Barge;

Senior Deputy General Counsel, Kevin Cimino’

Associate General Counsel, Kylie Barnhart;

Vice President of Enrollment Management, Fabrizio D’Aloisio;

Associate Vice President, Government Relations and Collaboration,
Travis Mollohan;

Associate Provost for Budget, Facilities and Strategic Initiatives,
Mark Gavin;

Vice President, Student Life, Gary G. Furbee, II;

Director of Internal Audit, Bryan Shaver;

Associate Provost for Curriculum and Assessment, Louis Slimak;

Associate Provost for Undergraduate Education, Evan Widders;

Associate Vice President for Strategic Partnerships, Erin Newmeyer;

WVU Foundation Chair, J. Wayne Richards;

Executive Director of Strategic Communications, Shauna Johnson;
Executive Officer and Assistant Board Secretary, Jennifer Fisher;
and Special Assistant to the Board of Governors, Valerie Lopez.

Members of the Press also attended.

CALL TO ORDER

The meeting was called to order by Chair Rusty Hutson at 8:48 a.m. A roll call was taken to determine who was in attendance and a quorum established.

President Benson addressed the full board, stating that he sees many reasons for optimism and stated that as he travels throughout the campus and across the Mountain State, he is seeing and hearing how much WVU means to so many people — to our students, our faculty and staff, and also our alumni and the many others who proudly don gold and blue to cheer on the Mountaineers,

Governor Morrissey also addressed the full board, stating it was an honor do so, and stating that he looks forward to working with the board to help WVU excel. Gov. Morrissey advised that he is excited to be a part of the bright future ahead for the University and the Mountain State.

APPROVAL OF MINUTES

Kevin Craig moved that the board approve the minutes for June 13, 2025 and July 23, 2025 board meetings. This motion was seconded by Steve Ruby and passed.

PROPOSED BOARD RESOLUTION ON WVU ATHLETICS

Chair Hutson briefed the board on the proposed Resolution. The explained that the landscape of intercollegiate athletics has undergone profound transformation in recent years, particularly within the Power 4 conferences, requiring member institutions to adapt strategically to remain competitive.

Further, the WVU Board of Governors recognizes the imperative of positioning the WVU Athletics programs to compete at the highest level, thereby ensuring continued success and stability in this evolving environment.

Further, a strong and visible Athletics program is essential to advance student enrollment, enriches the student experience, strengthens alumni and donor engagement, supports recruitment of talented faculty and staff and provides a source of pride and connection for Mountaineer fans in West Virginia and those around the world.

Further, the WVU Board reaffirms that West Virginia University is first and foremost an academic institution, dedicated to providing outstanding educational opportunities, attracting and retaining a highly qualified and respected faculty, maintaining and enhancing the university's R1 research designation and academic medical center, and preparing students to be leaders in their professions and communities,

In light of the above, the West Virginia University Board of Governors hereby directs University and Athletics leadership, in regular collaboration with the WVU Board, to develop and present to the Board, at its February 2026 meeting, a financial and operational plan that positions WVU Athletics in the top funding tier among Big 12 institutions, while simultaneously strengthening the University's paramount core academic mission, and to report to the Board on the development of that plan.

There being no questions regarding this Resolution, Elmer Coppoolse moved that the board approve the Resolution, as presented. The motion was seconded by Dr. Patrice Harris and passed.

REPORT FROM VICE PRESIDENT FOR ENROLLMENT MANAGEMENT

Vice President of Enrollment Management Fabrizio D'Aloisio provided his vision for WVU Enrollment, touching on the following topics:

- The narrative for WVU's enrollment vision;

- Key Pillars for Success – including “Win” West Virginia; Strategic Enrollment Plan; Broadening Our Reach; Brand & Reputation; Financial Responsibility; and Enhanced Campus-Wide Partnerships.

Vice President D’Aloisio’s presentation is attached hereto and made a part hereof by reference.

FINANCIAL UPDATE

Vice President and CFO Paula Congelio, provided a brief Financial Update, as follows:

- The financial statements for the fiscal year ended June 30, 2025, and are currently under audit by our external auditors, CliftonLarsonAllen (CLA). The audited financials will be presented at the November Audit Committee meeting. CLA representatives will also attend to address any questions.
- The first quarter of Fiscal Year 2026 concludes on September 30, 2025. Preliminary financial statements and updated dashboard metrics will be shared at the November Finance Committee meeting.
- Fall 2025 enrollment results are encouraging. Not only are we ahead of last year's numbers, but preliminary figures also exceed budget projections. This positive variance provides the university with added financial flexibility as we begin the new fiscal year.

DIVISIONAL CAMPUS COMMITTEE REPORT

Committee Chair Paul Mattox presented the following report:

The Divisional Campus Committee met via Zoom on September 4, 2025.

We met in Executive Session to discuss potential strategic initiatives relating to academic, strategic, and enrollment priorities for the divisional campuses and other deliberative matters involving commercial competition which, if made public, might adversely affect the financial or other interest of the University.

No actions or votes were taken during Executive Session.

The committee reviewed potential goals and priorities for the divisional campuses for the current academic year, with particular attention to strengthening enrollment and retention. Members also engaged in a broader discussion to brainstorm ideas for future strategies that could support recruitment efforts and enhance student success across the campuses. The Members then discussed a variety of potential metrics for monitoring the success of the divisional campuses. The committee emphasized the importance of maintaining and further enhancing the strong foundations of our divisional campuses at Potomac State College and WVU Tech.

Again, no actions were taken during the Executive Session. After the session, the meeting was adjourned.

ACADEMIC AFFAIRS AND ACCREDITATION COMMITTEE REPORT

Committee Chair Charles Capito presented the following report:

The Academic Affairs and Accreditation Committee met via Zoom on September 8, 2025.

We met in Executive Session to discuss potential strategic initiatives relating to academic and strategic priorities for the University; personnel matters; and other deliberative matters involving commercial competition which, if made public, might adversely affect the financial or other interest of the University.

No actions or votes were taken during Executive Session.

The committee reviewed potential goals and priorities for the current academic year with a continued emphasis on maintaining a strong academic mission. The Provost also outlined potential new initiatives and opportunities under

consideration that could strengthen existing programs and expand offerings for future students. In addition, the committee received updates on the progress of ongoing leadership searches within academic affairs.

Again, no actions were taken during the Executive Session. After the session, the meeting was adjourned.

JOINT FINANCE AND STRATEGIC PLANS COMMITTEE REPORT

Finance Committee Chair Steve Ruby presented the following report:

Thank you, Mr. Chairman. On Monday, September 8, the Finance and Facilities and Revitalization Committee met in joint session with the Strategic Plans and Initiatives Committee.

We met in Executive Session to discuss potential strategic initiatives relating to financial, administrative, and strategic priorities for the University; personnel matters; potential corporate collaborations; and other deliberative matters involving commercial competition which, if made public, might adversely affect the financial or other interest of the University.

No actions or votes were taken during Executive Session.

Both committees continue to prioritize opportunities and resources that support students, faculty, and staff by advancing critical and purposeful work that strengthens the University. The joint committee discussed a range of potential goals and priorities for the current academic year. We are encouraged by the positive enrollment increase for Fall 2025, as noted in President Benson's report, and recognize the importance of building on this momentum through new strategies and sustained efforts. The committees also emphasized maintaining a balanced budget for the current fiscal year, while carefully reviewing financial priorities to identify areas where additional investment may be most impactful, all while ensuring a strong and sustainable financial foundation.

After a productive session, the Joint Meeting of the Finance and Facilities and Revitalization Committee and the Strategic Plans and Initiatives Committee adjourned.

That concludes my report, Mr. Chairman. Thank you.

AUDIT COMMITTEE REPORT

Committee Chair Robert Reynolds presented the following report:

Thank you, Mr. Chairman. On Wednesday, September 10, there was a meeting of the Audit Committee.

First, we heard from the WVU VP of Finance, Paula Congelio. Paula reported that WVU is part of the state single audit conducted by CLA for FY 2025. There are two major programs that will be audited: Federal Student Financial Aid and the Research and Development Cluster. Fieldwork is underway for the Financial Aid review, but no timeline has been finalized for the R&D cluster.

Also, WVU Research Corporation is part of the Single Audit for FY 2025. Three programs having more than \$3 million in expenditures will be audited (R&D cluster, Opioid program and the Supplemental Nutrition Assistance Program (SNAP-Ed).

Paula then reported that the fiscal year 2025 Year end audit for WVU and WVURC conducted by CLA has begun. The final statements will be issued by the deadline of October 15, 2025.

Other activities included the WVU Research Corporation 403(b) Plan and Form 5500 December 31, 2024 audits by Forvis Mazars which was completed, and the Form 5500 was submitted to the IRS by the filing deadline of July 31, 2025.

We also met in Executive Session. During Executive Session, we received a report from the Director of Internal Audit discussing confidential and ongoing

audit investigations and reports. We also received a report from the General Counsel on legal matters relevant to the Audit Committee. No votes or actions were taken during Executive Session.

Mr. Chairman, this concludes my report.

**PROPOSED FINAL AMENDED RULE
AND OFFICIAL COMMENTS
SUMMARY FOR AMENDMENTS TO
THE FOLLOWING RULE: WEST
VIRGINIA UNIVERSITY BOARD OF
GOVERNORS TALENT & CULTURE
RULE 3.5 – EMPLOYEE LEAVE**

Associate General Counsel Kylie Barnhart presented this agenda item.

At the Board's June 13, 2025 meeting, it issued a Notice of Proposed Rulemaking for amendment of BOG Talent & Culture Rule 3.5 – Employee Leave. The proposed changes provide the University with more flexibility and reduce administrative burden and cost, which was detailed in the Notice of Proposed Rulemaking and in the redline attached to this agenda item in the board meeting materials.

The proposed changes to the Rule were posted for the required thirty (30) day public comment period. Eight (8) comments were received. Those comments and the University's responses were posted on the University's website for at least ten (10) days in advance of this Board meeting. It was determined that one change was needed as a result of the comments received. As outlined in the comment chart and redline contained in the board meeting materials, the 90-day time limit to use transferred leave that exceeds the University's leave accrual limit has been removed. Additionally, after further review, the definition of University Affiliated Entities was updated to add the WVU Innovation Corporation and Gold & Blue, Inc.

Accordingly, the Board of Governors is asked to approve the final amended Rule as presented. If approved, the amended Rule will be effective in 15 business days, in accordance with our rulemaking procedures.

There being no questions regarding this agenda item, Kevin Craig moved that the board approve the final amended rule, as presented, pursuant to BOG Governance Rule 1.1. The motion was seconded by Robert Reynolds and passed.

CONSENT AGENDA

Chair Hutson called for any discussion of today's Consent Agenda items and asked whether any items needed to be pulled for a separate discussion/vote. It was noted that in reference to the agenda item – Approval of New Program: MS in Cybersecurity – the date the new degree will be available to students is beginning in the Fall of 2026 (not 2025 as contained in the agenda item.)

There being no such request made, Kevin Craig moved that today's Consent Agenda be approved. This motion was seconded by Paul Mattox and passed.

Thereupon, the following Consent Agenda items were approved:

**1. Entry of Institutional Undergraduate Fee Waivers
and Institutional Graduate and Professional Fee Waivers**

Resolved: That the West Virginia University Board of Governors enter the attached report of the Institutional Undergraduate Fee Waivers for FY 2024-2025, at West Virginia University – Morgantown, West Virginia University – Beckley (West Virginia University Institute of Technology – Beckley), and West Virginia University – Keyser (Potomac State College of West Virginia University), into its minutes.

AND

Resolved: That the West Virginia University Board of Governors enter the attached report of the Institutional Graduate and Professional Fee Waivers for Fall, 2024 Spring, 2025, and Summer, 2025 at West Virginia University into its minutes.

(NOTE: Both of these documents are attached hereto, and made a part hereof, by reference)

2. Approval of New Program: MS in Cybersecurity

Resolved: That the West Virginia University Board of Governors approve the creation of a new program in Cybersecurity WVU, as presented, noting that the date the new degree will be available to students is beginning in the Fall of 2026 (not 2025 as contained in the agenda item.)

3. Approval of New Program: AA Medica Studies

Resolved: That the West Virginia University Board of Governors approve the creation of a new AA degree program in Media Studies.

4. Deactivation and or termination of the following programs from WVU Main Campus, and WVU Potomac State: Certificate Early Childhood Development, Certificate Early Childhood Administration, Certificate Infant/Toddler Education, BS Early Childhood Special Education, BS Child, Youth, and Family Sciences, AS Aerospace Engineering, AS Biometric Systems, AS Civil Engineering, AS Computer Engineering, AS Electrical Engineering, AS Exercise Physiology, AS Industrial Engineering, AS Mechanical Engineering, AS Pre Biomedical Laboratory Diagnostics, AS Pre Occupational Therapy, and BAS Sustainable Agricultural Entrepreneurship

Resolved: That the West Virginia University Board of Governors approve the deactivation/termination of the aforementioned.

5. Jackson's Mill Lodge Renovation with Visitor's Center

Resolved: That the West Virginia University Board of Governors approve the project budget for Jackson 's Mill Lodge Renovation project, as presented.

6. Naming of Don Wilcox Field at the Pride Practice Facility

Resolved: That the West Virginia University Board of Governors Approve the naming of Don Wilcox Field, as presented.

INFORMATION ITEMS

There were no questions or concerns expressed by any board member pertaining to the Information Item contained within today's agenda.

EXECUTIVE SESSION

Chair Hutson requested a motion to move into Executive Session, under authority in West Virginia Code, Section -9A-46-9A-4 (b)(12) to discuss potential strategic initiatives relating to strategic and legislative priorities for the University; and a legal update from the General Counsel. Kevin Craig so moved, which motion was seconded by Steve Ruby and passed. Following the discussions in Executive Session, Paul Mattox moved that the board rise from Executive Session. The motion was seconded by Scott Crichlow and passed.

Chair Hutson stated that several items were discussed in Executive Session, but that no actions originated from these discussions.

GENERAL DISCUSSION AND ADJOURNMENT

Chair Hutson announced that the next planned board meeting is scheduled for November 7, 2025. There being no further business to come before the board Kevin Craig moved to adjourn the meeting. The motion was seconded by Elmer Coppoolse and passed. The meeting was adjourned at 12:10 p.m.

Paul Mattox, Secretary

VISION FOR WVU ENROLLMENT

September 12, 2025



ENROLLMENT VISION

Our vision is to build a **vibrant student body** rich with varied perspectives and backgrounds, committed to **academic excellence** and **purposeful engagement**. We will strategically enroll students whose ambitions align with WVU's mission as a **premier R1 research institution**.

Through a seamless and personalized enrollment journey, we will attract **future leaders** prepared to innovate and contribute to the **economic prosperity of West Virginia** and the wider world. Our efforts will be **data-driven**, creating a supportive environment where every student can **find their purpose and thrive**.

KEY PILLARS FOR SUCCESS



1. “WIN” WEST VIRGINIA

As the Public Flagship Land-Grant University, a key part of this strategy is our unwavering commitment to the students of West Virginia. We will ensure that every academically prepared student in the state has a clear path to an education at WVU, providing them with access and opportunity.

By educating our state's youth, we are investing directly in the future of West Virginia. This will not only improve the state's economy by creating a more skilled workforce but will also enhance the quality of life for all West Virginians, ultimately leading to a more prosperous and vibrant state.

2. STRATEGIC ENROLLMENT PLAN

The aim is to establish an aligned enrollment strategy that offers a consistent long-term framework for the University. This includes creating an enrollment plan that addresses shifts in enrollment trends by adopting a stable and varied approach that aligns with institutional priorities and capacity constraints across campus.

The plan will include enhanced market segmentation, personalized recruitment, and efforts to improve an already strong student experience while promoting the depth and breadth of our academic programs. These measures are intended to support enrollment goals with an appropriate balance of in-state, out-of-state, international, and online students.

3. BROADENING OUR REACH

A thriving campus community requires a mosaic of perspectives and backgrounds. We are committed to intentionally recruiting students from all levels of academic preparation and socioeconomic backgrounds.

Our efforts will span all disciplines—from STEM and health sciences to the arts and humanities—with a special focus on attracting first-generation students, rural students, veterans, and individuals with unique life experiences. This approach ensures we build a campus that truly reflects and serves the people of West Virginia.

4. BRAND & REPUTATION

The enrollment strategy influences the reputation of the institution. Recruiting students with high academic performance and showcasing their achievements can enhance the perceived value of a WVU degree.

WVU's strong academic programs are central to building its reputation, offering rigorous curricula and diverse opportunities that attract talented students and faculty. The University will promote its research, athletics, and sense of community to strengthen its brand identity.

5. FINANCIAL RESPONSIBILITY

Enrollment goals will be rooted in sound financial planning, ensuring that recruitment targets align thoughtfully with tuition revenue and scholarship budgets to maintain the University's fiscal stability. The aim is to foster enrollment growth that supports, rather than strains, available resources while growing enrollment. Moreover, particular attention will be given to West Virginia students who face financial barriers.

Through expanded scholarship opportunities, targeted financial aid, and dedicated support services, WVU will empower these students to pursue their educational aspirations. By removing financial obstacles, we are not only opening doors for West Virginia's youth but also investing in the potential of our state's future leaders.

6. ENHANCED CAMPUS-WIDE PARTNERSHIPS

A successful enrollment strategy is a collaborative, campus-wide effort. We will forge strong, effective partnerships with key University units—including Strategic Communications & Marketing, academic colleges, Division of Student Life, Center for Learning, Advising, and Student Success, Extension, and Athletics—to create a seamless and compelling student experience.

This collaboration is crucial for ensuring our messaging is cohesive, our program information is accurate, and we highlight all the opportunities WVU offers. Our goal is to act as a central hub, aligning every office on campus behind the shared goal of enrollment success.

THANK YOU!

Fabrizio D'Aloisio

Vice President of Enrollment Management

fdaloisio@mail.wvu.edu





Undergraduate Tuition Waiver Summary 2024-25

West Virginia University - All Campuses

Award Category	Number of Students Awarded		Total	Amount Waived		Total
	In-State	Out-of-State & International		In-State	Out-of-State & International	
Academic Ability	1	10	11	\$343	\$8,620	\$8,963
Student Government	4	0	4	\$19,886		\$19,886
Total	5	10	15	\$20,229	\$8,620	\$28,849

Legislatively Mandated by the State of West Virginia

	Number of Students Awarded		Total	Amount Waived		Grand Total
	In-State	Out-of-State & International		In-State	Out-of-State & International	
American Legion	1	0	1	\$6,188	\$0	\$6,188
AmeriCorps	10	3	13	\$79,012	\$13,034	\$92,046
Child of Slain Officer	1	0	1	\$8,688	\$0	\$8,688
Foster Care	29	0	29	\$187,653	\$0	\$187,653
Health Science & Tech. Academy (HSTA)	164	0	164	\$1,057,353	\$0	\$1,057,353
Total	205	3	208	\$1,338,894	\$13,034	\$1,351,928

Combined Total **\$1,380,777**

West Virginia University 2024-25 Waiver Report

	Fall 2024								
	Number of Students			Number of Credit Hours			Dollar Value		
	Resident	Non-resident	Total	Resident	Non-resident	Total	Resident	Non-resident	Total
Employees	130	34	164	558	151	709	\$ 330,858	\$ 160,639	\$ 491,497
Graduate Assistants (RA/SA/TA)	304	1,162	1,466	2,656	10,171	12,827	\$ 1,477,721	\$ 15,572,091	\$ 17,049,812
Graduate Student Merit Waivers	108	173	281	458	469	927	\$ 275,158	\$ 1,080,787	\$ 1,355,945
Fellowships	54	56	110	412	477	889	\$ 229,484	\$ 715,390	\$ 944,874
Total	596	1,425	2,021	4,084	11,268	15,352	\$ 2,313,221	\$ 17,528,907	\$ 19,842,128

	Spring 2025								
	Number of Students			Number of Credit Hours			Dollar Value		
	Resident	Non-resident	Total	Resident	Non-resident	Total	Resident	Non-resident	Total
Employees	106	28	134	488	122	610	\$ 275,994	\$ 127,046	\$ 403,040
Graduate Assistants (RA/SA/TA)	289	1,073	1,362	2,547	9,540	12,087	\$ 1,419,793	\$ 14,667,117	\$ 16,086,910
Graduate Student Merit Waivers	119	175	294	499	701	1,200	\$ 300,502	\$ 1,055,612	\$ 1,356,114
Fellowships	52	62	114	443	530	973	\$ 246,751	\$ 779,706	\$ 1,026,457
Total	566	1,338	1,904	3,977	10,893	14,870	\$ 2,243,039	\$ 16,629,481	\$ 18,872,520

	Summer 2025								
	Number of Students			Number of Credit Hours			Dollar Value		
	Resident	Non-resident	Total	Resident	Non-resident	Total	Resident	Non-resident	Total
Employees	62	14	76	243	52	295	\$ 133,680	\$ 57,160	\$ 190,840
Graduate Assistants (RA/SA/TA)	165	730	895	472	1,523	1,995	\$ 259,562	\$ 2,337,000	\$ 2,596,562
Graduate Student Merit Waivers	21	40	61	136	174	310	\$ 46,788	\$ 95,061	\$ 141,849
Fellowships	39	36	75	159	81	240	\$ 91,348	\$ 129,919	\$ 221,267
Total	287	820	1,107	1,010	1,830	2,840	\$ 531,378	\$ 2,619,140	\$ 3,150,518

Number of Credit Hours			Dollar Value		
Resident	Non Resident	Total	Resident	Non Resident	Total
9,071	23,991	33,062	\$ 5,087,638	\$ 36,777,528	\$ 41,865,166

STRATEGIC COMPASS

BOARD OF GOVERNORS

November 7, 2025



Let's Go!

PLANNING PROCESS

PHASE 1

Setting high-level strategic priorities and goals for the University

STRATEGIC ENVISIONING

PHASE 2

Turning ideas into action by identifying strategic actions/initiatives that will position the University to be successful today and into the future

OPERATIONAL PLANNING

PHASE 1: STRATEGIC ENVISIONING

THE JOURNEY

✓ PHASE 1 – STRATEGIC ENVISIONING



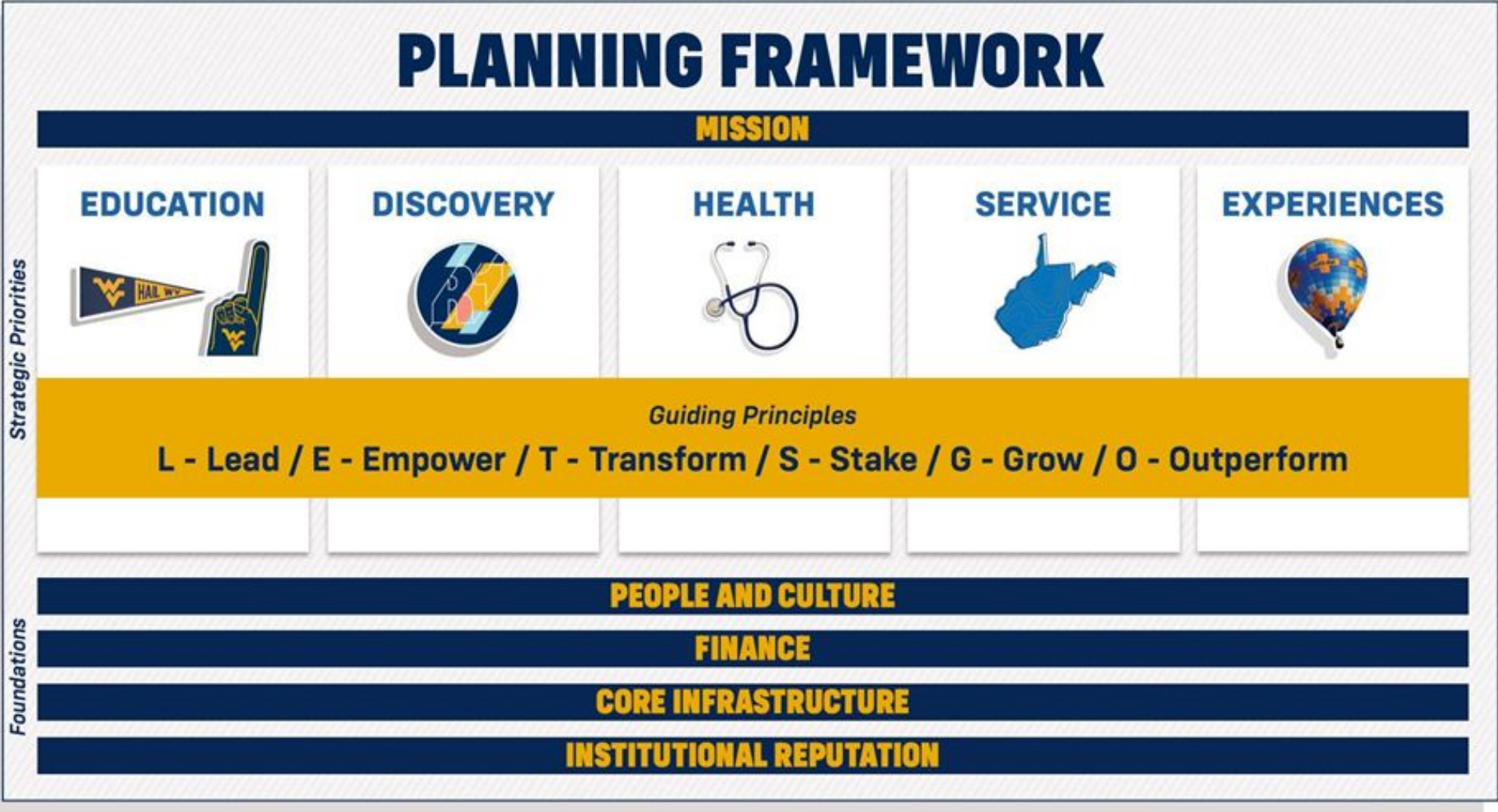
- ✓ Spring 2025 – Jump-started the planning process.
- ✓ June 2025 – Developed a draft planning framework and Strategic Compass.
- ✓ August 2025 – Held a planning retreat with the Board of Governors to review the draft planning framework and Strategic Compass and to gather input on potential strategic indicators.
- ✓ August to October 2025 – Conducted 17 presentations across colleges and units to share the draft Strategic Compass, gathering feedback from faculty, staff, and students, and other key stakeholders through an online survey.

THE SURVEY

- ✓ Over 800 responses and 1300 comments were received
- ✓ Very thoughtful feedback was provided
- ✓ Comments were aggregated into positive/negative themes
- ✓ Revisions were made based directly on the feedback from the survey



**THANK YOU TO THOSE
WHO PARTICIPATED!**



THE STRATEGIC COMPASS

REFINED MISSION STATEMENT

INCORPORATING COMMUNITY FEEDBACK

*/ At WVU, pride in our land-grant mission runs deep, success is earned, and life-changing experiences prepare Mountaineers to serve others and lead in West Virginia and the world. Your bold future starts here. **Let's Go!***

LAND-GRANT HERITAGE HIGHLIGHTED

The refined statement explicitly references our land-grant mission, addressing concerns about losing this foundational identity

INSPIRATIONAL TONE MAINTAINED

The energetic, accessible language remains while adding substance that addresses specificity concerns

SERVICE EMPHASIS ADDED

"Serve others" was incorporated to strengthen our commitment to community impact and inclusive values

PRIDE AND IDENTITY CENTERED

The statement honors Mountaineer tradition while focusing on earned success and transformative experiences

This refined version represents a synthesis of community feedback, balancing the desire for inspirational, memorable language with the need to explicitly articulate our land-grant identity and service mission. The addition of "serve others" addresses inclusivity and community impact concerns, while maintaining the forward-looking, pride-filled tone that resonated with many respondents. This iterative process demonstrates the University's commitment to collaborative decision-making.

L – Lead with Pride

Celebrate our achievements and share compelling stories that showcase our impact and strengthen our connection to the communities we serve.

E – Empower through Education

Advance education that unlocks everyone's potential, strengthens communities, and drives progress across West Virginia and the region.

T – Transform Lives

Be the catalyst that transforms lives through lifelong learning, groundbreaking discoveries, improved health and well-being in partnership with WVU Medicine, meaningful service, and extraordinary experiences.

S – Stake Our Claim

Establish the University as a national model for the 21st-century land-grant—where teaching, research, and service intersect to create positive change.

G – Grow Our Reach

Expand the University's reach by building new partnerships, broadening access to education, and extending our impact across regions and borders.

O – Outperform

Through efficiencies, proactive strategies, and targeted investments, we will outperform our competition.



GUIDING PRINCIPLES

STRATEGIC PRIORITY | EDUCATION



PREPARE LEARNERS TO BE SUCCESSFUL

- Offer academic programs that broaden the mind, foster personal growth, and prepare learners for meaningful careers.
- Personalize education and offer unique pathways that make learning accessible, flexible, and achievable for all.
- Deliver experiential learning opportunities that integrate emerging technologies, build essential skills, and align with society and industry needs.
- Commit to a vibrant learning environment that nurtures intellectual, physical, social, and mental well-being.
- Graduate curious, resilient, lifelong learners who embrace service and civility.

STRATEGIC PRIORITY | DISCOVERY



/ SOLVE REAL PROBLEMS

- / Tackle tough problems - from the heart of Appalachia to communities across the globe.**
- / Enable multi-disciplinary collaborations that drive innovation and deliver high-impact results.**
- / Broaden engagement in research, scholarship, and creativity to inspire new perspectives and dynamic intellectual exchange.**
- / Share knowledge and solutions to accelerate progress and enhance the human condition.**
- / Produce creative, critical, and analytical thinkers ready to address complex challenges and spur discovery.**

STRATEGIC PRIORITY | HEALTH



/// IMPROVE HEALTH AND WELL-BEING

- /// Address the most prevalent causes of health disparities within West Virginia and the region.**
- /// Educate individuals and communities on wellness and disease prevention to build awareness and healthy practices.**
- /// Effectively translate knowledge to positively affect health, well-being, and quality of life.**
- /// Cultivate exceptional health professionals who embody compassion, empathy, and the spirit of collaboration in a shared commitment to healing.**
- /// Deliver world-class, comprehensive care that brings leading expertise and advanced treatment to West Virginians and all we serve.**

STRATEGIC PRIORITY | SERVICE



✓ EMPOWER INDIVIDUALS AND COMMUNITIES TO THRIVE

- ✓ Improve college preparedness among incoming students by partnering with K-12 schools to close readiness gaps.**
- ✓ Demonstrate how attending WVU opens doors - equipping learners not just for a job, but for a life of purpose, adaptability, and possibility.**
- ✓ Reduce financial barriers, increase aid transparency, and ensure learners stay on track to graduation.**
- ✓ Strengthen the University's impact by expanding community engagement across our campuses and through Extension.**
- ✓ Act as an economic engine - attracting businesses, creating jobs, and fueling growth that benefits West Virginia and the region.**

STRATEGIC PRIORITY | EXPERIENCES



/ DELIVER EXTRAORDINARY EXPERIENCES

- / Foster a culture of curiosity and self-discovery that ignites passion and purpose.**
- / Enrich lives through the transformational power of creativity, arts, and culture.**
- / Prepare students to lead in an interconnected world through global experiences and cross-disciplinary engagement.**
- / Provide co-curricular and extracurricular activities that complement academic success and build community.**
- / Enhance competitive programs that exemplify integrity, sportsmanship, and Mountaineer pride, recognizing their power to elevate WVU's profile, unite fans, and inspire achievement.**

FOUNDATIONS



/ ACCELERATE INSTITUTIONAL SUCCESS

- / PEOPLE AND CULTURE** - Champion a people-first culture that drives high performance, rewards excellence, and empowers individuals to grow, lead, and succeed.
- / FINANCE** - Ensure long-term financial strength and agility through strategic investment, revenue diversification, and resource optimization.
- / CORE INFRASTRUCTURE** - Modernize and align our infrastructure, technology, and administrative services to efficiently support the academic, research, and outreach mission of WVU.
- / INSTITUTIONAL REPUTATION** - Elevate the national and global reputation of West Virginia University by demonstrating impact, advancing academic excellence, and telling a compelling story.

PHASE 2: OPERATIONAL PLANNING

PLANNING PROCESS

PHASE 1

Setting high-level
strategic priorities
and goals for the
University

STRATEGIC ENVISIONING

PHASE 2

Turning ideas into action by
identifying strategic
actions/initiatives that will
position the University to be
successful today and into
the future

OPERATIONAL PLANNING

NEXT STEPS

/ ASSIGNED PILLAR LEADS

- / Education – Paul Kreider
- / Discovery – Ming Lei
- / Health – Clay Marsh
- / Service – Jorge Atilas and Fabrizio D'Aloisio
- / Experiences – Gary Furbee and Wren Baker

NEXT STEPS

ACTIONS	NOV	DEC	JAN	FEB	MAR	APR	MAY
Institutional Measurement Plan Development							
Institutional Implementation Plan Development							
College/Unit Measurement Plan Development							
College/Unit Level Implementation Plan Development							
Grassroot – Seed Funding							



FINANCIAL UPDATE

WVU BOARD OF GOVERNORS

November 7, 2025



FINANCIAL UPDATE OVERVIEW

/ Includes:

- / Statement of Revenues, Expenses, and Changes in Net Assets for the quarter ended September 30, 2025 compared to budget and prior year**
- / Acceptance of the WVU and WVURC Audited Financials for the Fiscal Year Ended June 30, 2025**

WVU STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE QUARTER ENDED SEPTEMBER 30, 2025 / COMPARED TO BUDGET / CANCER CENTER ACTIVITY EXCLUDED

	QE 9/30/25 ACTUAL	QE 9/30/25 BUDGET	VARIANCE	% VARIANCE	COMMENTS ON VARIANCES
REVENUES					
Total Net Tuition and Fees	\$115,040,000	\$115,208,000	(\$168,000)	-0.15%	Variance net of scholarships is only \$42K. Higher volumes offset by mix of students (residency and major).
Total Appropriations	52,355,000	51,292,000	1,063,000	2.07%	Increase due to timing.
Deferred Maintenance	2,541,000	4,600,000	(2,059,000)	-44.76%	Timing of expenditures on deferred maintenance projects.
Capital Grants and Contract Revenues	24,024,000	-	24,024,000	-	Donated software from Schlumberger.
Total Non-Capital Grant and Contract Revenues	92,143,000	83,018,000	9,125,000	10.99%	Increased activity on new and existing awards.
Auxiliaries	38,699,000	38,662,000	37,000	0.10%	
Other Revenues	34,677,000	32,929,000	1,748,000	5.31%	Investment Income higher than planned, plus \$2.6M proceeds on sale of Research Park property to Mon County BOE offset by lower gift revenue.
Total Revenues	\$359,479,000	\$325,709,000	\$33,770,000	10.37%	
EXPENSES					
Total Salaries and Wages	\$145,040,000	\$150,881,000	(\$5,841,000)	-3.9%	Lower FTEs and timing related to raise pool.
Total Benefits	43,705,000	46,743,000	(3,038,000)	-6.5%	Lower FTEs and timing related to raise pool.
Total Supplies and Other Services	61,413,000	47,992,000	13,421,000	28.0%	Unfunded portion over \$10.2M. ERP/Huron expenses of \$4.4M (timing). Athletic's over \$4.9M (timing). Legal of \$1M and timing of ITS software.
Total Depreciation and Amortization	31,128,000	23,109,000	8,019,000	34.7%	Large donation of software at the end of FY25 and amortized over short period.
Utilities	11,198,000	7,386,000	3,812,000	51.6%	Increased electricity rates and City of Morgantown Fire Service fees (15%) plus new accrual process.
Scholarships and Fellowships	15,887,000	16,097,000	(210,000)	-1.3%	
Interest Payments	11,193,000	11,406,000	(213,000)	-1.9%	
Other	198,000	463,000	(265,000)	-57.2%	
Total Expenses	\$319,762,000	\$304,077,000	\$15,685,000	5.2%	
NET POSITION					
Increase (Decrease) In Net Position	\$39,717,000	\$21,632,000	\$18,085,000	83.6%	
Increase (Decrease) In Net Position Without Donated Software and Related Amortization and OPEB/Pension	\$25,110,000	\$23,357,000	\$1,753,000	7.5%	
Total Enrollment	24,773	24,527	246	1%	
Days Cash On Hand	107	69	38	55.1%	First quarter cash is always high as is third quarter related to collection of net tuition.

WVU STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE QUARTER ENDED SEPTEMBER 30, 2025 / COMPARED TO PRIOR YEAR / CANCER CENTER ACTIVITY EXCLUDED

	QE 9/30/25 ACTUAL	QE 9/30/24 ACTUAL	VARIANCE	% VARIANCE	COMMENTS ON VARIANCES
REVENUES					
Total Net Tuition and Fees	\$115,040,000	\$107,490,000	\$7,550,000	7.0%	Variance net of scholarships is \$8.2M. Slight decrease in volume offset by tuition increase.
Total Appropriations	52,355,000	51,292,000	1,063,000	2.1%	Increase due to an increase in WVU base appropriation and new funds for the Washington Center.
Deferred Maintenance	2,541,000	3,536,000	(995,000)	-28.1%	
Capital Grants and Contract Revenues	24,024,000	1,314,000	22,710,000	1728.3%	Donated software from Schlumberger.
Total Non-Capital Grant and Contract Revenues	92,143,000	86,449,000	5,694,000	6.6%	Increased activity on new and existing awards.
Auxiliaries	38,699,000	38,729,000	(30,000)	-0.1%	
Other Revenues	34,677,000	22,797,000	11,880,000	52.1%	Gift income higher than planned, plus \$2.6M proceeds on sale of Research Park property to Mon County BOE.
Total Revenues	\$359,479,000	\$311,607,000	\$47,872,000	15.4%	
EXPENSES					
Total Salaries and Wages	\$145,040,000	\$143,125,000	\$1,915,000	1.3%	Off-cycle increases plus increased pass-through from HSC.
Total Benefits	43,705,000	41,935,000	1,770,000	4.2%	Higher PEIA.
Total Supplies and Other Services	61,413,000	50,293,000	11,120,000	22.1%	Unfunded portion over \$9.4M. ERP/Huron expenses of \$5.4M (timing), Athletic's over \$3.5M (timing), Legal of \$900K and timing of ITS software.
Total Depreciation and Amortization	31,128,000	27,470,000	3,658,000	13.3%	Large donation of software at the end of FY25 and amortized over short period plus larger capital acquisitions and increase in subscription agreements.
Utilities	11,198,000	7,123,000	4,075,000	57.2%	Increased electricity rates and City of Morgantown Fire Service fees (15%) plus new accrual process.
Scholarships and Fellowships	15,887,000	16,624,000	(737,000)	-4.4%	
Interest Payments	11,193,000	10,893,000	300,000	2.8%	
Other	198,000	462,000	(264,000)	-57.1%	
Total Expenses	\$319,762,000	\$297,925,000	\$ 21,837,000	7.3%	
NET POSITION					
Increase (Decrease) In Net Position	\$39,717,000	\$13,682,000	\$26,035,000	190.3%	
Increase (Decrease) In Net Position Without Donated Software and Related Amortization and OPEB/Pension	\$25,110,000	\$19,269,000	\$5,841,000	30.3%	
Total Enrollment	24,773	24,792	(19)	-0.1%	
Days Cash On Hand	107	100	7	7%	Approximately 5 days cash in FY2025 can be attributed to one-time funds that will be spent in FY2026, and 3 days for remaining football buy-outs.

QUESTIONS?



WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 7, 2025

ITEM:	Receipt and Acceptance of the FY 2025 Financial Statements and Audit Report for West Virginia University
INSTITUTION:	West Virginia University
COMMITTEE:	Full Board
RECOMMENDATION:	Resolved, That the West Virginia University Board of Governors Receives and Accepts the FY 2025 Financial Statements and Audit Report for West Virginia University
STAFF MEMBER:	Barbara Weiss Interim CFO, Vice President, Finance
BACKGROUND:	Senior Associate Vice President, Finance will present the University's FY 2025 audit report (including financial statements) to the Audit Committee for ultimate acceptance by the full Board. Copies of the FY 2025 Financial Statements and Audit Report for West Virginia University are attached.
OVERALL:	The financial statements earned an unqualified (clean) audit opinion. WVU had an increase in net position of \$66.8 million (net of Cancer Center activity) for the fiscal year ended June 30, 2025. The University's balance sheet remains stable with adequate current assets to meet current obligations. Financial statements continue to be influenced by one-time transactions and significant GASB-related accrual basis of accounting adjustments.
ASSETS:	Total assets of the University (including deferred outflows of resources) increased by \$45.7 million from FY 2024, or 1.8%, for a total of approximately \$2.6 billion. The increase in assets is primarily due to an increase in Cash, Investments, Net Accounts Receivable, and Net Capital Assets.
LIABILITIES:	Total liabilities (including deferred inflows of resources) decreased by approximately \$18.7 million, or 1.4%, from last year for a total of \$1.3 billion. Bonds payable (current and noncurrent) decreased by \$31.5 million primarily due to principal payments due during the

year.

There was a decrease in Deferred Inflows of Resources of \$9.3 million, or 16.3%, from FY 2024. At June 30, 2025 and June 30, 2024 the University recorded deferred inflows related to OPEB and pensions of \$7.6 million and \$16.5 million, respectively. These deferred inflows represent the University's proportionate share of the net difference between projected and actual investment earnings on plan investments, the difference between employer contributions and the University's proportionate share of contributions, changes in assumptions, and the difference between expected and actual experience.

REVENUES:

Total revenues increased by approximately \$88.4 million, or 6.9%, from the previous year, to \$1.4 billion.

Net tuition and fees (net of scholarship expense) decreased by \$3 million from FY 2024, or .9%, mainly due to a decline in enrollment of 581 students or 2.3%. This was offset by an increase in tuition and a change in the mix of students.

Total appropriations decreased by \$5.7 million, or 2.6% from FY 2024, primarily due to the special one-time appropriation of \$15.6 million that was received in 2024 offset by increase in the 2025 base appropriations and one-time appropriations of \$7 million.

Deferred maintenance funds used were \$15.6 million. This was \$6.6 million over FY2024.

Non-capital grants and contracts revenue increased by \$21.8 million, or 6%, from FY 2024 primarily due to an increase in pass through grants from the Health Science Center and an increase in Pell grants.

Auxiliary revenues increased \$8.1 million, or 6.3%, due to a increase in Big 12 and other athletic revenues and a coach buy-out payment.

Other revenues were increased \$3.6 million form FY 2024 to FY2025, or 2.4%, due primarily to the gain on the sale of the UPD building and parking lots to WVUH offset by lower gift revenue.

EXPENSES

Total expenses of \$1.3 million were \$40.3 million, or 3.2%, above FY2024.

Salaries and wages decreased in total by \$9.8 million, or 1.6%, from the previous year. Total salaries decreased due to the decrease in FTEs offset by funded salary increases on non-capital grants, retention increases, and new football staff.

Benefits increased by \$33.5 million, or 24.1%, from FY 2024 to FY 2025 primarily due to an increase in the University's proportionate share of the net OPEB liability (\$33 million) and higher PEIA costs in addition to salary increases on funded non-capital grants. These increases were offset by decreases in benefits related to lower FTEs and decreases in employee waivers.

Supplies and other services increased by \$13.6 million, or 5.1%, from FY 2024 to FY 2025 due to an increase in sub-contracts, travel, contract and professional services and supplies on non-capital grants.

Depreciation and amortization expense decreased by \$3.4 million from FY 2024 primarily due to the timing of the amortization of donated software, capital expenditures, as well as assets becoming fully depreciated.

Utility expenses were comparable to FY 2024.

Other expenses increased \$12.1 million due to football transition severance payments.

The increase in net position for FY2024 was \$66.8 million. After adjusting both FY2025 and FY2024 for donated software and related amortization and the pension/OPEB adjustment, which are both non-cash and extraordinary adjustments related to GASB accounting requirements, the increase in net position for FY2025 was \$27.1 million which was very comparable to FY2024 of \$27.6 million.

WEST VIRGINIA UNIVERSITY

*Financial Statements
for the Years Ended June 30, 2025 and 2024
and Independent Auditors' Reports*



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INDEPENDENT AUDITORS' REPORT

Board of Governors
West Virginia University & Divisions
Morgantown, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, of West Virginia University (the University), a component unit of the West Virginia Higher Education Fund as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, of the University, as of June 30, 2025 and 2024, 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.

Basis for Opinions

We conducted our audit 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.

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.

Board of Governors
West Virginia University & Divisions

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Board of Governors
West Virginia University & Divisions

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, schedule of proportionate share of net pension liability and contributions, and schedule of proportionate share of net other postemployment benefits (OPEB) liability and schedule of contributions, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 14, 2025

WEST VIRGINIA UNIVERSITY

Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2025

Overview

The Management's Discussion and Analysis is required supplementary information and has been prepared in accordance with the requirements of the Governmental Accounting Standards Board ("GASB"). This section of the annual financial report for West Virginia University (the "University" or "WVU") provides an overview of the University's financial performance during the fiscal year ended June 30, 2025 as compared to the previous fiscal year. Comparative analysis is also presented for fiscal year 2024 compared to fiscal year 2023.

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

Financial Highlights

At June 30, 2025, the University's total net position increased from the previous year-end by \$64.4 million. The increase in net position was primarily attributable to increases in current cash and cash equivalents, investments, current accounts receivable, capital and intangible right to use assets, net of accumulated amortization and depreciation, inventories, prepaid expenses, leases receivable, and deferred outflows related to other postemployment benefits ("OPEB"), and decreases in bonds payable, debt service assessment payable to the Commission, noncurrent leases payable, advances from Federal government, and deferred inflows related to OPEB. This increase in net position was offset by decreases in noncurrent cash and cash equivalents, loans receivable, noncurrent accounts receivable from public-private partnerships, and the net OPEB asset, and increases in accounts payable, unearned revenue, compensated absences liability, current accrued liabilities, accrued payroll, notes payable, and subscription liabilities.

Total revenues in fiscal year 2025 were \$1.4 billion, a 2.9% increase over prior year. This increase was primarily due to increases in revenue from capital grants and gifts, nongovernmental grants and contracts, Pell grants, revenue from auxiliary enterprises, other nonoperating revenue, and payments on behalf of the University. This increase in revenue was offset by decreases in state appropriations, net tuition and fees, and revenue from gifts. Total revenues increased by 6.0% from fiscal year 2023 to fiscal year 2024.

Total expenses increased by \$42.9 million from fiscal year 2024 to fiscal year 2025 primarily due to increases in fringe benefits, supplies and other services, loan cancellations and write-offs, and other operating expenses. These increases were offset by decreases in salaries and wages, scholarships and fellowships, and depreciation and amortization expense. Total expenses decreased by \$600,000 from fiscal year 2023 to fiscal year 2024.

Net Position

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

Net Position is displayed in three components:

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

Restricted. This category includes assets, the use of which is restricted, either due to externally imposed constraints or because of restrictions imposed by law. Restricted assets are reduced by liabilities and deferred inflows of resources related to those assets. They are further divided into two additional components - nonexpendable and expendable. The **nonexpendable restricted component** includes endowment and similar type funds for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal. The **expendable restricted component** includes resources for which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

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

Condensed Schedule of Net Position (in thousands)

	As of June 30		
	2025	2024	2023
Assets			
Current Assets	\$ 472,420	\$ 440,859	\$ 342,738
Capital and intangible Right to Use Assets, Net	1,923,515	1,887,369	1,948,898
Other Noncurrent Assets	169,110	195,357	201,627
Total Assets	2,565,045	2,523,585	2,493,263
Deferred Outflows of Resources	21,773	17,525	27,291
TOTAL	\$ 2,586,818	\$ 2,541,110	\$ 2,520,554
Liabilities			
Current Liabilities	\$ 311,435	\$ 279,656	\$ 263,560
Noncurrent Liabilities	928,633	969,779	1,013,844
Total Liabilities	1,240,068	1,249,435	1,277,404
Deferred Inflows of Resources	47,996	57,322	77,352
TOTAL	\$ 1,288,064	\$ 1,306,757	\$ 1,354,756
Net Position			
Net Investment in Capital Assets	\$ 1,017,759	\$ 961,345	\$ 1,006,960
Restricted for:			
Nonexpendable	18,097	18,164	15,776
Expendable	57,969	66,400	58,958
Unrestricted	204,929	188,444	84,104
TOTAL NET POSITION	\$ 1,298,754	\$ 1,234,353	\$ 1,165,798

Total assets of the University increased by about \$41.5 million, or 1.6%, to a total of \$2.6 billion as of June 30, 2025. This increase was primarily due to increases in current cash and cash equivalents, investments, current accounts receivable, capital and intangible right to use assets – net of accumulated depreciation and amortization, inventories, prepaid expenses, and leases receivable. These increases were offset by a decrease in noncurrent cash and cash equivalents, noncurrent accounts receivable from public-private partnerships, loans receivable, and the net OPEB asset. There was also an increase of \$5.0 million in deferred outflows related to OPEB.

- Current cash and cash equivalents increased by \$3.3 million from fiscal year 2024 to fiscal year 2025 primarily due to an increase in cash receipts from tuition and fees and auxiliaries and a decrease in payments to employees and other payments. Current cash and cash equivalents increased by \$39.7 million in fiscal year 2024.
- Investments (current and noncurrent) increased by \$9.6 million from fiscal year 2024 to fiscal year 2025 primarily due to an increase in the fair market value of investments. Current investments increased by \$8.8 million in fiscal year 2024.
- Current accounts receivable, net of allowances for uncollectible accounts, increased by \$21.4 million from fiscal year 2024 to fiscal year 2025 primarily due to increases in both sponsored award receivables and other accounts receivable. The increase in sponsored award receivables was partially due to delays in

the receipt of funds from federal sponsors as a result of executive orders issued during fiscal year 2025. These orders directed federal agencies to implement stricter controls and processes over the drawdown of federal grant funds. \$4.8 million was due from the State at the end of fiscal year 2025 for expenses incurred on deferred maintenance projects. The increase in other accounts receivable was mainly due to amounts owed to Athletics (for Big 12 conference revenue, Nike sponsorship fees, Sodexo concession revenue and draws from the WVU Foundation). Additional increases in other accounts receivable were due to amounts owed to the Health Sciences Center (the “HSC”) from affiliates and amounts owed to the University for the replacement of the chiller at One Waterfront Place. Current accounts receivable increased by \$4.4 million in fiscal year 2024.

- Inventories increased by \$288,000 from fiscal year 2024 to fiscal year 2025 primarily due to additional inventories held by Facilities Management. Inventories decreased by \$142,000 in fiscal year 2024.
- Prepaid expenses increased by \$1.1 million from fiscal year 2024 to fiscal year 2025 due to the deferral of student financial aid for the summer term and an increase in other prepaid expenses, primarily prepayments of various software licensing, maintenance and support agreements. Prepaid expenses increased by \$1.4 million in fiscal year 2024.
- Leases receivable (current and noncurrent) increased by \$891,000 from fiscal year 2024 to fiscal year 2025. This increase was primarily due to an agreement with the National Aeronautics and Space Administration (“NASA”), effective in April 2025, for the lease of office space and land at the NASA facility in Fairmont, a new lease agreement with Zenith Electronics for retail space at University Place, and the rollforward of various cell tower leases. Leases receivable decreased by \$42,000 in fiscal year 2024.
- Capital and intangible right to use assets, net of accumulated depreciation and amortization, increased by \$36.1 million from fiscal year 2024 to fiscal year 2025 mainly due to increases in equipment, construction-in-progress, subscription assets, and other assets. Equipment acquisitions during fiscal year 2025 included new video boards for the Milan Puskar Stadium (“the Stadium”), microscopes and mass spectrometers, and the financed purchase of server equipment by Information Technology Services. Subscription assets increased due to several additional subscription-based information technology agreements.

Several major construction and renovation projects were completed during fiscal year 2025 including the renovation of Field Hall (the former Business and Economics building), structural renovations of the pedestrian bridge at the Engineering Sciences Building, field lighting upgrades at the Stadium, the replacement of the chiller and cooling tower at One Waterfront Place, construction of the indoor batting facility at the Kendrick Family Ballpark, renovations of the kitchen at Café Evansdale, replacement of the air handling unit at the Canady Creative Arts Center, capital improvements at the Clark Mountaineer Club at the Coliseum, and various projects at the HSC. Significant construction projects in process include turf replacement at the Stadium, the refurbishment of the piping and restrooms at the Towers residence halls, the installation of locking systems for the exterior doors of buildings on the Downtown campus and a campus-wide building automation system, repairs and improvements to the Downtown steam tunnels, the construction of the Pride Practice facility, renovations required for the relocation of the University Police Department (“UPD”) to the Chestnut Ridge Research Building, and various projects at the HSC, including multiple roof replacements and the upgrade of the chiller plant and cooling tower. During fiscal year 2025, significant costs related to the Information Technology Modernization Program were capitalized including costs related to the student experience initiative and the human capital management and finance systems.

During fiscal year 2025, there was also a significant software donation to the Petroleum and Natural Gas Engineering department at the Benjamin M. Statler College of Engineering and Mineral Resources by Schlumberger Technology Corporation. These increases were offset by the sale of land on Elmer Prince Drive (the former location of the UPD) and depreciation/amortization of capital and intangible assets. Capital and intangible right to use assets, net of accumulated amortization and depreciation, decreased by \$61.5 million in fiscal year 2024.

- Noncurrent cash and cash equivalents decreased by \$15.5 million from fiscal year 2024 to fiscal year 2025. Deposits with bond trustees decreased due to reimbursements of expenditures for construction projects funded by the bonds. Noncurrent cash decreased by \$16.2 million in fiscal year 2024.
- Noncurrent accounts receivable from public-private partnerships decreased by \$737,000 in fiscal year 2024 due to a decrease in amounts owed by West Virginia Campus Housing, LLC (“WVUCH”) for reimbursable project expenses and management fees for University Place. The University is exercising its right to offset amounts owed to WVUCH and Downtown Campus Parking Associates (“DCPA”) for rent (garage) and gross receipts (student rent/dorm payments). These accounts receivable decreased by \$738,000 in fiscal year 2024.
- The net OPEB asset decreased by \$8.5 million in fiscal year 2025 due to a decrease in the University’s proportionate share of the State’s net OPEB (asset) liability at June 30, 2025. The OPEB plan is a cost-sharing, multiple-employer, defined benefit other postemployment benefit plan that covers the retirees of State agencies, colleges and universities, county boards of education and other government entities administered by the Public Employees Insurance Agency (“PEIA”) and the West Virginia Retiree Health Benefit Trust Fund (“RHBT”). As a participant in the OPEB plan, the University is required to recognize its proportionate share of the collective net OPEB (asset) liability provided through the plan. The proportionate share is calculated based on employer and non-employer contributions to the OPEB plan.
- Loans receivable (current and noncurrent) decreased by \$6.4 million in fiscal year 2024 primarily due to the transfer of outstanding Perkins loans and loans in default to the U.S. Department of Education as a result of the wind-down of the federal Perkins loan program. There were also decreases in outstanding loans, primarily loans issued as part of the WV Medical Student Loan Program administered by the West Virginia Higher Education Policy Commission (the “Commission” or “HEPC”). Total loans receivable decreased by \$3.0 million in fiscal year 2024.

In accordance with the provisions of GASB Statement No. 68, “*Accounting and Financial Reporting for Pensions*,” and Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date*”, the University reported deferred outflows related to pensions, in the amount of \$292,000 at June 30, 2025. This is a decrease of \$69,000 from the deferred outflows related to pensions of \$361,000 at June 30, 2024. During fiscal year 2025, these deferred outflows represent the University’s proportionate share of the difference between expected and actual experience, changes in assumptions, and employer contributions made to the pension plan by the University during fiscal year 2025 (after the measurement date of June 30, 2024).

In accordance with the provisions of GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*”, the University reported deferred outflows related to other postemployment benefits (“OPEB”) in the amount of \$9.7 million at June 30, 2025. This is an increase of \$5.0 million from the deferred outflows related to OPEB of \$4.7 million at June 30, 2024. These deferred outflows represent the change in proportion and the difference between employer contributions and proportionate share of contributions, changes in assumptions, differences between expected and actual experience, and employer contributions made by the University during fiscal year 2025 (after the measurement date of June 30, 2024) to the West Virginia Postemployment Benefit Plan administered by PEIA and the RHBT.

The University also reported a deferred loss on refunding of \$11.8 million at June 30, 2025. This represents the unamortized balance of a deferred loss on refunding related to the defeasance of the 2004 Bonds. The deferred loss on refunding is the difference between the reacquisition price and the net carrying amount of the refunded bonds and will be recognized as a component of interest expense over the remaining life of the refunded debt. The reduction in the amount from fiscal year 2024 to 2025 denotes the annual amount amortized to interest expense.

Total liabilities for the year decreased by \$9.4 million (or .7%). This decrease in total liabilities was primarily due to decreases in bonds payable, debt service assessment payable to the Commission, noncurrent leases payable, and advances from the Federal government. These decreases were partially offset by increases in accounts

payable, compensated absences liability, unearned revenue, accrued payroll, notes payable, subscription liabilities, and current accrued liabilities. There was also a decrease of \$8.6 million in deferred inflows related to OPEB.

- Bonds payable (current and noncurrent) decreased in fiscal year 2025 by \$31.5 million due to scheduled debt service payments. Total bonds payable decreased by \$24.6 million in fiscal year 2024.
- Debt service assessment payable to the Commission decreased by \$4.6 million in fiscal year 2025 due to semi-annual principal payments to the Commission. Debt service assessment payable to the Commission decreased by \$4.5 million in fiscal year 2024.
- Noncurrent leases payable decreased by \$1.5 million in fiscal year 2025 primarily due to scheduled lease payments. This decrease was partially offset by a new agreement for the lease of space in the former Mylan Pharmaceuticals/Viatris facility in Morgantown. Total leases payable decreased by \$3.2 million from fiscal year 2023 to fiscal year 2024.
- Advances from the Federal government decreased by \$3.6 million in fiscal year 2025 primarily due to the transfer of outstanding Perkins loans and loans in default to the U.S. Department of Education as a result of the wind-down of the federal Perkins loan program. This liability decreased by \$1.3 million in fiscal year 2024.
- Accounts payable increased by \$6.1 million in fiscal year 2025 primarily due to an increase in unpaid invoices at year-end. Accounts payable decreased by \$5.3 million in fiscal year 2024.
- The University's liability for compensated absences increased by \$754,000 in fiscal year 2025 due to the implementation of GASB Statement No. 101, "*Compensated Absences*", which required the accrual of a liability for accrued sick leave. Full-time employees of the University earn 1.5 sick days for each month of service. Based on an analysis of historical trends, a liability of \$384,000 was recorded for accrued sick leave at June 30, 2025. Employees hired prior to July 1, 2001 receive sick leave credit toward retiree healthcare contributions when they retire; this liability is included in the (asset) liability for OPEB. There was also an increase in the liability for accrued vacation and paid time off. The University's liability for compensated absences decreased by \$370,000 in fiscal year 2024.
- Unearned revenue increased by \$11.2 million from the prior year due to the deferral of student tuition and fees and room and board for the summer term and revenue from season ticket sales and parking for the fall 2025 football season. This was offset by a decrease in the deferral of revenue from sponsored awards, the WVU Foundation backbill accounts, and deferred maintenance projects funded by the State. Unearned revenue increased by \$12.2 million in fiscal year 2024 compared to fiscal year 2023.
- Accrued payroll increased by \$1.9 million in fiscal year 2025. The balance at June 30, 2025 represents the payroll and fringe accrual for the service periods from June 15 to June 30 (two additional days compared to the accrual required for fiscal year 2024). The University's liability for accrued payroll increased by \$980,000 in fiscal year 2024.
- Notes payable (current and noncurrent) increased by \$822,000 from fiscal year 2024 to fiscal year 2025 primarily due to financed purchases of equipment during fiscal year 2025 including change orders to the University's contract with Dell Financial Services, LLC and a new agreement with Juniper Financial Services. This increase was offset by scheduled principal payments. Notes payable decreased by \$1.9 million in fiscal year 2024.
- Subscription liabilities (current and noncurrent) increased by \$2.3 million in fiscal year 2025 due to several new agreements for subscription-based software. Subscription liabilities increased by \$499,000 in fiscal year 2024.
- Current accrued liabilities increased by \$8.7 million in fiscal year 2025 primarily due to an agreement with the WVU Foundation for the reimbursement of costs incurred for the replacement and upgrade of the

HVAC system at One Waterfront Place in addition to the University's liability for termination settlement agreements for football coaching staff at June 30, 2025. These increases were partially offset by a decrease in the University's expected liability for medical malpractice claims based on the annual actuarial study for the professional liability large deductible program that covers all faculty and resident physicians. Current accrued liabilities increased by \$2.1 million in fiscal year 2024 compared to fiscal year 2023.

In accordance with the provisions of GASB Statement No. 87, *"Leases"*, the University recorded deferred inflows of \$4.1 million and \$3.2 million at June 30, 2025 and June 30, 2024, respectively. These deferred inflows are being amortized over the lease term to interest revenue.

The University recorded deferred inflows related to pensions in the amount of \$1.0 million and \$1.3 million at June 30, 2025 and June 30, 2024, respectively. For fiscal year 2025, these deferred inflows represent the University's proportionate share of the difference between employer contributions and proportionate share of contributions and the net difference between projected and actual investment earnings.

At June 30, 2025 and June 30, 2024, the University recorded deferred inflows related to OPEB of \$6.6 million and \$15.2 million, respectively. For fiscal year 2025, these deferred inflows represent the University's proportionate share of the net difference between projected and actual investment earnings on plan investments, the difference between employer contributions and the University's proportionate share of contributions, changes in assumptions, and the difference between expected and actual experience.

During fiscal year 2015, the University entered into an agreement with ACC OP (College Park, WV) LLC to operate College Park, a multi-use facility including student housing, owned by WVU. The agreement met the definition of a service concession arrangement ("SCA") under the provisions of GASB Statement No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements."* This deferred inflow is being amortized over the lease term of forty years to auxiliary enterprise revenue.

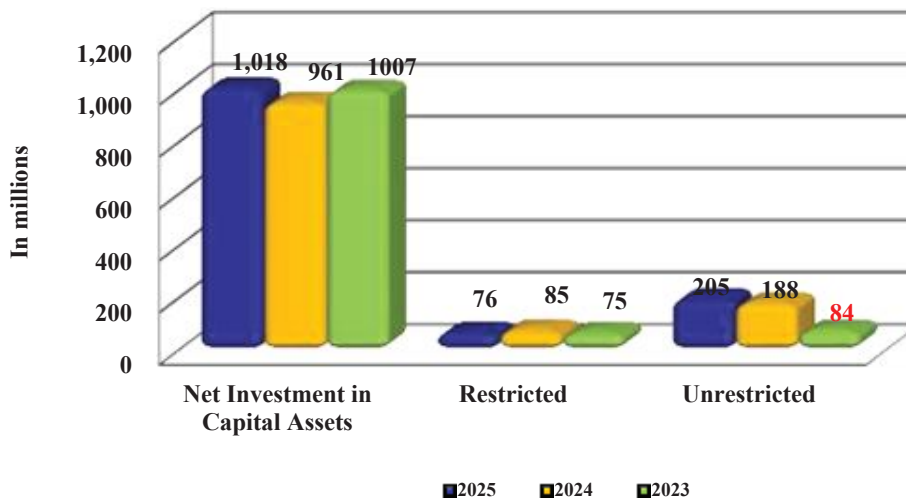
During fiscal year 2020, the University entered into an agreement with Sodexo America, LLC to operate its food and dining services program. Upon execution of this agreement, Sodexo provided unrestricted funds of \$10 million to the University. This was recorded as a deferred inflow and is being amortized over the term of the agreement (15 years) to auxiliary enterprise revenue.

The University recorded Pell grant monies provided for financially eligible students before the start of the semester as well as a gain on refunding of HSC loans in FY 2013 as deferred inflows of resources.

The University's current assets of \$472.4 million were sufficient to cover current liabilities of \$311.4 million indicating that the University maintained sufficient available resources to meet its current obligations as of June 30, 2025.

The following is a comparative illustration of net position.

COMPARISON OF NET POSITION June 30, 2025, 2024 and 2023



Net investment in capital assets increased by \$56.4 million due to an increase in capital and intangible right to use assets, net of accumulated depreciation and amortization, offset by decreases in noncurrent cash and cash equivalents, bonds payable, debt service assessment payable to the Commission, and noncurrent leases payable. Net investment in capital assets decreased by \$45.6 million from fiscal year 2023 to fiscal year 2024.

During fiscal year 2025, the restricted component of the net position experienced a decrease of \$8.5 million. This increase was primarily due to a decrease in the net OPEB asset. GASB Statement No. 54, *“Fund Balance Reporting and Governmental Fund Type Definitions”*, requires that this asset be reported as restricted due to constraints placed on its use by the West Virginia Legislature (the “Legislature”). This component of net position increased by \$9.8 million from fiscal year 2023 to fiscal year 2024.

The unrestricted component of net position increased by \$16.5 million during fiscal year 2025. This was primarily due to increases in current investments, current cash and cash equivalents, prepaid expenses, inventories, accounts receivable, and deferred outflows related to OPEB offset by a decrease in deferred inflows related to OPEB. There was an increase in this component of net position from fiscal year 2023 to fiscal year 2024 of \$104.3 million.

	2025	2024
Total unrestricted net position before net pension liability,		
OPEB and pension deferred inflows and deferred outflows	\$ 203,572	\$ 201,459
Plus: Deferred outflows of resources related to OPEB	9,705	4,706
Plus: Deferred outflows of resources related to pensions	292	361
Less: Net pension liability	1,047	1,564
Less: Deferred inflows of resources related to OPEB	6,562	15,194
Less: Deferred inflows of resources related to pensions	1,031	1,324
Total unrestricted net position	<u>\$ 204,929</u>	<u>\$ 188,444</u>

Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the operating revenues, operating expenses, non-operating revenues and expenses and other revenues, expenses, gains or losses of the University for the fiscal years.

State appropriations, while budgeted for operations, are considered and reported as non-operating revenues. This is because State appropriations are provided by the Legislature to the University without the Legislature directly receiving commensurate goods and services for those revenues. Likewise, Pell grants are reported as non-operating, because of specific guidance from GASB.

Student tuition and fees are reported net of scholarship discounts and allowances. For the financial statements for the period ending June 30, 2024, financial aid to students was reported using the alternative method as prescribed by the National Association of College and University Business Officers (“NACUBO”). The alternative method of calculating the estimated discount is no longer endorsed by NACUBO. As a result, the University discontinued its use of the alternative method. For the financial statements for the period ending June 30, 2025, the University recorded the discount based on the amount of financial aid applied to the tuition and fees and auxiliary fees charged to each student’s account. Certain aid, such as loans and federal direct lending, is accounted for as a third-party payment, while all other aid is reflected either as operating expenses or scholarship allowances, which reduce revenues.

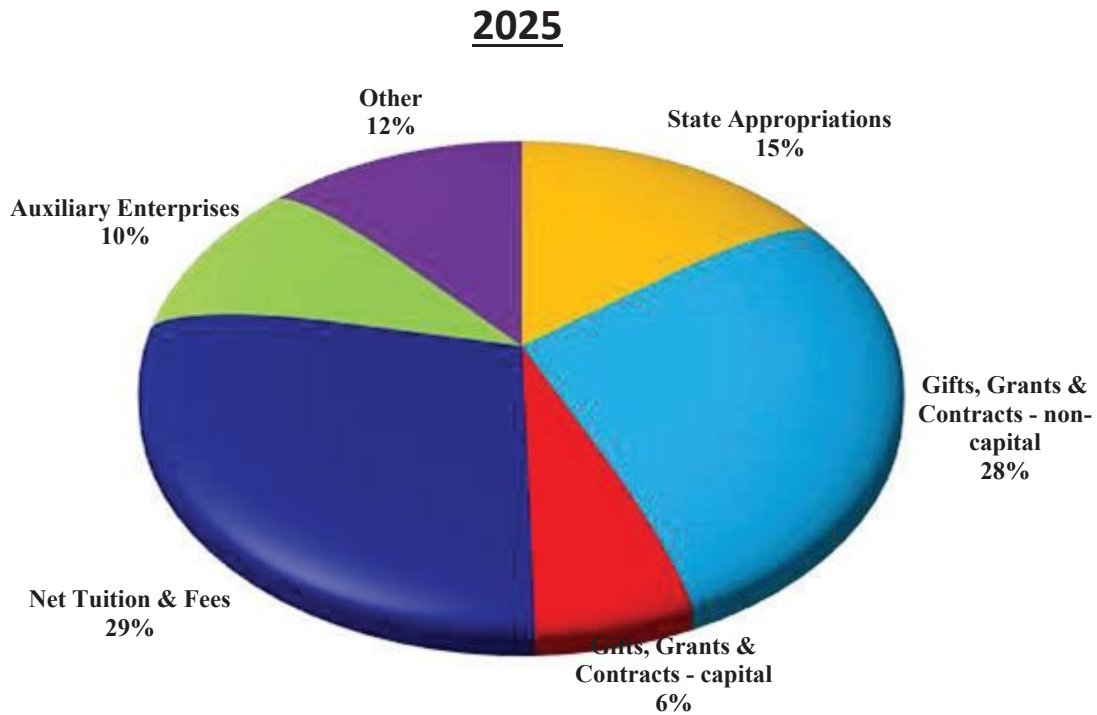
The utilization of capital and intangible right to use assets is reflected in the financial statements as depreciation and amortization expense, which amortizes the cost of an asset over its expected useful life or the contract term.

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

	Years Ended June 30		
	2025	2024	2023
Operating Revenues	\$ 915,986	\$ 902,267	\$ 866,780
Operating Expenses	1,266,052	1,222,584	1,224,728
Operating Loss	(350,066)	(320,317)	(357,948)
Net Nonoperating Revenues	325,012	367,727	301,599
(Loss) Income before Other Revenues, Expenses, Gains or Losses	(25,054)	47,410	(56,349)
Capital grants and gifts	89,140	20,697	48,935
Bond/capital projects proceeds from the Commission	315	448	-
Increase (Decrease) in Net Position	64,401	68,555	(7,414)
Net Position - Beginning of Year	1,234,353	1,165,798	1,173,212
Net Position - End of Year	\$ 1,298,754	\$ 1,234,353	\$ 1,165,798

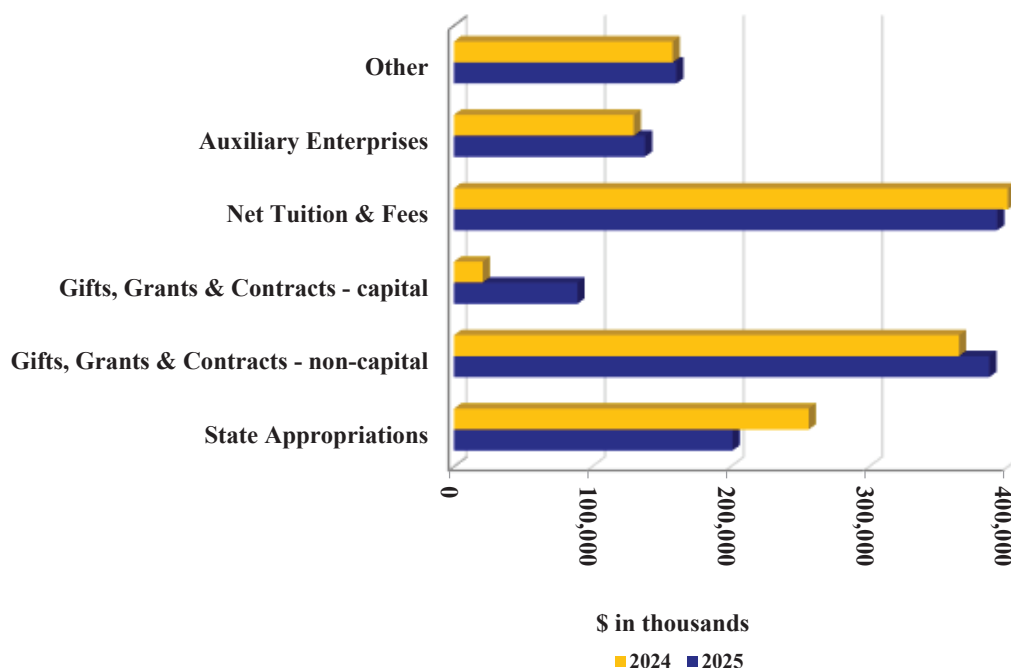
Revenues:

The following graph shows the composition of total revenues by source for fiscal year 2025.



The following chart provides a comparison of revenues by significant category between fiscal years 2025 and 2024.

Trend in Revenues



Total fiscal year 2025 revenues were \$1.4 billion, an increase of \$38.8 million or 2.9%, from fiscal year 2024. Some highlights of the information presented on the statement of revenues, expenses, and changes in net position are as follows:

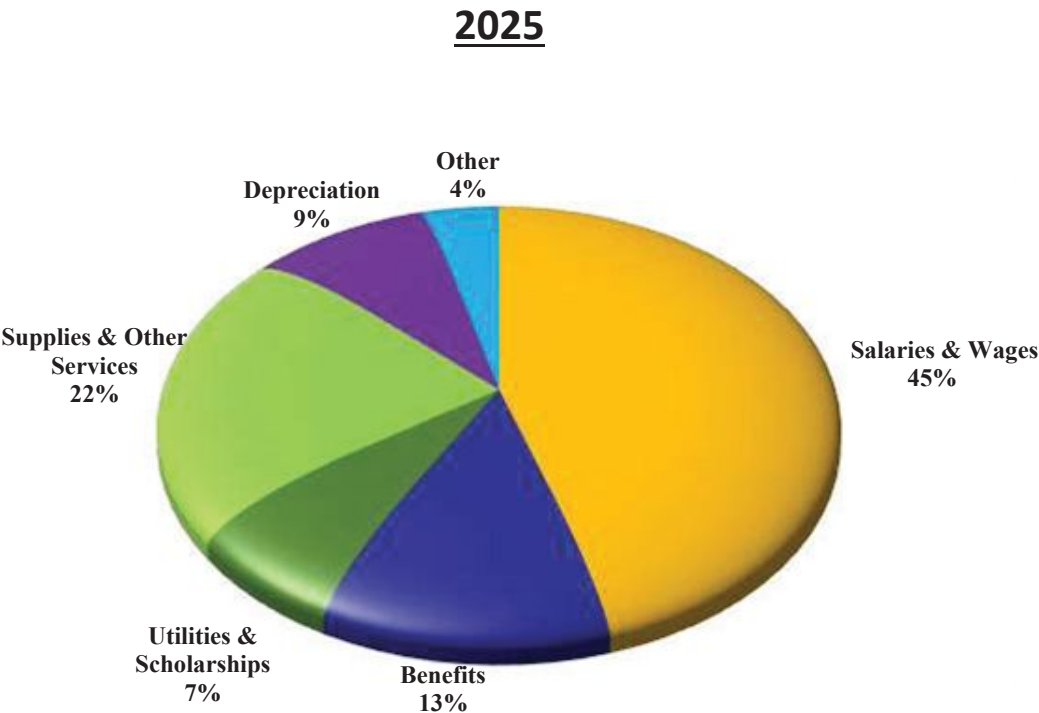
- Revenue from nongovernmental grants and contracts increased by \$12.1 million from fiscal year 2024 to fiscal year 2025 primarily due to an increase in funding for faculty salaries and fringe benefits and medical malpractice premiums from the practice plans affiliated with the HSC. There was also an increase in revenue from sponsored awards. Nongovernmental grant and contract revenue increased by \$35.3 million from fiscal year 2023 to fiscal year 2024.
- Revenue from federal Pell grants increased by \$6.7 million in fiscal year 2025 due to a change in the eligibility formula in the Free Application for Federal Student Aid (the “FASFA”) Simplification Act, which replaced the expected family contribution with the student aid index as the primary metric for calculating financial need. The average Pell award and number of eligible students increased for fiscal year 2025. Federal Pell grant revenue increased by \$1.3 million in fiscal year 2024.
- Net other nonoperating revenue increased by \$8.2 million in fiscal year 2025 primarily due to a net gain on the sale of the UPD building and the Medical Center Apartment parking lot to the WVU Health System in December 2024. Other nonoperating revenue increased by \$412,000 in fiscal year 2024.
- Capital gifts and grants increased by \$68.4 million from fiscal year 2024 to fiscal year 2025. This increase was primarily due to a significant donation of right-to-use software to the Petroleum and Natural Gas Engineering department at the Benjamin M. Statler College of Engineering and Mineral Resources in fiscal year 2025 by Schlumberger Technology Corporation. Revenues recognized on deferred maintenance projects funded by the State also increased. These increases were offset by a decline in restricted funds drawn down from the WVU Foundation for capital projects by WVU Athletics. Capital gift and grant revenues decreased by \$28.2 million from fiscal year 2023 to fiscal year 2024.
- Revenue from auxiliary enterprises increased by \$8.1 million from fiscal year 2024 to fiscal year 2025 primarily due to increased revenues generated by WVU Athletics. Increases in Big 12 conference revenue,

football season ticket sales and parking revenue, and miscellaneous income were offset by decreased rights fees, revenues from concessions, miscellaneous National Collegiate Athletics Association revenue, corporate sponsorships, and sales of single game tickets for football. This increase in gross auxiliary revenue was offset by an increase in scholarship discounts and allowances. This revenue increased by \$37,000 in fiscal year 2024.

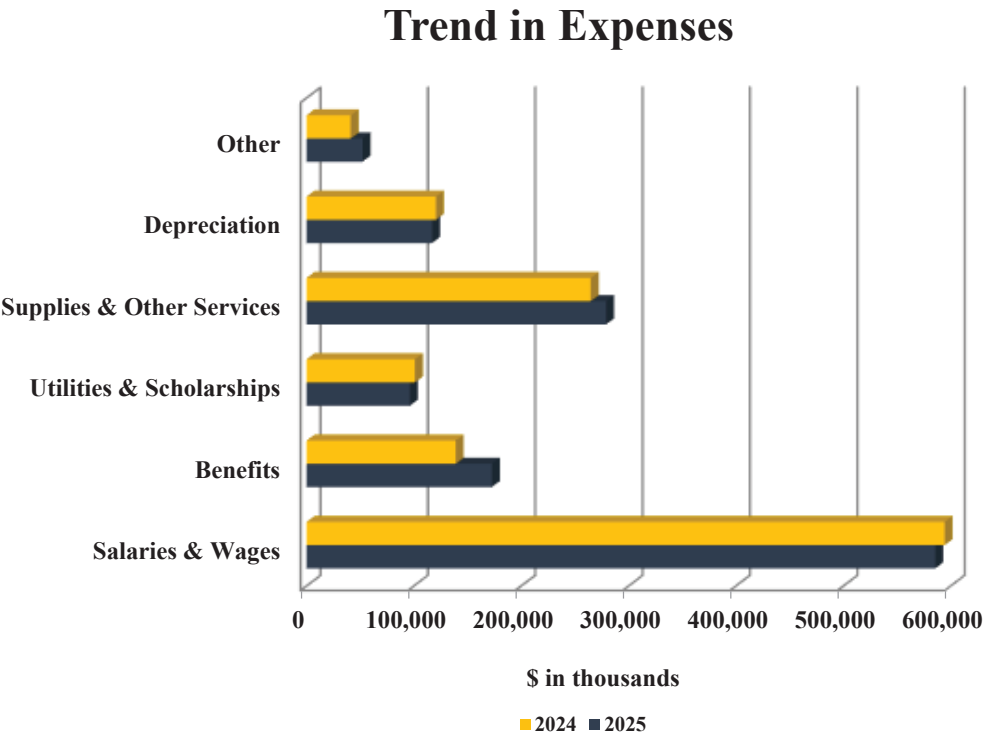
- Payments on behalf of the University increased by \$9.6 million from fiscal year 2024 to fiscal year 2025 primarily due to an increase in the University's proportionate share of the State's funding through Senate Bill 419, which dedicated \$30 million annually to the RHBT fund from annual collections of personal income tax dedicated for payment of the unfunded OPEB liability of the RHBT. Payments on behalf of the University increased by \$639,000 in fiscal year 2024.
- Tuition and fee revenue, net of scholarship discounts and allowances, decreased by \$7.7 million in fiscal year 2025 primarily due to a change in the methodology for determining scholarship discounts and allowances. The University discontinued use of the alternative method of calculating scholarship discounts and allowances after NACUBO retracted its endorsement of this methodology. As of July 1, 2024, the University determines the discount based on the amount of financial aid applied to the tuition and auxiliary fees charged to each student's account. This change in methodology resulted in an increase in scholarship discounts and allowances. This increase was directly offset by a decrease in scholarship and fellowship expense. Gross tuition and fees increased; an average tuition rate increase of 4.05% helped offset a decline in enrollment. Net tuition and fee revenue decreased by \$1.3 million in fiscal year 2024.
- State appropriations (including State Lottery appropriations) decreased by \$54.9 million from fiscal year 2024 to fiscal year 2025 primarily due to an appropriation of \$50 million in the previous fiscal year from the State's general revenue surplus to support the WVU Cancer Center's efforts to obtain designation as a National Cancer Institute center. These funds were re-appropriated for expenditure in fiscal year 2025. The University also received \$15.6 million in fiscal year 2024 as a result of Senate Bill 1007, which provided new, one-time funding to assist State higher education institutions with operational costs. During fiscal year 2025, the University received an additional \$7.1 million from the State's general revenue surplus as a result of Senate Bill 2036, including \$5.1 million from the higher education funding formula. This also included an additional \$2.0 million for the Rockefeller Neuroscience Institute ("RNI"), which will be used by RNI to conduct clinical trials and develop ultrasound therapies for eating disorders, obesity, post-traumatic stress disorder, and other conditions. There was also an increase of \$3.5 million in the base budget allocations from the general appropriation funds received from the State. State appropriations increased by \$69.2 million from fiscal year 2023 to fiscal year 2024 primarily due to the WVU Cancer Center appropriation of \$50 million in addition to the one-time funding provided to State higher education institutions to assist with operational costs and an increase in base budget allocations from general appropriation funds from the State.
- Gift revenue decreased by \$13.3 million in fiscal year 2025 primarily due to decreases in amounts drawn down from the WVU Foundation for operating expenses and scholarships, including amounts drawn from the HSC Chancellor's strategic fund. These were offset by an increase in amounts drawn down by Athletics from unrestricted donations to support various initiatives, debt service payments and capital projects. Revenue from gifts decreased by \$10.0 million in fiscal year 2024.

Expenses:

The following graph shows the composition of total expenses by category for fiscal year 2025.



The following chart provides a comparison of expenses by significant category between fiscal years 2025 and 2024.



Total fiscal year 2025 expenses increased by \$42.9 million. Changes in expense amounts from the prior year are primarily attributed to the following:

- Benefits increased by \$33.8 million from fiscal year 2024 to fiscal year 2025 primarily due to an increase in expenses related to the University's proportionate share of the net OPEB (asset) liability, including an increase in the University's proportionate share of the State's funding through Senate Bill 419. Expenses related to compensated absences increased due to an increase in accrued annual leave and paid-time off and the implementation of GASB Statement No. 101, which required the accrual of expenses related to accrued sick leave for those employees not eligible for other postemployment benefits.

Premiums for health insurance through PEIA also increased during fiscal year 2025. The assessment of pay as you go premiums ("paygo") by PEIA resumed in fiscal year 2025. These premiums are established by the PEIA Finance Board annually. Due to significant savings with the renewal of PEIA's contract with Humana and favorable investment returns which resulted in an excess in the premium stabilization reserve, the RHBT did not bill PEIA active employers for paygo in fiscal year 2024.

An additional increase in benefits expense was due to the accrual of fringes related to settlement agreements with members of the former football coaching staff.

Expenses related to other salary-related benefits decreased in fiscal year 2025 corresponding with the decrease in salaries and wages. A decrease in tuition waivers for faculty, staff and graduate assistants during fiscal year 2025 also offset increases in other expenses related to fringe benefits. Fringe benefits increased by \$16.3 million in fiscal year 2024.

- Supplies and other services increased by \$14.3 million from fiscal year 2024 to fiscal year 2025. Expenses in the following categories increased: contractual and professional services; fees to outside legal counsel; subcontract expense; computer supplies; software maintenance; repairs and maintenance of facilities; student activities (primarily WVU Athletics); travel; other general expenses; and the purchase of equipment and uniforms for the football and men's and women's basketball teams.

These increases were partially offset by a decrease in the estimated expense for medical malpractice claims based on the annual actuarial study for the professional liability program that covers all faculty and resident physicians. An additional decrease was due to the write-off of management fees owed by University Park at Evansdale LLC ("UPE") for the University Park public-private partnership in the previous fiscal year. Supplies and other services increased by \$6.4 million from fiscal year 2023 to fiscal year 2024.

- Loan cancellations and write-offs increased by \$1.8 million in fiscal year 2025. This was due primarily to the assignment of loans in default to the U.S. Department of Education as a result of the wind-down of the federal Perkins loan program. Forgiveness of student loans issued as part of the WV Medical Student Loan Program administered by HEPC also contributed to this increase; eligible medical students who agree to practice full-time in an underserved area of the state qualify for loan forgiveness. Loan cancellations and write-offs decreased by \$102,000 in fiscal year 2024.
- Other operating expenses increased by \$10.3 million in fiscal year 2025. This was primarily due to the accrual and payment for settlement agreements with former football coaching staff. Expenses related to reductions in force also contributed to this increase. Other operating expenses increased by \$392,000 in fiscal year 2024.
- Salaries and wages decreased by \$8.7 million from fiscal year 2024 to fiscal year 2025 due to the continuation of planned personnel reductions to meet budgetary constraints. This included non-renewals of certain non-classified staff and faculty contracts as well as reductions-in-force of classified staff. The University conducted an extensive review of academic programs (the academic transformation initiative) during the previous fiscal year. Salaries and wages decreased by \$10.9 million from fiscal year 2023 to fiscal year 2024.

- Scholarships and fellowships decreased by \$4.7 million from fiscal year 2024 to fiscal year 2025 primarily due to a change in the methodology for determining scholarship discounts and allowances. This change in methodology resulted in an increase in scholarship discounts and allowances and a corresponding decrease in scholarship and fellowship expense. This decrease in expense was partially offset by an increase in awards of federal Pell grants due to a change in the eligibility formula, an increase in the average amount awarded, and an increase in the number of eligible students. Additional increases were due to increases in awards funded institutionally and through the College Access Emergency Grant program administered by HEPC. There was a decrease of \$3.6 million in this expense category from fiscal year 2023 to fiscal year 2024.
- Depreciation and amortization expense decreased by \$3.4 million from fiscal year 2024 to fiscal year 2025 primarily due to a decrease in amortization expense related to leased assets and donated software. This expense category decreased by \$8.5 million from fiscal year 2023 to fiscal year 2024.

Cash Flows

The statement of cash flows provides information about the cash receipts, cash payments, and net change in cash resulting from the operating, investing, and financing activities (capital and noncapital) of the University during the year. This statement helps users assess the University's ability to generate net cash flows, its ability to meet obligations as they come due, and its need for external financing.

The statement of cash flows is divided into five sections:

Cash flows from operating activities. This section shows the net cash used by the operating activities of the University.

Cash flows from noncapital financing activities. This section reflects the cash received and paid for nonoperating, noninvesting, and noncapital financing purposes.

Cash flows from capital financing activities. This section includes cash used for the acquisition and construction of capital and related items.

Cash flows from investing activities. This section shows the purchases, proceeds, and interest received from investing activities.

Reconciliation of operating loss to net cash used in operating activities. This section provides a schedule that reconciles the accrual-based operating loss and net cash used in operating activities.

Condensed Schedule of Cash Flows (in thousands)

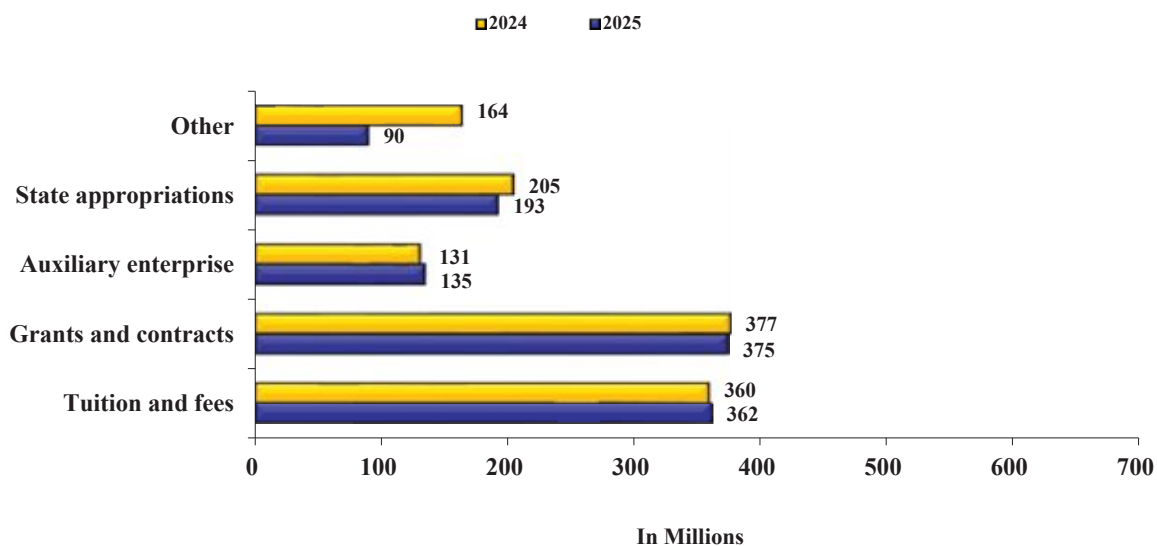
	Years Ended June 30		
	2025	2024	2023
Cash Provided By (Used In):			
Operating Activities	\$ (222,913)	\$ (216,309)	\$ (282,075)
Noncapital Financing Activities	310,318	330,962	319,664
Capital Financing Activities	(115,762)	(107,769)	(68,465)
Investing Activities	16,243	16,579	32,224
Increase (Decrease) in Cash and Cash Equivalents	(12,114)	23,463	1,348
Cash and Cash Equivalents, Beginning of Year	228,572	205,109	203,761
Cash and Cash Equivalents, End of Year	\$ 216,458	\$ 228,572	\$ 205,109

Total cash and cash equivalents decreased by \$12.1 million during fiscal year 2025 to \$216.5 million.

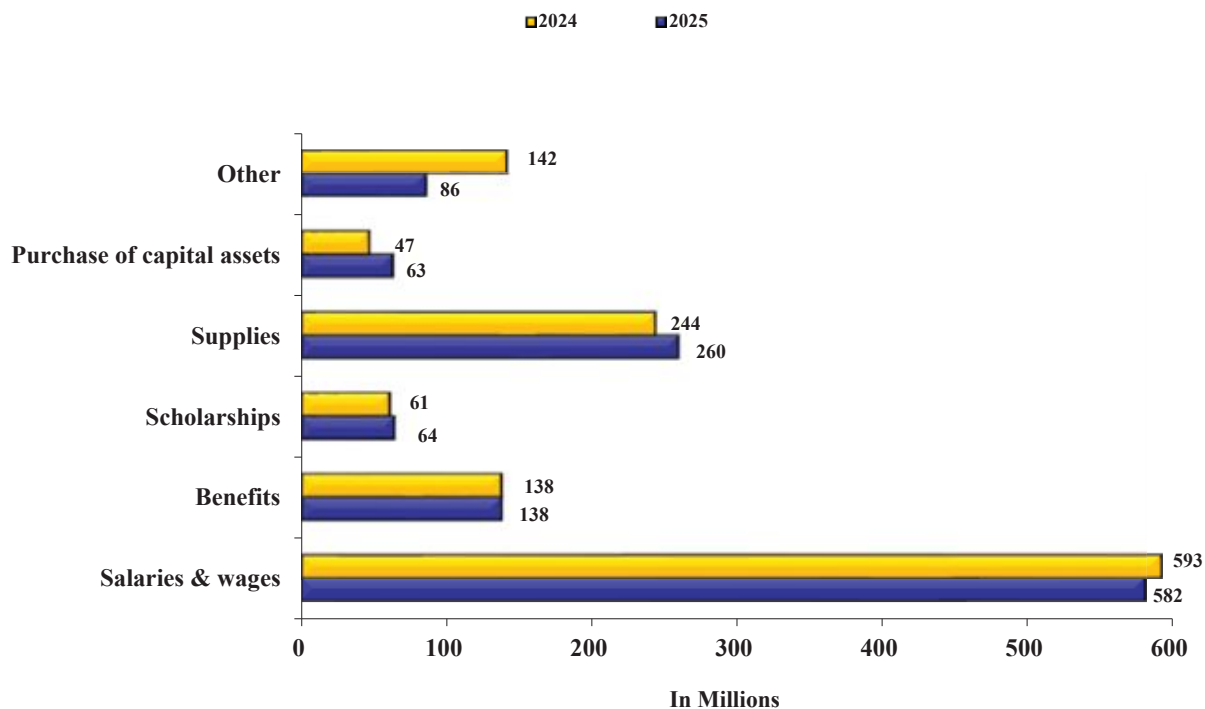
- Net cash used in operating activities increased by \$6.6 million primarily due to decreased inflows from grants and contracts and increased cash outflows for payments to suppliers and for scholarships and fellowships. These changes were offset by increased cash inflows from tuition and fees and auxiliaries and decreased cash outflows for payments to employees and other payments. Cash used in operating activities decreased by \$65.8 million from fiscal year 2023 to fiscal year 2024.
- Net cash provided by noncapital financing activities decreased by \$20.6 million primarily due to decreased cash inflows from state appropriations and gifts. This was partially offset by an increase in cash inflows from federal Pell grants. This category increased by \$11.3 million from fiscal year 2023 to fiscal year 2024.
- Net cash used in capital financing activities increased by \$8.0 million primarily due to an increase in cash outflows from the purchase of capital assets and principal paid on capital debt, leases and subscriptions. This was partially offset by an increase in cash inflows from capital grants and gifts and proceeds from the sale of real estate. Capital financing activities increased by \$39.3 million from fiscal year 2023 to fiscal year 2024.
- Net cash provided by investing activities decreased by approximately \$336,000 primarily due to a decrease in investment income. This was offset by a decrease in cash outflows from the purchase of investments. Investing activities decreased by \$15.6 million from fiscal year 2023 to fiscal year 2024.

The following graphs illustrate the sources and uses of cash:

SOURCES OF CASH



USES OF CASH



Capital Asset and Long-Term Debt Activity

The University continued work on major capital projects which are being financed through bond proceeds, grants, and other sources of revenues available to the University including operational revenue and gifts. Significant construction, capital and debt activity in fiscal year 2025 included the following:

- Several major construction and renovation projects were completed during fiscal year 2025 including the renovation of Field Hall, structural renovations of the pedestrian bridge at the Engineering Sciences Building, field lighting upgrades at the Stadium, the replacement of the chiller and cooling tower at One Waterfront Place, construction of the indoor batting facility at the Kendrick Family Ballpark, renovations of the kitchen at Café Evansdale, replacement of the air handling unit at the Canady Creative Arts Center, and various projects at the HSC.
- Significant construction projects in process at June 30, 2025 include turf replacement at the Stadium, the refurbishment of the piping and restrooms at the Towers residence halls, the installation of locking systems for the exterior doors of buildings on the Downtown campus and a campus-wide building automation system, repairs and improvements to the Downtown steam tunnels, the construction of the Pride Practice facility, renovations required for the relocation of the UPD, and various projects at the HSC, including multiple roof replacements and the upgrade of the chiller plant and cooling tower.
- During fiscal year 2025, significant costs related to the Modernization Program were capitalized including costs related to the student experience initiative and the human capital management and finance systems.

The Commission assesses each public institution of higher education for funds to meet the payment of debt service on various revenue bonds that were issued for the financing of academic and other facilities of the State's universities and colleges, including certain facilities of the University. The bonds remain as a capital obligation of the Commission; however, \$17.5 million is reported as debt service assessment payable to the Commission by the University as of June 30, 2025.

In July 2024, the University executed an amendment to its agreement with WesBanco to finance the acquisition of certain property on the Evansdale Campus. This amendment refinanced the \$10.5 million bullet payment that was due on September 1, 2024.

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

On July 2, 2025, the University issued \$30.0 million of taxable revenue bonds (2025 Series A Bonds) to (a) finance all or a portion of the costs of Phase II of the ERP modernization plan including the reimbursement of costs previously incurred in connection with the project; and (b) pay the costs of issuance of the bonds and related costs. For the years ended June 30, 2025, 2024 and 2023, the University's bonds were rated as Aa3, AA-, and A by Moody's, Fitch and Standard and Poor's, respectively.

The State's budget bill for fiscal year 2024 included funding of \$282 million from the Governor's Civil Contingency Fund to address deferred maintenance issues at the State's higher education institutions and correctional facilities. The University was awarded \$46 million in grants from this allocation. As of June 30, 2025, the University has recognized revenue of \$24.2 million related to these projects. Projects approved for funding include roof repair of the Downtown Library, renovations of Chitwood Hall, structural repairs of the pedestrian bridge at the Engineering Sciences Building, replacement of LED lighting on the Beckley campus, a locking system for exterior doors of buildings on the Downtown Campus, and a campus-wide building

automation system. The remainder of this funding will be received in subsequent installments as progress reports are submitted to the Governor's Office.

Economic Outlook

WVU is a strong and vibrant flagship, land-grant, and affordable higher education institution with an affiliated medical center that provides billions of dollars in economic activity for the state of West Virginia and the region. WVU is continually adapting to today's challenges of an increasingly competitive enrollment environment, minimal tuition increases and higher tuition discounting to keep tuition affordable, increasing operating costs, and deferred maintenance needs. The University administration is taking active steps to meet these challenges through prudent financial planning and management practices designed to reduce costs, improve the efficiency and effectiveness of its operations and contracts, and maximize revenue opportunities.

As a public institution, the University's financial position is closely tied to that of the State of West Virginia and is always at risk of funding reductions due to changes in economic conditions or funding priorities. During fiscal year 2025, the State experienced a budget surplus of \$255 million in its general revenue funds primarily due to an increase in the collection of corporate and personal income tax and an increase in interest income. While the State achieved a healthy balance of \$1.3 billion in its Revenue Shortfall Reserve Fund (Rainy Day Fund), the State's budget continues to face economic pressures brought on by a continuing decline in coal production and other factors.

A new funding formula was effective for fiscal year 2024 and was developed through a collaboration between the Legislature, the Commission, and the State's colleges and universities. This new funding model provides a data-informed and objective rationale for determining annual state appropriations to the institutions. This formula is intended to reward colleges and universities that help students complete their degrees on time, particularly those students who are low-income or unprepared upon graduation from high school and focuses on degrees that are designated as state priorities for workforce development such as engineering, health care, social work, education, computer science and transportation. The Commission's recommendations to the Legislature for funding will be based on performance results within the model. It is the Legislature's prerogative to enact any changes. During fiscal year 2025, the University received an additional \$5.1 million from the higher education funding formula as a result of out-performing other colleges and universities in the state based on the first set of data from the formula.

The University also received an additional \$2.0 million for the RNI during fiscal year 2025, which will be used by RNI to conduct clinical trials and develop ultrasound therapies for eating disorders, obesity, post-traumatic stress disorder, and other conditions.

The State provided funding from the State's general revenue surplus for the fiscal year ending June 30, 2023 to support the investment required for the WVU Cancer Institute to attain designation as a National Cancer Institute ("the NCI") center. This \$50 million appropriation was available to spend starting in fiscal year 2024 and will be used to fund comprehensive research programs, faculty and facilities that will lead to innovative approaches in cancer prevention, diagnosis, and treatment for West Virginia citizens. The NCI leads cancer research across the country and recognizes cancer centers with an official NCI designation, the highest rating that a cancer center can achieve. This designation would make the WVU Cancer Institute the first NCI-designated cancer center in West Virginia. According to the NCI, cancer is a critical issue affecting economic and financial burden. The State's cancer-related medical costs are more than 2.4 times the national average. This investment in cancer prevention and treatment will improve the health and well-being of the State's residents by improving cancer occurrence and long-term cancer survival rates.

The WVU Foundation continues to report strong fund-raising numbers. In fiscal year 2025, donors contributed over \$260 million in new gifts and pledges. Additionally, the 8th annual WVU Day of Giving in March 2025 raised over \$46 million from more than 10,000 gifts from alumni, students, faculty, staff, friends and family of the University. These gifts will support student programs, scholarships, research, healthcare, athletics, faculty support, capital improvements, and more. Additional gifts include a \$5 million gift by Steve Ballmer, chairman of the National Basketball Association's Los Angeles Clippers, and his wife, Connie, honoring the late Mountaineer basketball great, Jerry West, which will provide assistance in the form of completion grants to

students at risk of leaving the University due to financial challenges, and bolster the Jerry West Scholarship, which is awarded to undergraduate students from West Virginia with demonstrated financial need. Another gift of \$2.2 million from an anonymous donor will aid academic support, experiential learning and career readiness resources for students and faculty development at the Chambers College of Business and Economics. This gift will also be used to provide support to student athletes for academic enrichment, life skills programming, and supplies and equipment. This private support is critical to ensuring tuition affordability and the fulfillment of the University's land-grant mission amid continuing financial challenges.

Over the past few years, higher education has experienced a decline in enrollment with the traditional college-age population shrinking across most of the country. In West Virginia, the college-going rate has been declining and is lower than the national average, indicating a need for continued outreach and support for students. Although there has been a decline in enrollment, the University's retention and graduation rates have improved; the University is projecting an historic first-time freshmen retention rate of 93.8% for the fall 2024 to spring 2025 semesters. The University increased tuition and fee rates for fiscal year 2026 by less than 5%, an increase that was necessary to cover increased costs due to inflation and to continue to invest in the University's core academic mission. Student financial support, including merit and need-based aid, will increase proportionally. Effective for fiscal year 2026, the University will also be charging a \$125 per-semester Mountaineer Athletics Advantage Fee for students on the Morgantown campus. This fee will help fund the operations necessary to support student athletes and invest in the future of WVU Athletics. The University's tuition and fee structure, for both resident and non-resident students, continues to be competitive compared to Big 12 peers, regional peers, and other higher education institutions in the State.

The WVU Guarantee program began in the fall of 2024. This program will provide funding to cover the cost of tuition and fees for qualifying incoming and current students with a family adjusted gross income ("AGI") of \$65,000 or less who annually complete the FAFSA. Once their FAFSA's are submitted, students are automatically evaluated for eligibility in the program. If a student's family AGI rises above the \$65,000 threshold after their initial enrollment as an undergraduate, the University will continue to honor the program's benefits. The WVU Guarantee program is a last-dollar-in program that will work in combination with other scholarships and financial aid to ease students' and families' financial burdens.

The WVU Degree Up program was introduced in the fall of 2024. This program is a first-of-its-kind program in the State and will ease the transition of students from the community and technical college system to the University. This program will provide automatic admission for qualifying community and technical college students. Students will receive one-on-one coaching and academic advising from the University to help remove barriers in the transfer process.

The University implemented a new budget model in fiscal year 2025 to support financial planning and management. This model provides a structure for the evaluation of academic and support units across the University and will enable the University to invest in the University's strategic priorities and proactively respond to shifting economic conditions. This model will also provide greater transparency into the budget process and will be incentive-based.

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

The hiring of Michael T. Benson as the University's 27th president was announced in February 2025. His term started on July 15 and will run through June 30, 2030. President Benson has been forming his core leadership team with both new hires and leaders with institutional knowledge and experience. A national search for a provost and vice president for Academic Affairs was officially launched in August 2025. Following another national search, Fabrizio D'Aloisio took over as vice president for Enrollment Management in September 2025.

With a change to the organizational structure, the presidents of Potomac State College (“PSC”) and the WVU Institute of Technology (“WVU Tech”) now report directly to the President.

House Bill 3279 expanded the BoG to 19 members, with 15 appointed by the Governor. The new law requires that at least one member of the BoG have an agricultural sciences background and mandates that at least one member be a graduate of PSC and one member be a graduate of WVU Tech. The legislation also reclassified the representatives for students, faculty and staff to nonvoting, advisory members.

In September 2025, the BoG voted for a resolution in support of WVU Athletics, calling for the development of a financial plan that will position the University in the top funding tier among Big 12 institutions while strengthening the University’s core academic mission. The launch of Gold & Blue Enterprises (“G&B”) was announced in July 2025; this initiative is designed to enhance the student-athlete experience and the University’s competitive edge in the reshaping of intercollegiate athletics. G&B will serve a vital role in advancing the mission of WVU Athletics by focusing on strategic initiatives and the evolving Name, Image, and Likeness (“NIL”) landscape. G&B will focus on generating new and diversified revenue streams for the continued success of WVU Athletics and elevating the strength and visibility of the WVU brand to advance the opportunities available to the University’s student athletes. G&B is included in the accompanying financial statements as a blended component unit of the University.

To better align research operations more closely with the University’s mission and structure, employees of the WVU Research Corporation (the “Corporation”) will transition to direct University employment effective October 31. This transition is designed to streamline administrative processes, reduce duplication between the two entities and improve access to institutional resources, systems and support while providing improved benefits to those employees. No positions will be eliminated as a direct result of this change.

In June 2025, the University terminated its contract with Sodexo America, LLC for the management and operation of the University’s food and dining services programs and subsequently entered into a one-year agreement with Elior Collegiate Dining. New retail dining locations, enhancements to the dining halls, the transformation and rebranding of other spaces, and the re-opening of closed spaces will take place under this new agreement. A third-party quality assurance company will partner with Elior to monitor food products and services.

Research is an integral part of the University’s mission, and the Corporation facilitates this mission through its role as fiscal agent for sponsored projects. The Corporation also uses its unique status to maximize the effectiveness of technology transfer in addition to its economic and business development functions. One important indication of this success is WVU’s classification as an R1, Doctoral University – Highest Research Activity, by the Carnegie Foundation. Currently, there are 187 institutions recognized as an R1 institution and 135 of them are public. The University has maintained a Carnegie R1 status since 2016. Sponsored expenditures came in at \$264 million for fiscal year 2025 with \$132 million coming from federal agencies (in fiscal year 2024, sponsored expenditures were \$275 million with \$128 million from federal funds). The effective F&A recovered increased from 25.6 to 26.5. The effective F&A recovery rate increased from 18.7% to 19.8%.

Comparing fiscal year 2024 to fiscal year 2025 for our primary federal research sponsors:

- DoE-funded expenditures decreased from \$19.8 million to \$16.2 million
- HHS-funded expenditures increased from \$50.0 million to \$54.6 million
- USDA-funded expenditures increased from \$7.7 million to \$8.0 million
- NASA-funded expenditures decreased from \$7.7 million to \$6.5 million
- NSF-funded expenditures decreased from \$14.1 million to \$14.0 million.

The continued increase in federal funding received is a direct result of the University’s investments in improving the competitiveness of the faculty through support to ensure that submitted proposals have a significantly enhanced probability of success, grant development mentoring, and internal reviewing services. Our focus on areas such as Neuroscience, Cancer, Energy and Sustainability, and Aerospace is yielding many of the increases noted above. It should also be noted that the F&A recovery has grown by over \$16.0 million since 2020.

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

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

These steps will continue to have a significant positive impact on the University's financial position and performance. At June 30, 2025, the University's net OPEB asset decreased by \$8.5 million to \$1.5 million. This was due to a decrease in the University's proportionate share of the State's net OPEB asset at June 30, 2025; the plan's fiduciary net position exceeded the total OPEB liability, which resulted in a net OPEB asset based on the most recent actuarial valuation. The RHBT experienced significant savings with the renewal of PEIA's contract with Humana beginning in fiscal year 2022. In addition to these savings, the RHBT has experienced favorable investment returns, resulting in an excess in the premium stabilization reserve. There were no pay as you go premiums billed in fiscal year 2024, but these premiums resumed in fiscal year 2025. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder each month. The active premiums subsidize the retirees' health care and are established by the PEIA Finance Board annually.

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

Contact the Office of the Senior Associate Vice President for Finance at 304-293-4008 with any questions.

WEST VIRGINIA UNIVERSITY**STATEMENTS OF NET POSITION
AS OF JUNE 30, 2025 AND 2024**

(Dollars in Thousands)

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and cash equivalents	\$ 174,045	\$ 170,697
Appropriations due from primary government	51,855	51,730
Investments	77,818	71,476
Accounts receivable, net of allowances for doubtful accounts of \$4,091 and \$5,349	147,807	126,437
Account receivable - public private partnerships, current portion	9,350	9,193
Due from the Higher Education Policy Commission	423	442
Leases receivable - current	1,221	972
Loans receivable, current portion	2,089	3,445
Inventories	2,513	2,225
Prepaid expenses	5,099	4,042
Notes receivable	200	200
Total current assets	472,420	440,859
Noncurrent Assets:		
Restricted cash and cash equivalents	42,413	57,875
Investments	111,412	108,169
Other accounts receivable	2,006	2,321
Account receivable - public private partnerships	226	963
Loans receivable, net of allowances for doubtful accounts of \$1,141 and \$1,488	8,481	13,566
Leases receivable	3,103	2,461
Net other post employment benefits asset	1,469	10,002
Capital and intangible right to use assets, net	1,923,515	1,887,369
Total noncurrent assets	2,092,625	2,082,726
TOTAL ASSETS	2,565,045	2,523,585
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	11,776	12,458
Deferred outflows related to other post employment benefits	9,705	4,706
Deferred outflows related to pensions	292	361
TOTAL DEFERRED OUTFLOWS OF RESOURCES	21,773	17,525
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,586,818	\$ 2,541,110

(continued)

WEST VIRGINIA UNIVERSITY

STATEMENTS OF NET POSITION (CONTINUED)

AS OF JUNE 30, 2025 AND 2024

(Dollars in Thousands)

	2025	2024
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities:		
Accounts payable	\$ 63,521	\$ 57,439
Accrued liabilities	25,049	16,380
Accrued payroll	34,175	32,281
Deposits	3,043	2,709
Unearned revenue	99,826	88,640
Compensated absences	33,411	32,657
Real estate purchase agreements payable, current portion	667	585
Debt service assessment payable to the Commission, current portion	4,672	4,596
Subscription liabilities, current portion	8,299	7,591
Leases payable, current portion	3,210	2,670
Bonds payable, current portion	32,112	31,395
Notes payable, current portion	3,450	2,713
Total current liabilities	<u>311,435</u>	<u>279,656</u>
Noncurrent Liabilities:		
Real estate purchase agreement payable	9,322	10,054
Net pension liability	1,047	1,564
Advances from federal government	7,104	10,697
Debt service assessment payable to the Commission	12,865	17,537
Subscription liabilities	10,439	8,851
Leases payable	73,258	74,799
Bonds payable	715,808	748,069
Notes payable	57,229	57,144
Other noncurrent liabilities	41,561	41,064
Total noncurrent liabilities	<u>928,633</u>	<u>969,779</u>
TOTAL LIABILITIES	<u>1,240,068</u>	<u>1,249,435</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred federal Pell grants	856	362
Deferred gain on refunding	26	71
Deferred service concession arrangements	30,056	31,064
Deferred inflows related to other post employment benefits	6,562	15,194
Deferred inflows related to pensions	1,031	1,324
Deferred inflows related to leases	4,072	3,240
Deferred inflows related to dining services contract	5,393	6,067
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>47,996</u>	<u>57,322</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>\$ 1,288,064</u>	<u>\$ 1,306,757</u>
NET POSITION		
Net investment in capital assets	\$ 1,017,759	\$ 961,345
Restricted for:		
Nonexpendable:		
Loans	17,622	17,689
Other	475	475
Total restricted nonexpendable	<u>18,097</u>	<u>18,164</u>
Expendable:		
Scholarships and fellowships	3,907	4,046
Sponsored programs	41,244	39,314
Loans	11,544	11,717
Capital projects	1	1
Debt service	-	106
Other	1,273	11,216
Total restricted expendable	<u>57,969</u>	<u>66,400</u>
Unrestricted net position	<u>204,929</u>	<u>188,444</u>
TOTAL NET POSITION	<u>\$ 1,298,754</u>	<u>\$ 1,234,353</u>

See notes to financial statements.

WEST VIRGINIA UNIVERSITY**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

(Dollars in Thousands)

	2025	2024
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances of \$122,610 and \$109,894	\$ 391,996	\$ 399,713
Federal land grants	9,121	10,049
Local land grants	1,519	1,409
Federal grants and contracts	132,012	126,992
State grants and contracts	82,802	84,888
Local grants and contracts	524	481
Nongovernmental grants and contracts	137,499	125,360
Sales and services of educational departments	14,009	15,295
Auxiliary enterprises, net of scholarship allowances of \$13,725 and \$11,028	137,873	129,746
Interest on student loans receivable	408	481
Service agreement revenue from Parkersburg	250	250
Other operating revenues	7,973	7,603
Total operating revenues	915,986	902,267
OPERATING EXPENSES		
Salaries and wages	585,502	594,170
Benefits	172,598	138,811
Scholarships and fellowships	58,281	63,030
Utilities	37,957	37,844
Supplies and other services	278,926	264,603
Depreciation and amortization	116,988	120,378
Loan cancellations and write-offs	1,815	19
Other operating expenses	13,985	3,729
Total operating expenses	1,266,052	1,222,584
OPERATING LOSS	\$ (350,066)	\$ (320,317)

(continued)

WEST VIRGINIA UNIVERSITY**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

(Dollars in Thousands)

	2025	2024
NONOPERATING REVENUES (EXPENSES)		
State appropriations	\$ 197,208	\$ 252,185
State Lottery appropriations	3,867	3,782
Payments on behalf of the University	2,857	(6,778)
Gifts	89,686	102,990
Federal Pell grants	33,461	26,789
Investment income (including unrealized gain of \$13,142 and \$7,549)	25,727	25,676
Interest on capital asset-related debt	(30,115)	(31,007)
Assessments by the Commission for debt service	(6,249)	(6,301)
Other nonoperating revenues - net	8,570	391
Net nonoperating revenues	325,012	367,727
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	(25,054)	47,410
Capital grants and gifts	89,140	20,697
Bond/capital projects proceeds from the Higher Education Policy Commission	315	448
INCREASE IN NET POSITION	64,401	68,555
NET POSITION--BEGINNING OF YEAR	1,234,353	1,165,798
NET POSITION - END OF YEAR	\$ 1,298,754	\$ 1,234,353

See notes to financial statements.

WEST VIRGINIA UNIVERSITY**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

(Dollars in Thousands)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 362,350	\$ 359,826
Federal and local land grants	10,640	11,457
Grants and contracts	340,657	349,935
Payments to suppliers	(259,888)	(244,326)
Payments to employees	(582,286)	(593,206)
Payments for benefits	(137,672)	(137,653)
Payments for utilities	(37,470)	(36,999)
Payments for scholarships and fellowships	(63,545)	(60,716)
Loan advances returned to federal government	(1,695)	(1,849)
Collections of loans to students	2,630	3,066
Interest earned on loans to students	408	481
Auxiliary enterprise charges	134,861	130,800
Sales and service of educational departments	13,665	14,568
Receipt of service agreement revenue from Parkersburg	250	250
Net receipts (payments) for public private partnerships	564	(650)
William D. Ford direct lending receipts	167,085	162,815
William D. Ford direct lending payments	(166,654)	(162,474)
Other receipts (payments)	(6,813)	(11,634)
Net cash used in operating activities	(222,913)	(216,309)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	189,168	201,450
State lottery appropriations	3,867	3,782
Gifts	80,251	96,014
Purchase of secured promissory notes	-	100
Federal Pell grants	33,955	26,587
Other nonoperating receipts	3,077	3,029
Net cash provided by noncapital financing activities	310,318	330,962
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments on Commission debt assessment payable	(4,596)	(4,538)
Bond/capital projects proceeds from the Higher Education Policy Commission	315	448
Assessments by the Commission for debt service	(6,249)	(6,301)
Capital gifts and grants received	22,036	17,695
Purchases of capital assets	(62,993)	(47,039)
Proceeds from leases	1,381	1,128
Proceeds from real estate sale	13,000	-
Principal paid on capital debt, leases and subscriptions	(47,390)	(37,181)
Interest paid on capital debt, leases and subscriptions	(31,266)	(31,981)
Net cash used in capital financing activities	(115,762)	(107,769)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	13,024	17,844
Purchase of investments	(8,462)	(12,796)
Redemption of matured investments	12,010	12,380
Purchase of Research Corporation investments	(329)	(849)
Net cash provided by investing activities	16,243	16,579
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,114)	23,463
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	228,572	205,109
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 216,458	\$ 228,572

(continued)

WEST VIRGINIA UNIVERSITY**STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

(Dollars in Thousands)

	2025	2024
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (350,065)	\$ (320,317)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	116,988	120,378
Donated/noncapitalized expense	6,889	4,839
Expenses paid on behalf of the University	2,857	(6,778)
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Accounts receivable, net	(22,029)	6,940
Due from the Commission	19	(191)
Loans receivable, net	6,441	3,040
Prepaid expenses	(335)	(1,396)
Inventories	(290)	142
Accounts payable	13,342	(13,550)
Accrued liabilities	17,903	(10,013)
Deposits	335	(338)
Unearned revenue	2,244	12,185
Compensated absences	752	(369)
Defined benefit pension plan	(740)	(1,068)
Deferred other post employment benefits	(13,631)	(8,481)
Advances from federal government	(3,593)	(1,332)
Net cash used in operating activities	<u>\$ (222,913)</u>	<u>\$ (216,309)</u>
Noncash Transactions:		
Construction in progress additions in accounts payable	<u>\$ 4,957</u>	<u>\$ 3,546</u>
Subscription based IT agreements	<u>\$ 6,686</u>	<u>\$ 2,495</u>
Lessee arrangements	<u>\$ 434</u>	<u>\$ 580</u>
Lessor arrangements	<u>\$ 1,183</u>	<u>\$ 71</u>
Donated capital assets	<u>\$ 77,390</u>	<u>\$ 2,829</u>
Unrealized gain on investments	<u>\$ 13,142</u>	<u>\$ 7,549</u>
Donated noncapitalized assets	<u>\$ 4,961</u>	<u>\$ 8,629</u>
Gain (Loss) on dispositions	<u>\$ 6,290</u>	<u>\$ (1,344)</u>
Expenses paid on behalf of the University	<u>\$ 2,857</u>	<u>\$ (6,778)</u>
Deferred gain on refunding	<u>\$ 45</u>	<u>\$ 45</u>
Reconciliation of cash and cash equivalents to the statements of net assets:		
Cash and cash equivalents classified as current assets	\$ 174,045	\$ 170,697
Cash and cash equivalents classified as noncurrent assets	<u>42,413</u>	<u>57,875</u>
	<u>\$ 216,458</u>	<u>\$ 228,572</u>

See notes to financial statements.

WEST VIRGINIA UNIVERSITY

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 AND 2024

1. ORGANIZATION

West Virginia University (the “University”) is governed by the West Virginia University Board of Governors (the “Board” or “BoG”). The Board was established by Senate Bill 653 (“S.B. 653”).

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- a. *Reporting Entity* – The University is a blended component unit of the West Virginia Higher Education Fund and represents separate funds of the State that are not included in the State’s general fund. The University is a separate entity, which, along with all State institutions of higher education, the Commission (which includes West Virginia Network for Educational Telecomputing (WVNET)), and the West Virginia Council for Community and Technical College Education form the Higher Education Fund of the

State. The Higher Education Fund is considered a component unit of the State, and its financial statements are discretely presented in the State's comprehensive annual financial report.

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

- b. Basis of Accounting* – For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the University have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenses are reported when materials or services are received. All accounts and transactions between the University and the Corporation have been eliminated.
- c. Cash and Cash Equivalents* – For purposes of the statement of net position, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

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

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

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

Cash and cash equivalents also include cash on hand.

- d. Appropriations Due from Primary Government* – For financial reporting purposes, appropriations due from the State are presented separate from cash and cash equivalents, as amounts are not specific deposits with the Treasurer, but are obligations of the State.
- e. Accounts Receivable* – Accounts receivable primarily includes amounts due from students for tuition and fees, amounts due from sponsoring agencies for grants and contracts, and other miscellaneous receivables.
- f. Accounts Receivable – Public Private Partnerships* – Accounts receivable – public private partnerships - includes amounts due from partners for reimbursable project

expenses, management fees, share of net revenues, lease payments and additional lease payments. (Also see Notes 15, 21, and 23.)

- g. *Allowance for Doubtful Accounts* – It is the University’s policy to provide for future losses on uncollectible accounts and loans receivable based on an evaluation of the underlying account and loan balances, the historical collectability experienced by the University on such balances and such other factors which, in management’s judgment, require consideration in estimating doubtful accounts.
- h. *Loans Receivable* – Loans receivable includes amounts due from students for student loans, including loans made through the Federal Perkins Loan Program.
- i. *Inventories* – Inventories are stated at the lower-of-cost or market, cost primarily determined on the first-in, first-out method and average cost.
- j. *Leases Receivable* – Leases receivable includes amounts due from external parties for long-term leases of land and building space, recorded at the present value of lease payments expected to be received during the lease term.
- k. *Noncurrent Restricted Cash and Cash Equivalents* – Cash that is (1) externally restricted to make debt service payments or to maintain sinking funds or reserve funds or to purchase capital or other noncurrent assets or settle long-term liabilities, or (2) permanently restricted components of net position are classified as a noncurrent asset on the statement of net position.
- l. *Noncurrent Investments* – Investments that are (1) externally restricted to make debt service payments or to maintain sinking funds or reserve funds or to purchase capital or other noncurrent assets or settle long-term liabilities, or (2) permanently restricted components of net position are classified as a noncurrent asset on the statement of net position. All other investments are classified as current or noncurrent based on the underlying investment.
- m. *Capital and Intangible Right-to-Use Assets* – Capital assets include property, plant and equipment, internally generated software, books and materials that are part of a catalogued library, and infrastructure. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is generally 15 to 50 years for buildings, infrastructure and land improvements, and 3 to 15 years for furniture, equipment, internally generated software, and library books.

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

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

The University’s capitalization thresholds are as follows: \$25,000 for buildings, land improvements, infrastructure and leasehold improvements, \$100,000 for internally

generated software, \$50,000 for subscription assets, and \$5,000 for equipment. Library books and land are capitalized irrespective to cost.

- n. *Deposits* – Deposits include housing and tuition deposits made by students.
- o. *Unearned Revenue* – Revenues for programs or activities to be earned in future fiscal years is classified as unearned revenue, including items such as tuition, football ticket sales, orientation fees, room and board, financial aid deposits, and advance payments on sponsored awards. Financial aid deposits are separately classified.
- p. *Compensated Absences* – GASB requires recognition of a liability for leave that accumulates and is attributable to services already rendered and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The University's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees of the University also earn 1.5 sick leave days for each month of service. Employees hired prior to July 1, 2001 receive sick leave credit toward retiree healthcare contributions when they retire; this liability is included in the liability for other postemployment benefits (see Note 2q and 10).

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

- q. *Other Postemployment Benefits ("OPEB")* – For purposes of measuring the net other postemployment benefits (asset) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the West Virginia Postemployment Benefit Plan (the "OPEB plan"), which is administered by a combination of the West Virginia Public Employees Insurance Agency ("PEIA") and the West Virginia Retiree Health Benefit Trust Fund (the "RHBT"), additions to/reductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported in the RHBT's financial statements located at https://peia.wv.gov/financial_reports/Pages/default.aspx. The OPEB plan schedules are prepared using the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Management of PEIA and the RHBT have made certain estimates and assumptions relating to the employer allocation schedules, and actual results could differ. (See Note 10.)
- r. *Reductions in Force* - On September 8, 2017, the University adopted the Reduction in Force ("RIF") rule, which was effective on September 28, 2017. This rule provides the guiding principles for reductions in force for positions held by classified employees of the University who are employed in full-time regular positions. A RIF may be implemented due to budget reductions, loss of funding, reorganization, material changes to the duties or responsibilities of a position, program change/elimination, or an emergency that curtails operations.

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

more than five full-time regular classified employees, the approval of the review committee must be obtained prior to implementation.

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

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

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

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

The University's total liability as of June 30, 2025 and 2024 was \$142,000 and \$2.2 million, respectively, which is recorded as a component of accrued liabilities on the statement of net position. This includes approximately \$18,000 and \$267,000 for employee benefits as of June 30, 2025 and 2024.

- s. *Noncurrent Liabilities* – Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and real estate purchase agreements payable with contractual maturities greater than one year; (2) principal amounts of leases payable and subscription liabilities due in subsequent fiscal years; (3) net pension liability and other liabilities that will not be paid within the next fiscal year; and (4) projected claim payments for self insurance.
- t. *Net Pension Liability* – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers' Retirement System ("TRS"), administered by the West Virginia Consolidated Public Retirement Board ("CPRB"), and additions to/reductions from the TRS fiduciary net position have been determined on the same basis as they are reported in the TRS financial statements, located at www.wvretirement.com/Publications.html#AnnualReport. The plan schedules of TRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed

information on investment valuation can be found in the TRS financial statements. Management of TRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ. (See Note 11.)

- u. *Net Position* – GASB establishes standards for external financial reporting for public colleges and universities and require that financial statements be presented on a basis to focus on the University as a whole. The components of net position are classified according to external donor restrictions or availability of assets for satisfaction of University obligations. The University's components of net position are classified as follows:

Net investment in capital and intangible right-to-use assets: This represents the University's total investment in capital and intangible right-to-use assets, net of accumulated depreciation/amortization and outstanding debt obligations related to those assets. To the extent debt has been incurred but not yet, such amounts are not included as a component of net investment in capital and intangible right-to-use assets, net of related debt.

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

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

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

- v. *Classification of Revenue* – The University has classified its revenues according to the following criteria:

Operating Revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state, local and nongovernmental grants and contracts, (4) federal and local land grants, and (5) sales and services of educational activities. Other operating revenues include revenue from leasing of the University's academic bookstores and retail stores to Barnes & Noble College Bookstores, Inc.

Nonoperating Revenues: Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB, such as state appropriations, Federal Pell grants, investment income and sale of capital assets (including natural resources).

Other Revenues: Other revenues primarily consist of capital grants and gifts and bond/capital project proceeds from the Commission.

- w. *Use of Restricted Net Position* – The University has adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available. The University attempts to utilize restricted components of net position first when practicable. The University did not have any designated components of net position as of June 30, 2025 or 2024.
- x. *Scholarship Discounts and Allowances* – Student tuition and fee revenues are reported net of scholarship discounts and allowances on the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain aid such as loans, funds provided to students as awarded by third parties, and Federal Direct Lending is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.

For the financial statements for the period ending June 30, 2024, financial aid to students was reported in under the alternative method as prescribed by the National Association of College and University Business Officers ("NACUBO"). Under this method, these amounts were computed on a University-wide 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.

In the spring of 2023, NACUBO reviewed the accounting practices for reporting financial aid as a discount to tuition and other fee revenues and issued advisory report 2023-01, "*Public Institutions: Accounting for and Reporting Financial Aid as a Discount*". The alternative method of calculating the estimated discount is no longer endorsed by NACUBO. As a result, the University discontinued its use of the alternative method. For the financial statements for the period ending June 30, 2025, the University records the discount based on the amount of financial aid applied to the tuition and fees and auxiliary fees charged to each student's account. This revised methodology results in a more accurate estimate of scholarship discounts and allowances than the alternative method utilized previously.

- y. *Federal Financial Assistance Programs* – The University makes loans to students under the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students, through universities. Direct student loan receivables are not included in the University's statement of net position, as the loans are repayable directly to the U.S. Department of Education. The University received and disbursed approximately \$167.0 million in fiscal year 2025 and approximately \$162.5 million in fiscal year 2024 under the Direct Loan Program on behalf of the U.S. Department of Education; these amounts are not included as revenues and expenses on the statement of revenues, expenses, and changes in net position.

The University also distributes other student financial assistance funds on behalf of the federal government to students under the Pell Grant, Supplemental Educational Opportunity Grant and Federal Work Study Programs. The activity of these programs is recorded in the accompanying financial statements. In fiscal years 2025 and 2024, the University received and disbursed \$36.4 million and \$28.8 million, respectively, under these other federal student aid programs.

- z. *Government Grants and Contracts* – Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. The University recognizes revenue associated with direct costs as the related costs are incurred. Recovery of related indirect costs is generally recorded at fixed rates negotiated for a period of one to three years.
- aa. *Income Taxes* – The University is exempt from income taxes, except for unrelated business income, as a nonprofit organization under federal income tax laws and regulations of the Internal Revenue Service. The Corporation has received from the Internal Revenue Service an exemption from taxation under Section 501 (c) (3) of the Internal Revenue Code as an entity organized for educational, research, and economic development purposes.
- bb. *Cash Flows* – Any cash and cash equivalents escrowed, restricted for noncurrent assets, or in funded reserves are included as cash and cash equivalents for the purpose of the statement of cash flows.
- cc. *Deferred Outflows of Resources* – Consumption of net assets by the University that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position. (See Note 10, 11 and 12).
- dd. *Deferred Inflows of Resources* – Acquisition of net assets by the University that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statement of net position. (See Notes 7, 10, 11 and 23)
- ee. *Risk Management* – BRIM provides general and professional liability, property, and auto insurance coverage to the University and its employees, including those physicians employed by the University and practicing at the hospital affiliated with the academic medical center. Such coverage is provided to the University through a self-insurance program maintained by BRIM for liability and auto insurance coverage. BRIM maintains a self-insurance program to pay the first \$1,000,000 of each property insurance claim and purchases excess property insurance from the commercial insurance market up to a limit of \$3,000,000 per occurrence. The BRIM self-insurance programs may involve experience and exposure related premiums.

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

The University's Health Sciences Center (HSC) established a \$250,000 deductible program under BRIM's professional liability coverage for the University effective July 1, 2005. Starting July 1, 2005, HSC assumed the risk and responsibility for all indemnity amounts up to \$250,000 per occurrence and all loss expenses associated with medical malpractice claims and/or suits in exchange for a reduction in its premium for medical malpractice insurance. For fiscal year 2025, BRIM will provide coverage for indemnity amounts between \$250,000 and \$2,000,000 per occurrence. For fiscal year 2024, BRIM will provide coverage for indemnity amounts between \$250,000 and \$1,897,000 per occurrence. After June 30, 2016, BRIM coverage may increase annually based on the Consumer Price Index until it reaches a maximum of \$2,000,000 per occurrence. Prior to July 1, 2005, the HSC was totally covered by BRIM at a limit of \$1,000,000 per occurrence.

Under the program, the HSC entered into an agreement with BRIM whereby the HSC has on deposit \$3.0 million at both June 30, 2025 and 2024, in an escrow account created in the state treasury from which BRIM may withdraw amounts to pay indemnity costs and allocated expenses in connection with medical malpractice claims against the HSC. The HSC also has on deposit \$47.7 million and \$47.9 million at June 30, 2025 and 2024, respectively, in an investment earnings account with the West Virginia University Foundation, Incorporated (the "Foundation") that is used to cover the liabilities under this program by replenishing the escrow account after BRIM withdraws indemnity and expense payments.

Based on an actuarial valuation of this self-insurance program and premium levels determined by BRIM, the University has recorded a liability of \$38.1 million and \$40.0 million to reflect projected claim payments at June 30, 2025 and 2024, respectively.

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

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

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

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

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

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

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

For the financial statements for the period ending June 30, 2025, the University changed its methodology for calculating scholarship discounts and allowances. (See Note 2x.) There was no significant impact to the scholarship allowance as a result of this change.

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

- hh. Newly Adopted Statements Issued by GASB* – The University has implemented Statement No. 101, “*Compensated Absences*”. This statement establishes accounting and financial reporting requirements for compensated absences and associated salary-related payments. (See Note 2p.) The financial statements for the period ending June 30, 2024 have not been restated; the implementation of these requirements did not have a material impact on the financial statements.

The University has also implemented Statement No. 102, “*Certain Risk Disclosures*”. This statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. No additional disclosures were required to the University’s financial statements.

- ii. *Recent Statements Issued by GASB* – GASB has issued Statement No. 103, “*Financial Reporting Model Improvements*”. The objective of this statement is to improve key components of the financial reporting model. This statement establishes new accounting and financial reporting requirements – or modifies existing requirements – related to the following: management’s discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This statement is effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter. The University has not yet determined the effect that the adoption of GASB Statement No. 103 may have on its financial statements.

GASB has also issued Statement No. 104, “*Disclosure of Certain Capital Assets*”. The objective of this statement is to improve key components of the financial reporting model. This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets footnotes. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. This statement is effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter. The University has not yet determined the effect that the adoption of GASB Statement No. 104 may have on its financial statements.

3. CASH AND CASH EQUIVALENTS

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

2025

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

2024

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Cash on deposit with the Treasurer:			
West Virginia University - Nonauxiliaries	\$ 67,164	\$ 475	\$ 67,639
West Virginia University - Auxiliaries	68,035	-	68,035
Cash on deposit with Trustee	-	54,374	54,374
Deposits with BRIM Escrow Account Treasurer	-	3,026	3,026
Cash in Bank	35,481	-	35,481
Cash on Hand	17	-	17
	<u>\$ 170,697</u>	<u>\$ 57,875</u>	<u>\$ 228,572</u>

Cash on Deposit with the Treasurer. Cash on deposit with the Treasurer includes deposits in the State Treasury bank account and the WV Money Market Pool. Deposits in the bank account are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by securities held by the bank in the name of the State. Deposits in the WV Money Market Pool are pooled by the Treasurer with other available funds of the State for investment purposes by the BTI. These funds are transferred to the BTI, and the BTI invests in the WV Money Market Pool as directed by the University and then the BTI invests in accordance with West Virginia Code, policies set by the BTI, provisions of bond indentures and trust agreements when applicable. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. Balances in the investment pools are recorded at fair value or amortized cost which approximates fair value. Fair value is determined by a third-party pricing service based on asset portfolio pricing models and other sources in accordance with GASB. The BTI was established by the Legislature and is subject to oversight by the Legislature. The amounts on deposit are available for immediate withdrawal and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements. There was \$96.2 million and \$110.4 million in cash held for investment in the WV Money Market Pool at June 30, 2025 and 2024, respectively. The remainder of the cash held with the Treasurer was not invested.

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

Credit Risk — Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The following table provides information on the BTI credit risk as of June 30:

External Pool	2025		2024	
	Carrying Value	S & P Rating	Carrying Value	S & P Rating
	(In Thousands)		(In Thousands)	
WV Money Market Pool	\$ 96,212	AAAm	\$ 110,395	AAAm

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

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the BTI's Consolidated Fund pools and accounts are subject to interest rate risk. The following table provides information on the weighted-average maturities for the WV Money Market Pool:

External Pool	2025		2024	
	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
	(In Thousands)		(In Thousands)	
WV Money Market Pool	\$ 96,212	41	\$ 110,395	36

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

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

Cash in bank. Cash in bank includes bank balances and may include deposits in the ICS or CDARS programs. The carrying amount of cash in bank at June 30, 2025 and 2024 was \$49.8 million and \$35.5 million, respectively, as compared with bank balances of \$49.4

million and \$37.1 million, respectively. The difference was primarily caused by items in transit and outstanding checks. Bank accounts and ICS/CDARS deposits are FDIC insured up to \$250,000 per Federal Employer Identification Number. In addition, bank balances are collateralized with the bank through a Repurchase Agreement in the name of the State or the Corporation.

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

4. ACCOUNTS RECEIVABLE

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

	<u>2025</u>	<u>2024</u>
Student tuition and fees, net of allowances for doubtful accounts of \$1,086 and \$1,325	\$ 7,564	\$ 9,092
Grants and contracts receivable, net of allowances for doubtful accounts of \$2,500 and \$3,690	78,169	70,592
Due from West Virginia University Hospitals, Incorporated	2,846	4,320
Auxiliary services, net of allowances for doubtful accounts of \$395 and \$333	2,861	2,347
Investment earnings receivable	324	390
Other, net of allowances for doubtful accounts of \$110 and \$1	40,123	30,035
Due from the Foundation	5,377	1,017
Due from other State agencies	10,543	8,644
Total accounts receivable	<u>\$ 147,807</u>	<u>\$ 126,437</u>

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

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

5. NOTES RECEIVABLE

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

6. INVESTMENTS

The following Fair Value Levels represent the valuation of the underlying investments. Level 1 represents investments that have a quoted price in the active market. Level 2 represents investments with a direct or indirect observable market inputs. Level 3 investments represent investments with no observable market.

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

2025	Fair			
Investment Type	Value	Level 1	Level 2	Level 3
Investment Cash Accounts	\$ 6,659	\$ 6,659	\$ -	\$ -
Mutual Bond Funds:				
Guggenheim TR Bond	16,430	230	15,280	920
Allspring High Yield Bond - A	7	7	-	-
Mutual Stock Funds:				
Allspring Opportunity - A	911	911	-	-
Maingate MLP Fund	5,010	5,010	-	-
MFS International Value Fund	9,329	8,465	864	-
MFS Investment Management	14,117	14,117	-	-
Eaton Vance	1,640	1,640	-	-
REMS Real Estate	1,503	468	1,035	-
Artisan International Small Cap	2,846	2,846	-	-
Cohen Steers Ins Rty	1,538	797	637	104
Fixed Income Commingled Funds:				
IR&M Core Bond Fund	16,694	-	16,694	-
Limited Partnership Equity:				
TI Platform Fund I	3,766	8	-	3,758
TI Platform Fund II	2,107	-	-	2,107
TI Platform Fund III	1,235	-	10	1,225
747 Stuyvesant VI LP	1,421	-	-	1,421
747 Stuyvesant VII LP	1,385	-	-	1,385
747 Stuyvesant VIII LP	778	-	-	778
CC&L Q Emerging Markets	4,645	4,645	-	-
Hedge Funds:				
Capstone Convex PF	2,023	1,453	570	-
Penso Neg Cor Alpha	2,782	137	2,645	-
Equities ETF:				
Vanguard FTSE DM MKT	5,610	677	4,933	-
Vanguard INT GROWTH	2,861	900	1,948	13
Vanguard FTSE EM MKT	1,334	163	1,170	1
Vanguard S&P 500 ETF	27,169	27,169	-	-
Vanguard TOT STK MKT	21,901	21,901	-	-
US Treasury Securities:				
IRM Short US Treasury Fund	32,949	-	32,949	-
Land and Other Real Estate Held As Investments	477	-	-	477
Other Investments:				
WV Growth Investment LLC	54	-	-	54
Aspinity, Inc.	49	-	-	49
	<u>\$ 189,230</u>	<u>\$ 98,203</u>	<u>\$ 78,735</u>	<u>\$ 12,292</u>

2024	Fair			
Investment Type	Value	Level 1	Level 2	Level 3
Investment Cash Accounts	\$ 12,916	\$ 12,916	\$ -	\$ -
Mutual Bond Funds:				
Guggenheim TR Bond	7,154	132	6,622	400
Muzinich Credit Opportunities Fund	6,895	91	6,804	-
Allspring High Yield Bond - A	7	7	-	-
Mutual Stock Funds:				
Allspring Opportunity - A	828	828	-	-
Maingate MLP Fund	4,291	4,291	-	-
MFS International Value Fund	7,755	7,755	-	-
MFS Investment Management	12,849	12,849	-	-
Eaton Vance	1,483	1,483	-	-
REMS Real Estate	1,253	744	509	-
Oppenheimer Int SMID	7,053	767	6,286	-
Artisan International Small Cap	2,496	905	1,591	-
Cohen Steers Ins Rty	1,387	1,354	23	10
Fixed Income Commingled Funds:				
IR&M Core Bond Fund	10,168	74	10,094	-
Limited Partnership Equity:				
TI Platform Fund I	3,690	-	-	3,690
TI Platform Fund II	1,909	-	-	1,909
TI Platform Fund III	846	-	-	846
747 Stuyvesant VI LP	1,653	-	-	1,653
747 Stuyvesant VII LP	1,105	-	-	1,105
747 Stuyvesant VIII LP	302	-	-	302
CC&L Q Emerging Markets	3,900	3,900	-	-
Hedge Funds:				
Capstone Convex PF	2,085	207	1,878	-
Penso Neg Cor Alpha	2,941	344	2,597	-
Equities ETF:				
Vanguard INT GROWTH	664	664	-	-
Vanguard FTSE EM MKT	1,421	778	643	-
Vanguard S&P 500 ETF	23,279	23,279	-	-
Vanguard TOT STK MKT	17,919	17,919	-	-
US Treasury Securities:				
IRM Short US Treasury Fund	40,477	-	40,477	-
Land and Other Real Estate Held As Investments	477	-	-	477
Other Investments:				
WV Growth Investment LLC	80	-	-	80
Aspinity, Inc.	49	-	-	49
CereDx	313	-	-	313
	<u>\$ 179,645</u>	<u>\$ 91,287</u>	<u>\$ 77,524</u>	<u>\$ 10,834</u>

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

	Current		Noncurrent		Total
As of June 30, 2025	\$	77,818	\$	111,412	\$ 189,230
As of June 30, 2024	\$	71,476	\$	108,169	\$ 179,645

Investments with the Foundation – As of June 30, 2025 and 2024, the University’s investments held with the Foundation were \$172.0 million and \$163.6 million, respectively. Effective July 1, 2019, the University’s investments with the Foundation were consolidated into one client portfolio. These investments include the unrestricted investments, the Corporation’s investments, the BRIM investments, and the Research Trust Fund investments.

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

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

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

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

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

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

West Virginia Growth Investment, LLC – The Corporation owns four units of membership interest in West Virginia Growth Investment, LLC ("WVGI"). The Corporation's share of the capital account was \$54,000 and \$80,000 at June 30, 2025 and June 30, 2024, respectively. WVGI is a limited liability company formed to pool the capital resources and the business connections of accredited investors in and around the State of WV. Since the Corporation holds less than 20% of the ownership interest in WVGI, is not an officer of WVGI, cannot exercise significant influence over WVGI's operations and the fair value of the membership units cannot be readily determined, this investment was recorded using the cost basis of accounting.

Aspinity, Inc – The Corporation owns 411,706 shares of preferred stock in Aspinity, Inc. These shares had a fair market value of \$49,000 at both June 30, 2025 and June 30, 2024, respectively.

CereDx, Inc – The Corporation owned 24,184 shares of preferred stock in CereDx, Inc. at June 30, 2024. These shares had a fair market value of \$313,000. CereDx dissolved on January 23, 2025 and these investments were written off.

Other – The University also has investments - the Wood investments – from the estate of donors with restricted purposes. These investments had a fair market value of \$17.2 million and \$15.6 million at June 30, 2025 and June 30, 2024, respectively.

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

Credit Risk

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

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

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

2025

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

2024

Portfolio	Description	Fair Value	Rating
Mutual Bond Funds:			
	Guggenheim TR Bond	\$ 7,154	A1
	Muzinich Credit Opp	6,895	Baa
Investment Cash Accounts:			
	WVU Cash Con Inv	12,916	AAA-mf
US Treasury Securities			
	IRM Short US Trwasury Funds	40,477	AAA
Fixed Income Commingled Funds			
	IR&M Core Bond	10,168	Aa2
		<u>\$ 77,610</u>	

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

Interest Rate Risk

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

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

2025

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

2024

Investment Type	Investment Maturities				
	Fair Value	Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Fixed Income Commingled Fund	\$ 10,168	\$ 529	\$ 3,620	\$ 3,935	\$ 2,084
US Treasury Securities	40,477	21,777	18,700	-	-
Mutual Bond Funds	14,049	1,469	5,921	4,800	1,859
	<u>\$ 64,694</u>	<u>\$ 23,775</u>	<u>\$ 28,241</u>	<u>\$ 8,735</u>	<u>\$ 3,943</u>

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

Concentration of Credit Risk

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

At June 30, 2025 and June 30, 2024, the University's investments were not subject to concentration of credit risk.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. This risk is not applicable to external investment pools and open-end mutual funds.

No investments were subject to custodial credit risk at June 30, 2025 or 2024.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Disclosure is not required for external investment pools unless the fund represents a significant portion of the University's investments.

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

Currency	2025	2024
Australian Dollar	\$ 637	\$ 535
Brazilian Real	351	316
British Pence	3,279	3,249
British Pound	-	314
Canadian Dollar	1,468	986
Cayman Island Dollar	2	-
Chilean Peso	35	26
China Renminbi	344	331
Columbian Peso	6	4
Czech Koruna	7	6
Danish Krone	430	761
Egyptian Pound	3	4
Euro	6,393	7,658
Hong Kong Dollar	1,872	1,275
Hungarian Forint	10	11
Iceland Krona	1	1
Indian Rupee	1,169	1,565
Indonesian Rupiah	94	99
Israeli Arorot	87	23
Japanese Yen	3,180	2,104
Korean Won	-	523
Kuwaiti Fil	12	11
Malaysian Ringgit	79	92
Mexican Peso	205	219
New Zealand Dollar	13	-
Norwegian Krone	157	101
Pakistani Rupee	-	1
Philippine Peso	26	26
Polish Zloty	73	33
Qatari Riyal	20	22
Romanian Leu	2	2
Russian Ruble	11	29
Saudi Arabia Riyal	217	200
Singapore Dollar	122	13
South African Cent	44	42
South African Rand	148	105
South Korean Won	1,024	194
Swedish Krona	512	710
Swiss Franc	1,297	917
Taiwan Dollar	1,334	1,192
Thai Baht	74	83
Turkish Lira	57	65
UAE Dirham	82	50
Total Investments in Foreign Currency	\$ 24,877	\$ 23,898
US Dollar	164,353	155,747
Total Investments	\$ 189,230	\$ 179,645

7. LESSOR ARRANGEMENTS

The University leases certain real estate to external parties. During the years ended June 30, 2025 and 2024, the University recognized revenues related to these lease arrangements of \$1,449,000 and \$1,161,000, respectively. This includes the amortization of deferred inflows and interest income. The general terms of these lease agreements are as follows:

Lease Type	Description	Rate	Lease Term	Payment Frequency	Payment Amount	Other Terms
Real Estate	Land - Research Park	2.96%	3/4/2016 to 3/3/2056	Annually	42,500	
Real Estate	Ground Lease	3.27%	1/1/2024 to 12/31/2056	Monthly	21,000	Escalating every 5 years
Real Estate	LG Sublease at University Place Garage	3.27%	9/15/2024 to 12/31/2025	Monthly	17,225	
Real Estate	Boreman RFL House	3.27%	7/1/2022 to 5/15/2035	Annually	8,250	Escalating to \$47,000 in 2027; and \$82,500 thereafter
Real Estate	Cell Tower-Arnold Apartments	3.23%	7/25/2012 to 4/30/2027	Monthly	4,346	Escalating 3% annually
Real Estate	Cell Tower-Summit Hall	3.27%	5/1/2024 to 4/30/2026	Monthly	3,700	
Real Estate	Cell Tower-Engineering PRT	3.03%	5/1/2022 to 4/30/2027 with 5 year assumed renewal	Monthly	3,687	Escalating 3% annually
Real Estate	Cell Tower-Wise Library	3.27%	5/1/2024 to 4/30/2026 with 5 years assumed renewal	Monthly	3,300	Escalating 10% each extension term
Real Estate	Cell Tower-Arnold Hall	3.03%	5/1/2022 to 4/30/2027 with 5 years assumed renewal	Monthly	3,165	Escalating 3% annually
Real Estate	Cell Tower-Knapp Hall	3.23%	rolling 24 month notice period	Monthly	2,898	Escalating 3% annually
Real Estate	Cell Tower-Chestnut Ridge Research Building	3.23%	rolling 24 month notice period	Monthly	2,732	Escalating 3% annually
Real Estate	Cell Tower-Braxton Tower	3.23%	rolling 24 month notice period	Monthly	2,550	Escalating 10% each extension term
Real Estate	Cell Tower-Dadisman Hall	3.23%	rolling 24 month notice period	Monthly	2,550	Escalating 10% each extension term
Real Estate	Cell Tower-Brooke Tower	3.23%	5/1/2023 to 4/30/2028	Monthly	2,530	Escalating 10% each renewal term
Real Estate	Cell Tower-Carter Hall/Beckley, WV	3.27%	5/1/2025 to 4/30/2030	Monthly	2,200	
Real Estate	Office space - Morgantown, WV	3.03%	10/1/2022 to 9/30/2031	Monthly	750	
Real Estate	Land - Montgomery, WV	3.03%	3/28/2023 to 3/27/2028 with 5 year assumed renewal	Monthly	214	
Equipment	Equipment and facilities at HSC	3.23%	rolling 15 month notice period	Monthly	41,223	
Real Estate	NASA IV&V Facility Fairmont	3.27%	4/1/2025 to 5/20/2026	Monthly	20,833	

There was no revenue related to variable receipts, residual value guarantees, or termination penalties not previously included in the measurement of the related lease receivable during the years ended June 30, 2025 and 2024.

8. CAPITAL AND INTANGIBLE RIGHT-TO-USE ASSETS

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

2025

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated or amortized:				
Land	\$ 83,907	\$ -	\$ (1,231)	\$ 82,676
Construction in progress	31,019	45,236	(36,256)	39,999
Total capital assets not being depreciated or amortized	<u>\$ 114,926</u>	<u>\$ 45,236</u>	<u>\$ (37,487)</u>	<u>\$ 122,675</u>
Other capital assets:				
Land improvements	\$ 67,393	\$ 1,206	\$ -	\$ 68,599
Buildings	2,145,931	24,879	(3,678)	2,167,132
Equipment	266,516	21,617	(11,863)	276,270
Library books	182,359	2,597	(159)	184,797
Software	64,450	4,941	(47)	69,344
Infrastructure	405,060	11,348	(390)	416,018
Other assets	288,147	68,089	-	356,236
Intangible right to use assets	64,880	28,901	(14,383)	79,398
Other intangible assets	125	-	-	125
Total other capital assets	<u>3,484,861</u>	<u>163,578</u>	<u>(30,520)</u>	<u>3,617,919</u>
Less accumulated depreciation and amortization for:				
Land improvements	(51,908)	(2,347)	-	(54,255)
Buildings	(666,663)	(41,082)	1,050	(706,695)
Equipment	(182,681)	(16,677)	8,693	(190,665)
Library books	(170,829)	(3,621)	114	(174,336)
Software	(64,252)	(1,534)	47	(65,739)
Infrastructure	(289,283)	(7,518)	390	(296,411)
Other assets	(258,277)	(30,438)	-	(288,715)
Intangible right to use assets	(28,522)	(13,771)	2,033	(40,260)
Other intangible assets	(3)	-	-	(3)
Total other capital and intangible right to use assets	<u>(1,712,418)</u>	<u>(116,988)</u>	<u>12,327</u>	<u>(1,817,079)</u>
Other capital assets and intangible right to use assets, net	<u>\$ 1,772,443</u>	<u>\$ 46,590</u>	<u>\$ (18,193)</u>	<u>\$ 1,800,840</u>
Capital and Intangible Right to Use Assets Summary:				
Capital assets not being depreciated or amortized	114,926	45,236	(37,487)	122,675
Other capital and intangible right to use assets	3,484,861	163,578	(30,520)	3,617,919
Total cost of capital and intangible right to use assets	<u>3,599,787</u>	<u>208,814</u>	<u>(68,007)</u>	<u>3,740,594</u>
Less accumulated depreciation and amortization	<u>\$ (1,712,418)</u>	<u>\$ (116,988)</u>	<u>\$ 12,327</u>	<u>\$ (1,817,079)</u>
	<u>\$ 1,887,369</u>	<u>\$ 91,826</u>	<u>\$ (55,680)</u>	<u>\$ 1,923,515</u>

2024	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated or amortized:				
Land	\$ 83,907	\$ -	\$ -	\$ 83,907
Construction in progress	26,541	28,219	(23,741)	31,019
Total capital assets not being depreciated or amortized	<u>\$ 110,448</u>	<u>\$ 28,219</u>	<u>\$ (23,741)</u>	<u>\$ 114,926</u>
Other capital assets:				
Land improvements	\$ 67,317	\$ 76	\$ -	\$ 67,393
Buildings	2,130,351	16,443	(863)	2,145,931
Equipment	265,489	17,947	(16,920)	266,516
Library books	179,331	3,153	(125)	182,359
Software	64,450	-	-	64,450
Infrastructure	396,992	8,068	-	405,060
Other assets	287,337	810	-	288,147
Intangible right to use assets	64,895	6,462	(6,477)	64,880
Other intangible assets	125	-	-	125
Total other capital assets	<u>3,456,287</u>	<u>52,959</u>	<u>(24,385)</u>	<u>3,484,861</u>
Less accumulated depreciation or amortization for:				
Land improvements	(49,174)	(2,734)	-	(51,908)
Buildings	(628,736)	(40,662)	2,735	(666,663)
Equipment	(179,020)	(16,421)	12,760	(182,681)
Library books	(166,655)	(4,237)	63	(170,829)
Software	(63,614)	(638)	-	(64,252)
Infrastructure	(281,930)	(7,328)	(25)	(289,283)
Other assets	(223,370)	(34,907)	-	(258,277)
Intangible right to use assets	(25,335)	(13,451)	10,264	(28,522)
Other intangible assets	(3)	-	-	(3)
Total other capital and intangible right to use assets	<u>(1,617,837)</u>	<u>(120,378)</u>	<u>25,797</u>	<u>(1,712,418)</u>
Other capital assets and intangible right to use assets, net	<u>\$ 1,838,450</u>	<u>\$ (67,419)</u>	<u>\$ 1,412</u>	<u>\$ 1,772,443</u>
Capital and Intangible Right to Use Assets Summary:				
Capital assets not being depreciated or amortized	110,448	28,219	(23,741)	114,926
Other capital and intangible right to use assets	3,456,287	52,959	(24,385)	3,484,861
Total cost of capital and intangible right to use assets	<u>3,566,735</u>	<u>81,178</u>	<u>(48,126)</u>	<u>3,599,787</u>
Less accumulated depreciation and amortization	<u>\$ (1,617,837)</u>	<u>\$ (120,378)</u>	<u>\$ 25,797</u>	<u>\$ (1,712,418)</u>
Capital and intangible right to use assets, net	<u>\$ 1,948,898</u>	<u>\$ (39,200)</u>	<u>\$ (22,329)</u>	<u>\$ 1,887,369</u>

Depreciation on capital assets is computed using the straight-line method over the estimated useful life of the asset (see Note 2m). The University's depreciation expense for fiscal years 2025 and 2024 was \$117.0 million and \$120.4 million, respectively.

The University leases buildings, equipment and software from external parties. In accordance with governmental accounting standards, the University records right-to-use

assets and lease liabilities (see Note 13) based on the net present value of the expected payments over the terms of the lease agreements. The future lease payments are discounted using the interest rate charged by the lessor or the interest rate implicit in the lease. If the interest rate could not be readily determined, the estimated incremental borrowing rate was used. Variable payments are excluded unless they are fixed in substance. These assets are amortized over the shorter of the lease term or the estimated useful life of the underlying asset.

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

Balances and changes in these right-to-use assets by major class of asset were as follows at June 30 (dollars in thousands):

2025

	Beginning Balance	Additions	Reductions	Ending Balance
Leased assets:				
Buildings	\$ 28,423	\$ 2,830	\$ (579)	\$ 30,674
Equipment	180	346	(114)	412
Total leased assets	<u>\$ 28,603</u>	<u>\$ 3,176</u>	<u>\$ (693)</u>	<u>\$ 31,086</u>
Less accumulated amortization for:				
Buildings	\$ (10,605)	\$ (3,004)	\$ 116	\$ (13,493)
Equipment	(121)	(48)	114	(55)
Total accumulated amortization	<u>\$ (10,726)</u>	<u>\$ (3,052)</u>	<u>\$ 230</u>	<u>\$ (13,548)</u>
Leased assets, net	<u><u>\$ 17,877</u></u>	<u><u>\$ 124</u></u>	<u><u>\$ (463)</u></u>	<u><u>\$ 17,538</u></u>
Subscription assets:				
Software	36,277	25,725	(13,690)	48,312
Total subscription assets	<u>\$ 36,277</u>	<u>\$ 25,725</u>	<u>\$ (13,690)</u>	<u>\$ 48,312</u>
Less accumulated amortization for:				
Subscriptions	(17,796)	(10,719)	1,803	(26,712)
Total accumulated amortization	<u>\$ (17,796)</u>	<u>\$ (10,719)</u>	<u>\$ 1,803</u>	<u>\$ (26,712)</u>
Subscription assets, net	<u><u>\$ 18,481</u></u>	<u><u>\$ 15,006</u></u>	<u><u>\$ (11,887)</u></u>	<u><u>\$ 21,600</u></u>
Intangible Right to Use Assets Summary:				
Leased assets	\$ 28,603	\$ 3,176	\$ (693)	\$ 31,086
Subscription assets	36,277	25,725	(13,690)	48,312
Total cost of intangible right to use assets	<u>\$ 64,880</u>	<u>\$ 28,901</u>	<u>\$ (14,383)</u>	<u>\$ 79,398</u>
Less accumulated amortization:				
Leased assets	\$ (10,726)	\$ (3,052)	\$ 230	\$ (13,548)
Subscription assets	(17,796)	(10,719)	1,803	(26,712)
Total accumulated amortization	<u>\$ (28,522)</u>	<u>\$ (13,771)</u>	<u>\$ 2,033</u>	<u>\$ (40,260)</u>
	<u><u>\$ 36,358</u></u>	<u><u>\$ 15,130</u></u>	<u><u>\$ (12,350)</u></u>	<u><u>\$ 39,138</u></u>

2024

	Beginning Balance	Additions	Reductions	Ending Balance
Leased assets:	\$ 29,347	\$ 902	\$ (1,827)	\$ 28,422
Buildings	1,089	39	(947)	181
Equipment	67	-	(67)	-
Software	\$ 30,503	\$ 941	\$ (2,841)	\$ 28,603
Total leased assets				
Less accumulated amortization for:				
Buildings	\$ (8,731)	\$ (3,072)	\$ 1,197	\$ (10,606)
Equipment	(772)	(296)	947	(121)
Software	(46)	(20)	67	1
Total accumulated amortization	\$ (9,549)	\$ (3,388)	\$ 2,211	\$ (10,726)
Leased assets, net	<u>\$ 20,954</u>	<u>\$ (2,447)</u>	<u>\$ (630)</u>	<u>\$ 17,877</u>
Subscription assets:				
Software	34,392	5,521	(3,636)	36,277
Total subscription assets	<u>\$ 34,392</u>	<u>\$ 5,521</u>	<u>\$ (3,636)</u>	<u>\$ 36,277</u>
Less accumulated amortization for:				
Subscriptions	(15,786)	(10,063)	8,053	(17,796)
Total accumulated amortization	<u>\$ (15,786)</u>	<u>\$ (10,063)</u>	<u>\$ 8,053</u>	<u>\$ (17,796)</u>
Subscription assets, net	<u>\$ 18,606</u>	<u>\$ (4,542)</u>	<u>\$ 4,417</u>	<u>\$ 18,481</u>
Intangible Right to Use Assets Summary:				
Leased assets	\$ 30,503	\$ 941	\$ (2,841)	\$ 28,603
Subscription assets	34,392	5,521	(3,636)	36,277
Total cost of intangible right to use assets	<u>\$ 64,895</u>	<u>\$ 6,462</u>	<u>\$ (6,477)</u>	<u>\$ 64,880</u>
Less accumulated amortization:				
Leased assets	\$ (9,549)	\$ (3,388)	\$ 2,211	\$ (10,726)
Subscription assets	(15,786)	(10,063)	8,053	(17,796)
Total accumulated amortization	<u>\$ (25,335)</u>	<u>\$ (13,451)</u>	<u>\$ 10,264</u>	<u>\$ (28,522)</u>
	<u>\$ 39,560</u>	<u>\$ (6,989)</u>	<u>\$ 3,787</u>	<u>\$ 36,358</u>

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

9. LONG-TERM LIABILITIES

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

2025	Beginning			Ending	Due within
	Balance	Additions	Reductions	Balance	One Year
Real estate purchase agreements payable	\$ 10,639	\$ -	\$ (650)	\$ 9,989	\$ 667
Advances from federal government	10,697	-	(3,593)	7,104	-
Debt service assessment payable					
to the Commission	22,133	-	(4,596)	17,537	4,672
Leases payable	77,469	3,548	(4,549)	76,468	3,210
Subscription liabilities	16,442	17,714	(15,418)	18,738	8,299
Bonds payable	779,464	-	(31,544)	747,920	32,112
Notes payable	59,857	3,667	(2,845)	60,679	3,450
Other noncurrent liabilities	41,064	10,656	(9,562)	42,158	597
Total long-term liabilities	<u>\$1,017,765</u>	<u>\$ 35,585</u>	<u>\$ (72,757)</u>	<u>\$ 980,593</u>	<u>\$ 53,007</u>
2024	Beginning			Ending	Due within
	Balance	Additions	Reductions	Balance	One Year
Real estate purchase agreement payable	\$ 10,582	\$ 381	\$ (324)	\$ 10,639	\$ 585
Advances from federal government	12,029	-	(1,332)	10,697	-
Debt service assessment payable					
to the Commission	26,671	-	(4,538)	22,133	4,596
Leases payable	80,646	1,479	(4,656)	77,469	2,670
Subscription liabilities	15,943	10,896	(10,397)	16,442	7,591
Bonds payable	804,095	-	(24,631)	779,464	31,395
Notes payable	61,785	-	(1,928)	59,857	2,713
Other noncurrent liabilities	35,264	13,895	(8,095)	41,064	-
Total long-term liabilities	<u>\$ 1,047,015</u>	<u>\$ 26,651</u>	<u>\$ (55,901)</u>	<u>\$ 1,017,765</u>	<u>\$ 49,550</u>

10. OTHER POST EMPLOYMENT BENEFITS

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

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

	2025	2024
Net OPEB (Asset) Liability	\$ (1,469)	\$ (10,002)
Deferred Outflows of Resources	9,705	4,706
Deferred Inflows of Resources	6,562	15,194
Revenues	2,487	(7,220)
OPEB Expense	1,043	(31,629)
Contributions made by the University	3,654	1,395

Plan Description

The OPEB plan is a cost-sharing, multiple-employer, defined benefit other post-employment benefit plan that covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in West Virginia Code Section 5-16D-2 (the "Code"). Plan benefits are established and revised by PEIA and the RHBT with approval of the Finance Board. The Finance Board membership was expanded from eight to ten members with Senate Bill 205 on March 11, 2022, effective 90 days from passage on June 9, 2022. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary, or designee, serves as Chairman of the Board and is a voting member. One member represents the hospitals, one member represents the non-hospital health care providers, four members represent labor, education, public employees and public retirees and the remaining members represent the public-at-large.

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

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

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

Benefits Provided

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

Contributions

Pay as you go premiums (“paygo”) are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. In fiscal year 2024, there was no subsidization of the retirees’ healthcare from paygo premiums. The prior year paygo rate for fiscal year 2023 was \$70 per active health policy per month.

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

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

- Members hired before July 1, 1988 may convert accrued sick or vacation leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988 to June 30, 2001 may convert sick or vacation leave days into 50% of the required retiree healthcare contribution.

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

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

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 3-1/3 years of teaching service extend health insurance coverage for one year of family coverage. Faculty hired after July 1, 2009 no longer receive years of service credit toward insurance premiums when they retire. Faculty hired on or after July 1, 2010 receive no health insurance premium subsidy when they retire. Two groups of employees

hired after July 1, 2010 will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010 who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who had an original hire date prior to July 1, 2010 may return to active employment. In those cases, the original hire date may apply.

Basis of Allocation

OPEB amounts have been allocated to each contributing employer based on their proportionate share of employer contributions to the RHBT for the fiscal year ended June 30, 2023. Effective July 1, 2017, certain employers that met the plan's opt out criteria and chose not to participate in the plan coverage were no longer required to make contributions to the plan. The amounts previously allocated to such employers for the net OPEB (asset) liability and related deferred inflows and deferred outflows are reallocated to the remaining employers participating in the cost sharing plan. The plan reallocates these balances to the remaining active employers based on their proportionate share of contributions made in the period of reallocation.

Assumptions

For the year ended June 30, 2025, the net OPEB asset for financial reporting purposes was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024. For the year ended June 30, 2024, the net OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll, closed.
- Investment rate of return: 7.40%, net of OPEB plan investment expense, including inflation.
- Projected salary increases: dependent on pension system ranging from 2.75% to 5.18%, including inflation.
- Healthcare cost trend rates: Trend rate for pre-Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively, The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2033.
- Inflation rate: 2.50%.
- Discount rate: 7.40%
- Mortality rates: based on Pub-2010.

The actuarial assumptions used in the June 30, 2023 and June 30, 2022 valuations were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

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

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

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

2025

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

2024

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	45.0%	7.4%
Fixed Income	15.0%	3.9%
Private Credit and Income	6.0%	7.4%
Hedge Funds	10.0%	4.5%
Private Equity	12.0%	10.0%
Real Estate	12.0%	7.2%

Discount rate. The discount rate used to measure the OPEB (asset) liability was 7.40%. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with prefunding and investment policies. Based on these assumptions, the OPEB plan’s fiduciary net position

was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB (asset) liability.

Sensitivity of the net OPEB (asset) liability to changes in the discount rate. The University's proportionate share of the net OPEB (asset) liability as of June 30, 2025 calculated using the discount rate of 7.40%, as well as what the University's net OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (6.40%) or one percentage point higher (8.40%) than the current rate, and the University's proportionate share of the net OPEB (asset) liability as of June 30, 2024 calculated using the discount rate of 7.40%, as well as what the University's OPEB asset would be if it were calculated using a discount rate that is one percentage lower (6.40%) or one percentage higher (8.40%) than the current rate are as follows (dollars in thousands):

2025

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

2024

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
Net OPEB asset	\$ (1,761)	\$ (10,002)	\$ (19,115)

Sensitivity of the net OPEB (asset) liability to changes in healthcare cost trend rates.

The following presents the University's proportionate share of the net OPEB (asset) liability as of June 30, 2025 and June 30, 2024 calculated using the current healthcare cost trend rates, as well as what the University's net OPEB (asset) liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates (dollars in thousands):

2025

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

2024

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB (asset) liability	\$ (25,478)	\$ (10,002)	\$ 8,403

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

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

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

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

At June 30, 2024, the amount recognized as the University's proportionate share of the net OPEB asset was approximately \$10,002,000. At June 30, 2024, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB asset is \$4,269,000 and the total net asset attributable to the University is \$14,271,000.

The allocation percentage assigned to each contributing employer is based on the employer's proportionate share of employer contributions to the RHBT for the fiscal years ended June 30, 2024 and June 30, 2023. Employer contributions are recognized when billed. At June 30, 2024, the University's proportion was 3.527570804%, a decrease of 2.79650101% from its proportion of 6.320220905% calculated as of June 30, 2023. At June 30, 2023, the University's proportion was 6.320220905%, a decrease of .257471444% from its proportion of 6.577692349% calculated as of June 30, 2022.

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

For the year ended June 30, 2024, the University recognized an OPEB credit of \$31,629,000. Of this amount, \$24,409,000 was recognized as the University's proportionate share of the OPEB expense, and \$7,220,000 as the amount of OPEB expense attributed to special funding. The University also recognized a contra revenue of \$7,220,000 for support provided by the State.

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

2025

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

2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	\$ 553	\$ 3,625
Net difference between projected and actual investment earnings	-	167
Difference between expected and actual experience	-	5,822
Changes in assumptions	2,758	5,580
Contributions after the measurement date	1,395	-
	<u>\$ 4,706</u>	<u>\$ 15,194</u>

The University will recognize the \$3,654,000 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as an addition of the net OPEB asset in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (dollars in thousands):

Fiscal Year Ended	Amortization
June 30, 2026	\$ (3,884)
June 30, 2027	1,973
June 30, 2028	713
June 30, 2029	687
	<u>\$ (511)</u>

11. DEFINED BENEFIT PENSION PLAN

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

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

	2025	2024
Net Pension Liability	\$ 1,047	\$ 1,564
Deferred Outflows of Resources	292	361
Deferred Inflows of Resources	1,031	1,324
Revenues	168	406
Pension Credit	(415)	(452)
Contributions Made by the University	157	210

TRS

Plan Description

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

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

Benefits Provided

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

Contributions

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

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

Employer Contributions - Employers make the following contributions:

The State (including institutions of higher education) contributes:

1. 15% of gross salary of their State-employed members hired prior to July 1, 1991;
2. 15% of School Aid Formula (SAF) covered payroll of county-employed members;
3. 7.5% of School Aid Formula (SAF)-covered payroll of members of the Teachers' Defined Contribution Retirement System (TDCRS);
4. a certain percentage of fire insurance premiums paid by State residents;
5. other statutorily required contributions made through the State's school aid formula during the year ended June 30, 2024; and

6. 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 both June 30, 2025 and 2024, the University's proportionate share attributable to this special funding subsidy was \$130,000 and \$378,000, respectively.

The University's contributions to TRS for the years ended June 30, 2025, 2024, and 2023, were approximately \$157,000, \$210,000, and \$270,000, respectively.

Assumptions

For the year ended June 30, 2025, the total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2023 and rolled forward to June 30, 2024. For the year ended June 30, 2024, total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2022 and rolled forward to June 30, 2023. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period through fiscal year 2034.
- Investment rate of return of 7.25%, net of pension plan administrative and investment expenses.
- Projected salary increases: Teachers 2.75–5.90% and non-teachers 2.75–6.50%, based on age.
- Inflation rate of 2.75%.
- Discount rate of 7.25%
- Mortality rates based on Pub-2010 General Employees Table
- Withdrawal rates: Teachers 7.00%-35.00% and non-teachers 2.30%-18.00%.
- Disability rates: 0.004%-0.563%
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15%-100%
- Ad hoc cost-of-living increases in pensions are periodically granted by the Legislature. However, the retirement system makes no automatic provision for such increases.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2015 to June 30, 2020. These assumptions will remain in effect for valuation purposes until such time as the CPRB adopts revised assumptions.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of the long-term geometric rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2024 and June 30, 2023 are summarized below.

2024

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

2023

Asset Class	Long-term Expected Real Rate of Return	Target Allocation
Domestic equity	6.5%	27.5%
International equity	9.1%	27.5%
Fixed income	4.3%	15.0%
Real estate	5.8%	10.0%
Private equity	9.2%	10.0%
Hedge funds	4.6%	10.0%

Discount rate. The discount rate used to measure the total TRS pension liability at both June 30, 2025 and June 30, 2024 was 7.25%. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policies. Based on those assumptions, TRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on TRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the University's proportionate share of the TRS net pension liability as of June 30, 2025 and June 30, 2024 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):

2025

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

2024

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 2,402	\$ 1,564	\$ 853

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

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

The TRS net pension liability as of June 30, 2024 was measured as of July 1, 2022 rolled forward to June 30, 2023, which is the measurement date. The total pension liability at June 30, 2024 was determined by an actuarial valuation as of July 1, 2022 and rolled forward to the measurement date.

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

At June 30, 2024, the University's proportionate share of the TRS net pension liability was \$4,758,000. Of this amount, the University recognized approximately \$1,564,000 as its proportionate share on the statement of net position. The remainder of \$3,194,000 denotes the University's proportionate share of net pension liability attributable to the special funding. TRS measured the net pension liability as of June 30, 2023.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on their proportionate share of employer and non-employer contributions to TRS for each of the fiscal years ended June 30, 2024 and 2023. Employer contributions are recognized when due. At June 30, 2024, the University's proportion was .055493%, a decrease of .012819% from its proportion of .068312% calculated as of June 30, 2023. At June 30, 2023, the University's proportion was .068312%, a decrease of .015577% from its proportion of 0.83889% calculated as of June 30, 2022.

For the year ended June 30, 2025, the University recognized a TRS pension credit of \$(415,000). Of this amount, \$(583,000) was recognized as the University's proportionate share of the TRS expense and \$130,000 as the amount of pension expense attributable to special funding and \$38,000 as the pension expense related to a non-special funding from a non-employer contributing entity. The University also recognized revenue of \$168,000 for support provided by the State.

For the year ended June 30, 2024, the University recognized a TRS pension credit of \$(452,000). Of this amount, \$(858,000) was recognized as the University's proportionate share of the TRS expense and \$378,000 as the amount of pension expense attributable to special funding and \$28,000 as the pension expense related to a non-special funding from a

non-employer contributing entity. The University also recognized revenue of \$406,000 for support provided by the State.

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

2025

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

2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	\$ -	\$ 1,320
Net difference between projected and actual investment earnings	28	-
Difference between expected and actual experience	57	4
Contributions after the measurement date	210	-
Changes in assumptions	66	-
	<u>\$ 361</u>	<u>\$ 1,324</u>

The University will recognize the \$157,000 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the TRS net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in TRS pension expense as follows:

Fiscal Year Ended	Amortization
June 30, 2026	\$ (639)
June 30, 2027	5
June 30, 2028	(246)
June 30, 2029	(102)
June 30, 2030	86
	<u>\$ (896)</u>

Payables to the Pension Plan

The University did not report any amounts payable for normal contributions to the TRS as of June 30, 2025 or 2024.

12. BONDS PAYABLE

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

	Original Interest Rate	Annual Principal Installment Due	2025 Principal Amount Outstanding	2024 Principal Amount Outstanding
Revenue Improvement Bonds, 2011 Series A, due through 2026	3.87%	\$ 35 to \$ 62	\$ 5,047	\$ 5,749
Revenue Bonds (Taxable), 2012 Series A, due through 2042	4.50%	\$ 147 to \$ 394	9,608	9,977
Revenue Bonds (Taxable), 2012 Series B, due through 2032	variable rate	\$ 0 to \$ 284	2,151	2,378
Revenue Refunding and Improvement Bonds (Taxable), 2013 Series B, due through 2043	4.04%	\$ 995 to \$ 890	10,980	11,420
Improvement Revenue Bonds (Taxable), 2014 Series B, due through 2043	4.50%	\$ 10,075 to \$ 24,105	79,050	79,050
Improvement Revenue Bonds, 2016 Series A, due through 2046,	5.63%	\$ 0 to \$ 678	14,181	14,859
Revenue Bonds, 2019 Series A, due through 2050	3.11%	\$ 0 to \$ 5,095	79,725	81,370
Revenue Bonds, 2019 Series B, due through 2042	1.89%	\$ 0 to \$ 8,345	39,125	39,125
Revenue Bonds, 2020 Series A, due through 2045	2.46%	\$ 0 to \$ 30,565	336,104	356,860
Revenue Bonds, 2020 Series B, due through 2036	2.20%	\$ 595 to \$ 163	8,845	9,620
Revenue Bonds, 2021 Series A, due through 2045	3.11%	\$ 0 to \$ 7,430	25,670	25,670
Revenue Bonds, 2021 Series B, due through 2042	3.06%	\$ 0 to \$ 7,125	45,005	45,005
Revenue Bonds, 2022 Series A, due through 2036	2.60%	\$ 575 to \$ 1,630	17,055	18,255
Revenue Bonds, 2023 Series A, due through 2038	4.95%	\$ 43 to \$ 445	51,311	54,057
Unamortized Bond Premium			24,063	26,069
Net Bonds Payable			<u>\$747,920</u>	<u>\$779,464</u>
Current Portion			32,112	31,395
Noncurrent Portion			<u>\$715,808</u>	<u>\$748,069</u>

Bond Indenture, Pledged Revenues and Board Authorization

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

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

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

<u>Bond Issue</u>	<u>Indenture or Supplemental Indenture</u>	<u>Board Resolution</u>
2004 A, B and C	Original	Adopted November 5, 2004
2011A	First Supplemental	Adopted April 8, 2011/Amended August 10, 2011
2011 B	Second Supplemental	Adopted June 6, 2011
2012 A	Third Supplemental	Adopted June 7, 2012
2012 B	Fourth Supplemental	Adopted September 28, 2012
2013 A and B	Fifth Supplemental	Adopted December 13, 2012
2014 A, B and C	Sixth Supplemental	Adopted April 4, 2014
2016 A	Seventh Supplemental	Adopted June 1, 2016
2019 A	Eighth Supplemental	Adopted July 31, 2019
2019 B	Ninth Supplemental	Adopted July 31, 2019
2020 A	Tenth Supplemental	Adopted January 24, 2020
2020 B	Eleventh Supplemental	Dated August 1 2020-Closing August 6, 2020
2011 A	PNC Amendment Twelfth Supplemental	Dated February 1, 2021
2021 A and B	Thirteenth Supplemental	Dated May 1, 2021-Closing May 27, 2021
2022 A	Fourteenth Supplemental	Dated April 1, 2022-Closing April 14, 2022
2023 A	Fifteenth Supplemental	Dated May 1, 2023-Closing May 23, 2023

2011 Bonds

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

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

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

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

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

2012 Bonds

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

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

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

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

2013 Bonds

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

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

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

acquisition of the Sunnyside property), and (c) pay the costs of issuance of the 2013 Series B bonds.

2014 Bonds

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

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

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

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

2016 Bonds

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

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

2019 Bonds

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

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

2019 Series B The 2019 Series B bonds (tax exempt) were issued in the amount of \$39,125,000. The actual proceeds received equaled \$50,534,241. These bonds were issued to refund the 2014 Series C Bonds in the amount of \$50,190,000. The refunding and redemption of the 2014 Series C Bonds was deemed more advantageous to the Board, the University and the State, considering the financial effect, the implementation and other relevant factors, than remarketing them.

2020 Bonds

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

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

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

2021 Bonds

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

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

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

2022 Bonds

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

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

2023 Bonds

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

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

Bond Summary

For the years ended June 30, 2025 and June 30, 2024, the University recorded a deferred loss on refunding of \$11,776,000 and \$12,458,000, respectively, on the statement of net position.

Total principal and interest payments remaining to be paid at June 30, 2025 and 2024 were \$1.015 million and \$1.069 million, respectively. Total gross pledged revenue for fiscal year 2025 and 2024 was \$162.2 million and \$152.6 million, respectively.

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

Fiscal Year Ending June 30,	Principal	Interest	Total Payments
2026	\$ 30,106	\$ 24,003	\$ 54,109
2027	33,660	23,217	56,877
2028	30,068	22,438	52,506
2029	30,839	21,644	52,483
2030	31,081	20,811	51,892
2031-2035	167,373	90,211	257,584
2036-2040	178,261	61,620	239,881
2041-2045	198,491	24,436	222,927
2046-2050	23,978	2,825	26,803
Bonds Payable	<u>723,857</u>	<u>\$ 291,205</u>	<u>\$ 1,015,062</u>
Unamortized Bond Premium	<u>24,063</u>		
Net Bonds Payable	<u>747,920</u>		
Current Portion	<u>32,112</u>		
Noncurrent Portion	<u>\$ 715,808</u>		

13. LESSEE ARRANGEMENTS

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

Lease Type	Description	Related Party		Rate	Lease Term	Payment	Payment
		Lessee	Lessor			Frequency	Amount
Real Estate	Evansdale Crossing	WVU	WVU Connector	2.96%	7/1/2020 - 11/30/2055	Monthly	185,453
Real Estate	One Waterfront	WVU	WVU Foundation	2.96%	5/18/2001 - 5/31/2031	Monthly	\$ 164,583
Real Estate	CED Building on Hartman Run Road	WVU		3.05%	8/1/2016 - 7/31/2026	Monthly	33,370
Real Estate	HSC Fresh Kitchen	WVU	HSC Fresh	4.18%	9/1/2019 - 8/31/2036	Monthly	31,445
Real Estate	UPark Grab n Go	WVU	University Park	2.96%	8/1/2015 - 12/31/2054	Monthly	4,318
Real Estate	Office Space in Charleston, WV	WVU		3.27%	1/1/2020 - 12/31/2026	Monthly	2,916
Real Estate	Putnam County Extension	WVU		3.23%	7/1/2023 - 6/30/2028	Monthly	2,382
Real Estate	Office space Morgantown, WV	WVU		3.27%	7/1/2024 to 12/31/2027	Monthly	2,218
Equipment	Postage and Mail	WVU		13.71%	12/30/2024 to 12/29/2029	Quarterly	6,432
Equipment	Postage and Mail	WVU		3.23%	9/1/2023 - 9/30/2027	Quarterly	2,165
Equipment	Postage and Mail	WVU		13.71%	12/30/2024 to 12/29/2029	Quarterly	1,476
Equipment	Postage and Mail	WVU		3.03%	10/1/2022 - 10/1/2027	Quarterly	814
Equipment	Postage and Mail	WVU		3.05%	5/10/2021 - 5/9/2026	Quarterly	637
Equipment	Postage and Mail	WVU		3.23%	3/1/2024 - 2/27/2027	Quarterly	572
Real Estate	Equities House in Charleston, WV	WVURC		3.27%	3/1/2019 - 6/30/2024; renewed 7/1/2024-6/30/2029	Monthly	33,647
Real Estate	Building on Canyon Road	WVURC		3.05%	9/16/2017 - 3/28/2026; renewal through 3/28/2031	Monthly	10,827
Real Estate	Office Space on Dents Run Road	WVURC		3.27%	8/1/2019 - 3/31/2028	Monthly	6,665
Real Estate	Office Space in Morgantown, WV	WVURC		3.23%	7/1/2023 - 6/30/2028	Monthly	6,095
Real Estate	Office Space in Lewisburg, WV	WVURC		3.23%	10/1/2021-9/30/2023; 10/1/2023 - 9/30/2025	Monthly	4,465
Real Estate	Office Space in Washington, DC	WVURC		3.03%	11/17/2017 - 12/31/2026	Monthly	2,719
Real Estate	Office Space in Martinsburg, WV	WVURC		3.27%	1/1/2023 - 8/31/2024 (auto annual renewals after)	Monthly	1,770
Equipment	Nav1FUS Ultrasound Device	WVURC		3.27%	6/1/2025-5/31/2027	Quarterly	18,900

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

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

Fiscal Year Ending June 30,	Principal	Interest
2026	\$ 3,210	\$ 2,289
2027	3,413	2,174
2028	3,325	2,067
2029	3,241	1,963
2030	2,921	1,864
2031-2035	6,760	8,428
2036-2040	4,204	7,623
2041-2045	4,379	7,008
2046-2050	5,079	6,307
2051-2055	5,866	5,494
2056-2060	6,550	4,578
2061-2065	7,593	3,534
2066-2070	8,802	2,325
2071-2075	10,205	923
2076	920	7
Lease Payable	\$ 76,468	\$ 56,584
Current Portion	3,210	
Noncurrent Portion	<u>\$ 73,258</u>	

There were no variable lease payments, residual value guarantees, or termination penalties not previously included in the measurement of the related lease liabilities during the years ended June 30, 2025 and 2024. The monthly payments on the University Grab-n-Go lease are adjusted according to the Consumer Price Index (CPI-U Urban Consumers South Region All Items) every five years; such adjustments cannot exceed 3% per year unless mutually agreed upon by both parties.

See Note 8 for balances and changes in intangible right-to-use assets, including leased assets, at June 30, 2025 and 2024.

14. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The University has entered into various subscription-based information technology arrangements with external vendors. The subscription term of these contracts vary and range from July 1, 2021 through May 31, 2030. Most payments are annual. Payment amounts range from \$5,654 to \$864,883. If the interest rate was not readily determinable, the University's incremental borrowing rate was used.

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

Fiscal Year Ending June 30,	Principal	Interest
2026	\$ 8,299	\$ 590
2027	7,012	333
2028	2,554	108
2029	873	28
Subscription Liabilities	\$ 18,738	\$ 1,059
Current Portion	8,299	
Noncurrent Portion	\$ 10,439	

There were no variable payments or termination penalties not previously included in the measurement of the related subscription liabilities during the years ended June 30, 2025 and 2024.

See Note 8 for balances and changes in intangible right-to-use assets, including subscription assets, at June 30, 2025 and 2024.

15. PUBLIC PRIVATE PARTNERSHIPS

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

- a. *West Virginia Campus Housing, LLC ("WVCH")* — In fiscal year 2013, the University entered into a public-private arrangement with Paradigm and WVCH for the design, construction, financing, management and operation of University Place (student housing and commercial facilities). In October 2012, the University acquired 39 parcels of real property with improvements from Paradigm in the Sunnyside area for \$14.6 million. Subsequently, in February 2013, the University entered into lease and development, sublease and joint operating agreements with Paradigm and WVCH. This project was completed in November 2014, and in accordance with the lease and development agreement, WVCH transferred buildings in the amount of \$75.4 million, and non-capital furniture and equipment in the amount of \$2.1 million, to the University during fiscal year 2015. An additional \$14.6 million of capital assets (buildings, land improvements and infrastructure) were transferred to the University in fiscal year 2016.

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

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

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

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

- c. *Downtown Campus Parking Associates ("DCPA")* — In fiscal year 2013, the University entered into a public-private arrangement with Paradigm and WVCH for the development, financing, construction and management of student housing facilities and various amenities including commercial and parking facilities (known as University Place). WVCH entered into an agreement with DCPA (an affiliate of WVCH) to sublease the certain portion of real property and delegate, transfer and assign its duties and obligations under the lease and development agreement with the University for the acquisition, design, development, financing, construction and operation of the parking facilities project. Under this agreement, DCPA constructed and transferred ownership of certain parking facility improvements, including a 500-space parking garage with first floor commercial space. This project was completed in November 2015 and DCPA transferred the garage building and parking equipment in the amount of \$17.9 million to the University in fiscal year 2016.

The parking facilities sublease agreement stipulates that the University will remit 100% of net revenues received from the operation of the parking facilities to DCPA as lease payments, not to exceed DCPA's scheduled principal and interest on the parking

facilities financing for the current year plus its net operating margin (deficit) from the parking facilities project. If the University's net revenues from the operation of the parking facilities are insufficient to meet DCPA's debt-service and operating needs, the University will make additional lease payments in the amount of the shortfall, which will be owed back to the University from housing revenues of WVCH. Accordingly, the University recorded lease payments of \$509,000 and \$367,000 and additional lease payments of \$529,000 and \$655,000 to DCPA as of June 30, 2025 and 2024, respectively.

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

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

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

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

16. NOTES PAYABLE

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

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

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

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

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

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

Total principal to be paid at June 30, 2025 and June 30, 2024 was approximately \$13.4 million and \$14.1 million, respectively. Total interest paid through June 30, 2025 and June 30, 2024 was approximately \$7.2 million and \$6.4 million, respectively. Total facilities and administrative revenues earned by HSC during fiscal year 2025 and 2024 were \$21.9 million and \$23.0 million, respectively. Total pledged revenue as of June 30, 2025 and June 30, 2024 was \$15.3 million and \$16.1 million, respectively.

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

On December 15, 2016, the Corporation closed on a note with United Bank for \$36,090,000. The proceeds of the loan were used to pay the 90 day note in full and to reimburse the University for the purchase of the Beckley campus as well as for capital improvements to the campus. Additionally, the proceeds include capital interest of \$3.0 million as the loan will have a capitalized interest period of three years. The amortization term was 30 years. The interest rate is set for 5-year increments beginning with a rate of 3.11% fixed for the first five years and a spread to the 5-year constant U.S. Treasury Maturity rate thereafter. The spread is based on the University's rating with Moody's.

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

On August 9, 2016, the Corporation entered into a lease agreement with the University for the lease of assets required by the University for the operation of the Beckley campus. This agreement was amended on December 15, 2016 to reflect an increase in the principal amount of the loan. This agreement was again amended on December 22, 2017 in conjunction with the Wells Fargo note. The base rentals are to equal the principal and interest payments on the loan.

The deed of trust on the property on the Beckley campus including the buildings, structures and improvements, and fixtures is secured as collateral on this note along with any income from leases and rents.

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

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

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

Fiscal Year		
Ending June 30,	Principal	Interest
2026	\$ 3,449	\$ 2,586
2027	2,823	2,586
2028	2,527	2,473
2029	2,643	2,357
2030	2,341	2,237
2031-2035	10,862	9,613
2036-2040	8,189	7,007
2041-2045	5,890	5,575
2046-2050	7,355	4,110
2051-2055	9,184	2,281
2056-2058	5,416	317
	<u>60,679</u>	<u>41,142</u>
Current Portion	<u>3,450</u>	
Noncurrent Portion	<u>\$ 57,229</u>	

Financed purchases –The University has entered into certain contracts that transfer ownership of the underlying asset to the University by the end of the contract term and do not contain termination options. As of June 30, 2025, these contracts include agreements with Siemens Building Technologies, Inc. for Phases III of the Energy Performance contract which was financed by lease purchase agreements with Suntrust Leasing Corporation (“Suntrust”) and a lease purchase agreement with Dell Financial Services, LLC and Juniper Financial Services.

17. REAL ESTATE PURCHASE AGREEMENTS PAYABLE

Square at Falling Run/Loop Agreement - During fiscal year 2013, the University purchased several properties located at the Square at Falling Run/Loop. This purchase included a real estate purchase agreement payable to the City of Morgantown Building Commission in the amount of \$4.2 million due in 2026 less the following credits: 1) all B&O taxes paid to the City of Morgantown prior to August 31, 2026 for construction expenditures on the Loop project in excess of \$30 million, 2) all B&O taxes paid to the City of Morgantown prior to August 31, 2026 for construction expenses on the College Park project, and 3) all B&O taxes paid to the City of Morgantown prior to August 31, 2026 arising from and directly associated with any construction, retail, commercial, rental, and other development activities located in, or with respect to the completion of, the commercial space in the Square at Falling Run, College Park, and Sunnyside, 4) all Airport Grant Funds received or obtained prior to August 31, 2026 as a result of Transferee's direct solicitation efforts, or indirectly as a result of specifically identifiable efforts, contracts, or commitments. The above credits have reduced the liability to \$0 at both June 30, 2025 and June 30, 2024. Also, the purchase included a Tax Increment Financing (TIF) District Guaranty to First United Bank & Trust for \$120,000 annually through September 1, 2032. This has been recorded at a present value of \$1,484,607 at the following interest rates: 2.5% through June 2014, 3.5% from June 2014 through June 2017, and 5.69% from June 2017 through June 2033.

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

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

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

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

Fiscal Year Ending June 30,	Principal	Interest
2026	\$ 734	\$ 593
2027	856	592
2028	915	533
2029	981	467
2030	1,055	384
2031-2035	5,228	762
Real Estate Purchase Agreements Payable	9,769	3,331
Current Portion	734	
Noncurrent Portion	\$ 9,035	

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

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

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

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

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

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

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

Fiscal Year Ending June 30,	Principal	Interest
2026	\$ 4,672	\$ 5,946
2027	4,756	5,861
2028	4,853	5,761
2029	1,153	5,647
2030	1,084	5,716
2031	1,019	5,781
Debt Service Assessment Payable to the Commission	\$ 17,537	\$ 34,712
Current Portion	4,672	
Noncurrent Position	\$ 12,865	

19. DEFINED CONTRIBUTION PENSION PLANS

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

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

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

Fiscal Year Ending				
June 30,	WVU	Employees	Total	
2025	\$ 32,846	\$ 32,846	\$ 65,692	
2024	33,217	33,217	66,434	
2023	31,700	31,700	63,400	

The University's total payroll for fiscal years 2025, 2024, and 2023 was \$585.5 million, \$594.2 million, and \$605.1 million, respectively; total covered employees' salaries in TIAA-CREF were approximately \$552.4 million in fiscal year 2025, \$558.8 million in fiscal year 2024, and \$528.2 million in fiscal year 2023, respectively.

20. COMMITMENTS

- a. *Purchase Commitment* – The University has signed an agreement providing for the purchase of steam through the year 2027 from a nearby facility that commenced operations in late 1992. Under the agreement, the University has an annual minimum steam purchase requirement, purchased at an operating rate calculated in accordance with the agreement. This operating rate is adjusted monthly based on actual production costs and other cost indices. Management believes that the rate is comparable to market rates. At June 30, 2025, the University was committed to an additional purchase of \$900,000 to meet the minimum steam purchase requirement for the contract year ended September 30, 2025. The University anticipates substantially meeting the minimum steam purchase requirement for the remaining term of its commitment; however, payments in future years will be dependent on actual operating costs and other cost indices in those years.
- b. *Construction Commitments* – The University has entered into contracts for the construction and improvement of various facilities. These outstanding contractual commitments totaled approximately \$8.9 million at June 30, 2025.
- c. *Other Commitments* – The University is involved in legal action regarding normal business activities. Management does not feel that these actions are material and pose a financial threat to the University and, accordingly, no liability is accrued at June 30, 2025 and 2024.

21. AFFILIATED ORGANIZATIONS

The University has affiliations with separately incorporated organizations including West Virginia United Health System, Inc. ("WVUHS"), which includes West Virginia University Hospitals, Incorporated and West Virginia University Innovation Corporation ("WVUIC"); West Virginia University Alumni Association, Incorporated (the "Association"); West Virginia University Medical Corporation; the Physician's Office of Charleston; University Healthcare Physicians, Inc.; the West Virginia University Dental Corporation; Potomac State College Alumni Association; WV Campus Housing, LLC; American Campus Communities Operating Partnership, LLP ("ACC"), University Park at Evansdale, LLC; Downtown Campus Parking Associates; WVU Connector, LLC, and HSC Fresh Kitchen, LLC. Oversight responsibility for these entities rests with independent Boards and

management not otherwise affiliated with the University. These organizations do not meet the criteria for determination as component units of the University as described in GASB standards. Accordingly, the financial statements of all such organizations are not included in the accompanying financial statements.

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

Related Party Transactions

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

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

Total funds disbursed to the Morgantown practice plan and total funds collected from the Morgantown practice plan totaled \$7.4 million and \$77.1 million in fiscal year 2025 and \$5.8 million and \$68.9 million in fiscal year 2024, respectively. Accounts receivable at June 30, 2025 and 2024 include \$7.1 million and \$7.6 million, respectively, due from the Morgantown practice plan for such items as mission support, reimbursement for medical malpractice insurance, facility rental fees, utility cost reimbursement, and faculty teaching support. There were no amounts due to the Morgantown practice plan at June 30, 2025 or 2024.

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

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

Total funds collected from the Charleston practice plan totaled \$7.4 million in fiscal year 2025 and \$8.5 million in fiscal year 2024, respectively. Accounts receivable at June 30, 2025 and 2024 include \$.5 million and \$.6 million, respectively, for such items as medical malpractice insurance and salary support. There were no amounts due to the Charleston practice plan at June 30, 2025 or 2024. There were no funds disbursed to the Charleston practice plan in fiscal year 2025 or 2024.

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

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

Total funds collected from the dental practice plan totaled \$2.1 million in fiscal year 2025 and \$2.5 million in fiscal year 2024, respectively. Accounts receivable at June 30, 2025 and 2024 include \$.2 million and \$.2 million, respectively, for such items as medical malpractice insurance, facility rental fees, clinic supplies and student expenses. There were no amounts due to the dental practice plan at June 30, 2025 or 2024. There were no funds disbursed to the dental practice plan in fiscal year 2025 or 2024.

- d. *West Virginia University Hospitals, Incorporated* – The Hospital is a not-for-profit corporation, established in West Virginia, to facilitate clinical education and research of the HSC. The Hospital’s tertiary care teaching facility, Ruby Memorial, serves as the

primary teaching hospital for the faculty and residents of the HSC and operates graduate medical education programs. The Hospital has entered into a Resident Support agreement with the University, under which the Hospital reimburses the WVUSOM for resident salaries and fringes support and for the cost of malpractice insurance for the residents. The Hospital also compensates the WVUSOM for a range of services via the Clinical Teaching Support agreement, Medical Direction and Support agreement, Mission Support agreement and Faculty Physician Support agreement. During fiscal year 2004, the Legislature reallocated HSC state appropriations to the Medicaid program in Health and Human Services. The HSC currently receives some state appropriations through the Medicaid program from the Hospital. The University leases certain land and building space on the Health Science Center campus to the Hospital on a short-term basis or for a nominal amount.

During fiscal years 2025 and 2024, \$55.0 million and \$53.6 million, respectively, was received from WVUH for such items as residents' support, reimbursement for medical malpractice insurance for the residents, reimbursement of salaries and fringe benefits for hospital employees paid by the University, reimbursement for electricity and steam costs, and rent. Accounts receivable at June 30, 2025 and 2024 include \$2.6 million and \$2.1 million, respectively, due from WVUH for such items. During fiscal years 2025 and 2024, \$.3 million and \$.5 million, respectively, was paid to WVUH for rent and other services. Accounts payable at both June 30, 2025 and 2024 were \$0 for such items.

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

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

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

On November 4, 2021, the University and the Association entered into a master administrative agreement. Under this agreement, as of January 3, 2022, the University

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

The Association was billed \$1,157,000 and \$1,172,000 for contracted services provided by the University during fiscal year 2025 and 2024, respectively; \$698,000 and \$765,000 was forgiven for fiscal years 2025 and 2024, respectively. The Association owed the University \$106,000 and \$408,000 at June 30, 2025 and 2024, respectively, for contracted services.

The Alumni Center provided University departments with meeting rooms and catered events throughout the year. Catering and rental revenue received from the University was approximately \$583,000 and \$659,000 for the years ended June 30, 2025 and 2024, respectively.

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

22. WEST VIRGINIA UNIVERSITY FOUNDATION, INCORPORATED

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

The Foundation’s assets totaled \$3.3 billion and \$3.0 billion at June 30, 2025 and 2024, respectively, with net assets of \$1.4 billion and \$1.3 billion at June 30, 2025 and 2024, respectively. Gifts, grants, pledges and bequests to the Foundation totaled \$88.9 million and \$169.2 million in fiscal years 2025 and 2024, respectively.

Total funds expended by the Foundation in support of University activities totaled \$106.8 million and \$121.2 million in fiscal years 2025 and 2024, respectively. This support is primarily recorded as gifts and capital grants and gifts and the related expenditures are primarily recorded as salaries and wages, benefits and capital assets in the University’s financial statements.

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

23. SERVICE CONCESSION ARRANGEMENT

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

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

During fiscal year 2015, the University recorded a capital asset with a fair market value of \$34,952,000 and a deferred inflow of resources. This deferred inflow is being amortized to auxiliary revenue over the term of the agreement (40 years). The University has recorded an accounts receivable of \$152,000 and \$99,000 at June 30, 2025 and 2024, respectively, for reimbursable project expenses. At June 30, 2025, the University recognized management fee revenue and its share of the net revenue of \$33,000 and \$0 respectively. At June 30, 2024, the University recognized management fee revenue and its share of the net revenue of \$38,000 and \$0, respectively. This revenue is included in revenue from auxiliary enterprises on the statement of revenues, expenses and changes in net position.

24. CONTINGENCIES

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

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

The Internal Revenue Code of 1986 establishes rules and regulations for arbitrage rebates. There are no arbitrage rebate liabilities that have been recorded in the financial statements as of June 30, 2025 or 2024.

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

At both June 30, 2025 and 2024, the University has recorded a liability of \$79,000 for asbestos removal in accordance with the provisions of GASB.

25. SUBSEQUENT EVENTS

On July 1, 2025, the University issued \$30.0 million of taxable revenue bonds (2025 Series A Bonds) to (a) finance all or a portion of the costs of Phase II of the ERP modernization program, including the reimbursement of costs previously incurred in connection with the project; and (b) pay the costs of issuance of the bonds and related costs. The bonds were structured as a 4.77% fixed rate bond maturing on April 1, 2040, with annual principal payments and semi-annual interest payments.

26. BLENDED COMPONENT UNIT

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

2025

Statement of Net Position

	WVU Excluding Component Units	WVU Research Corporation	Gold & Blue	Eliminations	WVU Combined
Assets					
Current Assets	\$ 364,326	\$ 106,305	\$ 1,789	\$ -	\$ 472,420
Leases Receivable - West Virginia University, Current Portion		360		(360)	-
Accounts Receivable - Corporation	18,842	-	-	(18,842)	-
Total Current Assets	383,168	106,665	1,789	(19,202)	472,420
Capital Assets, net	1,853,246	70,269	-	-	1,923,515
Leases Receivable - West Virginia University	-	1,152	-	(1,152)	-
Intangible Right to Use Assets - Intra-Entity Leases, net	1,492	-	-	(1,492)	-
Other Noncurrent Assets	167,521	1,589	-	-	169,110
Total Noncurrent Assets	2,022,259	73,010		(2,644)	2,092,625
Total Assets	\$ 2,405,427	179,675	1,789	(21,846)	2,565,045
Deferred Outflows of Resources	\$ 21,773	-	-	-	21,773
Total Assets and Deferred Outflows of Resources	\$ 2,427,200	\$ 179,675	\$ 1,789	\$ (21,846)	\$ 2,586,818
Liabilities and Deferred Inflows of Resources					
Current Liabilities	\$ 264,948	\$ 46,487	\$ -	\$ -	\$ 311,435
Leases Payable - WVU Research Corporation, Current Portion	360	-	-	(360)	-
Accounts Payable - West Virginia University	-	18,842	-	(18,842)	-
Total Current Liabilities	265,308	65,329	-	(19,202)	311,435
Noncurrent Liabilities	875,057	53,576	-	-	928,633
Leases Payable - WVU Research Corporation	1,152	-	-	(1,152)	-
Total Noncurrent Liabilities	876,209	53,576	-	(1,152)	928,633
Total Liabilities	\$ 1,141,517	118,905	-	(20,354)	1,240,068
Deferred Inflows of Resources	\$ 47,553	1,935	-	(1,492)	47,996
Total Liabilities and Deferred Inflows of Resources	\$ 1,189,070	\$ 120,840	\$ -	\$ (21,846)	\$ 1,288,064
Net Position					
Net Investment in Capital Assets	\$ 995,917	\$ 21,842	\$ -	\$ -	\$ 1,017,759
Restricted Nonexpendable	18,097	-	-	-	18,097
Restricted Expendable	56,456	1,513	-	-	57,969
Unrestricted Net Position	167,660	35,480	1,789	-	204,929
Total Net Position	\$ 1,238,130	\$ 58,835	\$ 1,789	\$ -	\$ 1,298,754

Regular Board Meeting Materials - ALL FINANCIAL STATEMENTS

Statement of Revenues, Expenses and Changes in Net Position

	WVU Excluding Component Units	WVU Research Corporation	Gold & Blue	Eliminations	WVU Combined
Operating Revenues					
Student Tuition and Fees, net	\$ 391,996	\$ -	\$ -	\$ -	\$ 391,996
Federal Land Grants	9,121	-	-	-	9,121
Local Land Grants	1,519	-	-	-	1,519
Federal Grants and Contracts	29,005	103,007	-	-	132,012
State Grants and Contracts	40,661	42,141	-	-	82,802
Local Grants and Contracts	328	196	-	-	524
Nongovernmental Grants and Contracts	121,541	15,958	-	-	137,499
Sales and Services of Educational Departments	13,665	344	-	-	14,009
Auxiliary Enterprises, net	137,873	-	-	-	137,873
Interest on Student Loans Receivable	408	-	-	-	408
Net Operating Revenue from the Corporation	-	-	-	-	-
Net Operating Revenue from the University	-	4,889	1,789	(6,678)	-
Service Agreement Revenue from Parkersburg	250	-	-	-	250
Other Operating Revenues	7,559	414	-	-	7,973
Total Operating Revenues	753,926	166,949	1,789	(6,678)	915,986
Operating Expenses					
Depreciation and Amortization	113,922	3,066	-	-	116,988
Net Operating Expenses to the Corporation	4,889	-	-	(4,889)	-
Net Operating Expenses to Gold & Blue	1,789	-	-	(1,789)	-
Amortization - intra-entity leases	373	-	-	(373)	-
Other Operating Expenses	980,221	168,843	-	-	1,149,064
Total Operating Expenses	1,101,194	171,909	-	(7,051)	1,266,052
Operating (Loss) Income	(347,268)	(4,960)	1,789	373	(350,066)
Nonoperating Revenues (Expenses)					
State Appropriations	197,208	-	-	-	197,208
State Lottery Appropriations	3,867	-	-	-	3,867
Payments on Behalf of the University/Corporation	2,857	-	-	-	2,857
Gifts	75,108	14,578	-	-	89,686
Federal Pell Grants	33,461	-	-	-	33,461
Investment Income	23,521	2,206	-	-	25,727
Interest on Capital Asset-Related Debt	(27,526)	(2,589)	-	-	(30,115)
Interest expense to the Research Corporation	(55)	-	-	55	-
Interest revenue from the University	-	428	-	(428)	-
Assessments by Commission for Debt Service	(6,249)	-	-	-	(6,249)
Other Nonoperating Expenses - Net	8,533	37	-	-	8,570
Net Nonoperating Revenues	310,725	14,660	-	(373)	325,012
(Loss) Income before Other Revenues, Expenses, Gains, or Losses	(36,543)	9,700	1,789	-	(25,054)
Capital Grants and Gifts	89,140	-	-	-	89,140
Bond/Capital Projects Proceeds					
from the Higher Education Policy Commission	315	-	-	-	315
Transfer of Assets to the University	7,457	(7,457)	-	-	-
Transfer of Assets from the University	(3,101)	3,101	-	-	-
Increase in Net Position	57,268	5,344	1,789	-	64,401
Net Position at Beginning of Year	1,180,862	53,491	-	-	1,234,353
Net Position at End of Year	\$ 1,238,130	\$ 58,835	\$ 1,789	\$ -	\$ 1,298,754

Statement of Cash Flows

	WVU Excluding Component Units	WVU Research Corporation	Gold & Blue	WVU Combined
Cash Provided By (Used In):				
Operating Activities	\$ (229,262)	\$ 4,560	\$ 1,789	\$ (222,913)
Noncapital Financing Activities	295,693	14,625	-	310,318
Capital Financing Activities	(106,709)	(9,053)	-	(115,762)
Investing Activities	15,167	1,076	-	16,243
Increase (Decrease) in Cash and Cash Equivalents	(25,111)	11,208	1,789	(12,114)
Cash and Cash Equivalents, Beginning of Year	201,001	27,571	-	228,572
Cash and Cash Equivalents, End of Year	175,890	38,779	1,789	216,458

2024

Statement of Net Position

	WVU Excluding Component Unit	WVU Research Corporation	Eliminations	WVU Combined
ASSETS				
Current Assets	\$ 347,331	\$ 93,528	\$ -	\$ 440,859
Accounts receivable - Research Corporation	9,488	-	(9,488)	-
Total Noncurrent Assets	356,819	93,528	(9,488)	440,859
Capital and intangible right to use assets, net	1,819,158	68,211	-	1,887,369
Other noncurrent assets	193,774	1,583	-	195,357
Total Noncurrent Assets	2,012,932	69,794	-	2,082,726
TOTAL ASSETS	2,369,751	163,322	(9,488)	2,523,585
DEFERRED OUTFLOWS OF RESOURCES	17,525	-	-	17,525
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,387,276	\$ 163,322	\$ (9,488)	\$ 2,541,110
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current Liabilities	\$ 233,148	\$ 46,508	\$ -	\$ 279,656
Accounts payable - WVU	-	9,488	(9,488)	-
Total current liabilities	233,148	55,996	(9,488)	279,656
Noncurrent Liabilities	916,015	53,764	-	969,779
Total noncurrent liabilities	916,015	53,764	-	969,779
TOTAL LIABILITIES	1,149,163	109,760	(9,488)	1,249,435
DEFERRED INFLOWS OF RESOURCES	57,251	71	-	57,322
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	\$ 1,206,414	\$ 109,831	\$ (9,488)	\$ 1,306,757
NET POSITION				
Net investment in capital assets	\$ 941,825	\$ 19,520	\$ -	\$ 961,345
Restricted Nonexpendable	18,164	-	-	18,164
Restricted Expendable	66,400	-	-	66,400
Unrestricted net position (deficit)	154,473	33,971	-	188,444
Total Net Position	\$ 1,180,862	\$ 53,491	\$ -	\$ 1,234,353

Regular Board Meeting Materials - ALL FINANCIAL STATEMENTS

2024

Statement of Revenues, Expenses and Changes in Net Position

	WVU Excluding Component Unit	WVU Research Corporation	Eliminations	WVU Combined
OPERATING REVENUES				
Student tuition and fees, net	\$ 399,713	\$ -	\$ -	\$ 399,713
Federal land grants	10,049	-	-	10,049
Local land grants	1,409	-	-	1,409
Federal grants and contracts	23,103	103,889	-	126,992
State grants and contracts	41,245	43,643	-	84,888
Local grants and contracts	281	200	-	481
Nongovernmental grants and contracts	107,642	17,718	-	125,360
Sales and services of educational departments	14,568	727	-	15,295
Auxiliary Enterprises, net	129,746	-	-	129,746
Interest on student loans receivable	481	-	-	481
Net operating revenue from the Research Corporation	-	7,517	(7,517)	-
Net service agreement revenue from Parkersburg	250	-	-	250
Other operating revenues	7,374	229	-	7,603
Total operating revenues	735,861	173,923	(7,517)	902,267
OPERATING EXPENSES				
Depreciation and amortization	117,283	3,095	-	120,378
Net operating expenses to the Research Corporation	7,517	-	(7,517)	-
Amortization - intra-entity leases	325	-	(325)	-
Other operating expenses	932,290	169,916	-	1,102,206
Total operating expenses	1,057,415	173,011	(7,842)	1,222,584
OPERATING (LOSS) INCOME	(321,554)	912	325	(320,317)
NONOPERATING REVENUES (EXPENSES)				
State appropriations	252,185	-	-	252,185
State Lottery appropriations	3,782	-	-	3,782
Payments on behalf of the University	(6,778)	-	-	(6,778)
Gifts	84,783	18,207	-	102,990
Federal Pell grants	26,789	-	-	26,789
Investment income	23,418	2,258	-	25,676
Interest on capital asset-related debt	(28,393)	(2,614)	-	(31,007)
Interest expense to the Corporation	(5)	-	5	-
Interest revenue from the University	-	330	(330)	-
Assessments by Commission for debt service	(6,301)	-	-	(6,301)
Other nonoperating expenses - net	396	(5)	-	391
Net nonoperating revenues	349,876	18,176	(325)	367,727
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	28,322	19,088	-	47,410
Capital grants and gifts	20,479	218	-	20,697
Bond/capital projects proceeds from the Higher Education Policy Commission	448	-	-	448
TRANSFER OF ASSETS TO THE UNIVERSITY	9,928	(9,928)	-	-
TRANSFER OF ASSETS FROM THE UNIVERSITY	(2,808)	2,808	-	-
INCREASE IN NET POSITION	56,369	12,186	-	68,555
NET POSITION - BEGINNING OF YEAR	1,124,493	41,305	-	1,165,798
NET POSITION - END OF YEAR	\$ 1,180,862	\$ 53,491	\$ -	\$ 1,234,353

2024

Statement of Cash Flows

	WVU Excluding Component Unit	WVU Research Corporation	WVU Combined
Cash Provided By (Used In):			
Operating Activities	\$ (205,077)	\$ (11,573)	\$ (216,650)
Noncapital Financing Activities	312,996	18,307	331,303
Capital Financing Activities	(93,588)	(14,181)	(107,769)
Investing Activities	15,590	989	16,579
INCREASE IN CASH AND CASH EQUIVALENTS	\$ 29,921	\$ (6,458)	\$ 23,463
Cash and Cash Equivalents, Beginning of Year	\$ 171,080	\$ 34,029	\$ 205,109
Cash and Cash Equivalents, End of Year	\$ 201,001	\$ 27,571	\$ 228,572

27. SEGMENT INFORMATION

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

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

(Dollars in Thousands)

	AUXILIARIES As of/Year Ended 2025	AUXILIARIES As of/Year Ended 2024
CONDENSED SCHEDULES OF NET POSITION		
Assets and Deferred Outflows of Resources:		
Current Assets	\$ 73,412	\$ 72,724
Noncurrent and Capital Assets	1,200,020	1,237,303
Total Assets	<u>1,273,432</u>	<u>1,310,027</u>
Deferred Outflows of Resources:		
Deferred Loss on Refunding	11,776	12,458
Deferred Outflows Related to Other Post Employment Benefits	581	264
Total Assets and Deferred Outflows of Resources	<u>\$ 1,285,789</u>	<u>\$ 1,322,749</u>
Liabilities, Deferred Inflows, and Net Position:		
Current Liabilities	\$ 94,095	\$ 72,647
Long-Term Liabilities	811,261	846,832
Total Liabilities	<u>905,356</u>	<u>919,479</u>
Deferred Inflows of Resources:		
Deferred service concession arrangements	30,056	31,064
Deferred inflows related to Dining Services Contract	5,393	6,067
Deferred inflows related to Other Post Employment Benefits	393	851
Total Liabilities and Deferred Inflows of Resources	<u>\$ 941,198</u>	<u>\$ 957,461</u>
Net Position:		
Net investment in capital assets	\$ 401,813	\$ 407,555
Restricted	38,728	54,183
Unrestricted net deficit	(95,950)	(96,450)
Total Net Position	<u>\$ 344,591</u>	<u>\$ 365,288</u>
CONDENSED SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION		
Auxiliary and Capital Fees	\$ 27,097	\$ 27,436
Operating Revenues	119,709	115,456
Operating Expenses	(189,853)	(172,849)
Operating Loss	(43,047)	(29,957)
Nonoperating Revenues/Expenses:		
Investment Income	2,024	3,090
Net Transfers from Other Funds	15,945	30,109
Other Nonoperating Income	4,506	8,421
Gifts	26,659	21,726
Other Nonoperating Expenses	(472)	(477)
Interest Expense	(26,311)	(27,006)
Increase (Decrease) in Net Position	(20,696)	5,906
Net Position - Beginning of Year	365,287	359,382
Net Position - End of Year	<u>\$ 344,591</u>	<u>\$ 365,288</u>

(continued)

CONDENSED SCHEDULES OF CASH FLOWS

Net Cash Flows (Used in) Operating Activities	\$ (23,015)	\$ (38,911)
Net Cash Flows Provided by		
Noncapital Financing Activities	26,659	21,725
Net Cash Flows Provided by		
Capital and Related Financing Activities	(25,882)	16,695
Net Cash Flows Provided by		
Investing Activities	<u>2,024</u>	<u>3,090</u>
Increase in Cash	<u>(20,214)</u>	<u>2,599</u>
Cash - Beginning of Year	<u>114,683</u>	<u>112,084</u>
Cash - End of Year	<u><u>\$ 94,469</u></u>	<u><u>\$ 114,683</u></u>

Reconciliation of cash

Cash classified as current assets	\$ 55,740	\$ 60,500
Cash classified as noncurrent assets	<u>38,728</u>	<u>54,183</u>
	<u><u>\$ 94,468</u></u>	<u><u>\$ 114,683</u></u>

28. FUNCTIONAL CLASSIFICATION OF EXPENSES
(Dollars in Thousands)

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

Functional Classification	Year Ended June 30, 2025									
	Natural Classification									
	Salaries & Wages	Benefits	Scholarships & Fellowships	Utilities	Supplies & Other Services	Depreciation and Amortization	Loan Cancellations & Write Offs	Other Operating Expenses	Total	
Instruction	\$ 257,395	\$ 74,806	\$ -	\$ 262	\$ 28,317	\$ -	\$ -	\$ -	\$ 360,780	
Research	92,456	38,846	-	259	62,291	-	-	17	193,869	
Public Service	39,850	9,919	-	136	29,106	-	-	14	79,025	
Academic Support	30,751	6,675	-	159	12,698	-	-	115	50,398	
Student Services	21,783	7,972	-	20	9,670	-	-	33	39,478	
Operation and Maintenance of Plant	18,621	6,213	-	28,694	14,410	-	-	300	68,238	
General Institutional Support	76,529	18,520	-	75	55,263	-	-	259	150,646	
Student Financial Aid	-	-	58,281	-	-	-	-	-	58,281	
Auxiliary Enterprises	48,117	9,647	-	8,352	67,171	-	-	13,247	146,534	
Depreciation and Amortization	-	-	-	-	-	116,988	-	-	116,988	
Loan Cancellations and Write Offs	-	-	-	-	-	-	1,815	-	1,815	
Total Expenses	\$ 585,502	\$ 172,598	\$ 58,281	\$ 37,957	\$ 278,926	\$ 116,988	\$ 1,815	\$ 13,985	\$ 1,266,052	

Functional Classification	Year Ended June 30, 2024									
	Natural Classification									
	Salaries & Wages	Benefits	Scholarships & Fellowships	Utilities	Supplies & Other Services	Depreciation and Amortization	Loan Cancellations & Write Offs	Other Operating Expenses	Total	
Instruction	\$ 263,865	\$ 57,643	\$ -	\$ 266	\$ 24,870	\$ -	\$ -	\$ 2,669	\$ 349,313	
Research	91,023	37,399	-	284	64,846	-	-	-	193,552	
Public Service	40,149	7,772	-	128	27,022	-	-	62	75,133	
Academic Support	33,492	5,100	-	112	10,326	-	-	229	49,259	
Student Services	22,855	7,496	-	15	10,239	-	-	40	40,645	
Operation and Maintenance of Plant	19,477	3,952	-	28,139	11,412	-	-	-	62,980	
General Institutional Support	76,551	13,866	-	21	56,278	-	-	549	147,265	
Student Financial Aid	-	-	63,030	-	-	-	-	-	63,030	
Auxiliary Enterprises	46,758	5,583	-	8,879	59,610	-	-	180	121,010	
Depreciation and Amortization	-	-	-	-	-	120,378	-	-	120,378	
Loan Cancellations and Write Offs	-	-	-	-	-	-	19	-	19	
Total Expenses	\$ 594,170	\$ 138,811	\$ 63,030	\$ 37,844	\$ 264,603	\$ 120,378	\$ 19	\$ 3,729	\$ 1,222,584	

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

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

Measurement Date	University's Proportionate Share as a Percentage of	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Employee Payroll	University's Proportionate Share as a Percentage of	Plan Fiduciary Net Position as a Percentage of
	Net OPEB (Asset) Liability					Covered Employee Payroll	Total OPEB Liability
June 30, 2024	3,527,708,044%	\$ (1,469)	\$ (4,613)	\$ (6,082)	\$ 97,653	-2.77%	102.19%
June 30, 2023	6,320,220,905%	(10,002)	(4,269)	(14,271)	103,385	-10.24%	109.66%
June 30, 2022	6,577,692,349%	7,321	2,508	9,829	116,479	7.08%	93.59%
June 30, 2021	7,006,088,092%	(1,701)	(410)	(2,111)	117,035	-1.46%	101.81%
June 30, 2020	6,834,451,221%	30,616	6,675	37,291	130,967	26.16%	73.49%
June 30, 2019	6,802,662,334%	113,459	23,097	136,556	139,162	86.63%	39.69%
June 30, 2018	6,786,307,714%	145,905	30,091	175,996	141,514	104.85%	30.98%
June 30, 2017	6,435,215,970%	158,433	32,345	190,778	-	111.96%	25.10%

Schedule of Employer Contributions (dollars in thousands):

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

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

Notes to Required Supplementary Information
For the Year Ended June 30, 2025 and 2024

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

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

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

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

Schedule of Employer Contributions (dollars in thousands):

Fiscal Year End	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Employee Payroll
June 30, 2025	\$ 210	\$ 157	\$ 53	\$ 1,027	15.29%
June 30, 2024	281	210	71	1,152	18.23%
June 30, 2023	353	270	83	1,373	19.67%
June 30, 2022	451	358	93	1,738	20.60%
June 30, 2021	610	450	160	2,225	20.23%
June 30, 2020	780	604	176	2,276	26.54%
June 30, 2019	939	730	209	2,901	25.16%
June 30, 2018	1,199	856	343	3,998	21.41%
June 30, 2017	1,307	1,197	110	4,667	25.65%
June 30, 2016	1,470	1,362	108	4,438	30.69%

Notes to Required Supplementary Information
For the Years Ended June 30, 2025 and 2024

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



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Governors
West Virginia University & Divisions
Morgantown, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, of West Virginia University (the University), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 14, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

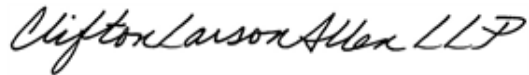
Board of Governors
West Virginia University & Divisions

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 14, 2025

**WEST VIRGINIA UNIVERSITY & DIVISIONS
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2025**

Financial Statement Findings

2025-001

Type of Finding:

- Significant Deficiency in Internal Control Over Financial Reporting

Condition: West Virginia University (the University) entered into exchange transactions in prior fiscal years with a vendor who provided capital assets in exchange for rights to provide services. The transaction was recorded as capital gift revenue in the fiscal year when the related contracts were executed. The appropriate accounting treatment is to record unearned revenue and amortize the unearned revenue into revenue over the life of the contracts.

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Effect: The lack of controls in place over the financial reporting function increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected.

Cause: The University did not have proper controls to assess revenue recognition in complex multi-year contracts.

Repeat finding: No.

Recommendation: The University should evaluate their financial reporting processes and controls, including the controls surrounding recognition of revenue related to exchange transactions.

Views of responsible officials and planned corrective actions: Management concurs with this audit finding and acknowledges the financial reporting risk posed by inadequate controls over the recognition of revenue from complex contracts. Management plans to review the processes around significant multi-year contracts, including the related internal controls. This includes ensuring that Institutional Accounting, Reporting and Analysis receives the information required to ensure that the accounting treatment for significant contracts and agreements and related capital assets is appropriate.

**WEST VIRGINIA UNIVERSITY & DIVISIONS
SCHEDULE OF FINDINGS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Financial Statement Findings (Continued)

2025-002

Type of Finding:

- Significant Deficiency in Internal Control Over Financial Reporting

Condition: The University recorded a capital asset and capital gift revenue in the current year for an asset that a related organization has legal title to and therefore should not have recorded a capital asset. The appropriate accounting treatment is to amortize the gift revenue and expense related to the donated non-capitalized asset over the term of the agreement.

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Effect: The lack of controls in place over the financial reporting function increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected.

Cause: The University did not have proper controls to assess recording of capital gifts.

Repeat finding: No.

Recommendation: The University should evaluate their financial reporting processes and controls, including the controls surrounding recognition of revenue related to capital gifts.

Views of responsible officials and planned corrective actions: Management concurs with this audit finding and acknowledges the financial reporting risk posed by inadequate controls over recording donated capital assets. Management plans to review the internal controls around the processes related to donated capital assets, including verifying which party holds legal title to such assets.



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Board of Governors
West Virginia University & Divisions
Morgantown, West Virginia

We have audited the financial statements of the business-type activities of West Virginia University & Divisions (the University) as of and for the year ended June 30, 2025, and have issued our report thereon dated October 14, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement letter dated November 20, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 2 to the financial statements.

As described in Note 2, the University changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences*, in fiscal year 2025. The implementation of this standard did not have a significant impact on the University.

The University implemented GASB Statement No. 102, Certain Risk Disclosures, in fiscal year 2025. The objective of this statement is to provide financial statement users with information about risks due to concentrations or constraints common in governmental environment. The implementation of this standard did not have a significant impact on the financial Statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the self-insurance liability related to the School of Medicine's medical malpractice claims is based on an actuarial valuation that is based on historical claims and exposure data and includes significant assumptions such as an 80% confidence level, 3% discount rate, claim cost trend factors, and claim count and loss development factors. We evaluated the key factors and assumptions used to estimate the liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Board of Governors
West Virginia University & Divisions
Page 2

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

- Capital contribution related to athletics facilities booked to revenue in prior year that should have been recorded to unearned revenue - \$3,148,000
- Not deferring revenue for vendor exchange contract made in a prior year. - \$17,520,000

Corrected misstatements

The following material misstatements detected as a result of audit procedures were corrected by management:

- Reduce capital assets and gift revenue for a donation made to the Foundation - \$23,117,000

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 14, 2025.

Board of Governors
West Virginia University & Divisions
Page 3

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

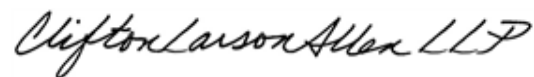
We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

* * *

This communication is intended solely for the information and use of the board of governors and management of the University and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 14, 2025

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS

Meeting of November 7, 2025

ITEM:	Receipt and Acceptance of the FY 2025 Financial Statements and Single Audit Compliance Report for West Virginia University Research Corporation
INSTITUTION:	West Virginia University Research Corporation
COMMITTEE:	Full Board
RECOMMENDATION:	Resolved, That the West Virginia University Board of Governors Receives and Accepts the FY 2025 Financial Statements and Single Audit Compliance Report for West Virginia University Research Corporation
STAFF MEMBER:	Barbara Weiss Interim CFO, Vice President for Finance
BACKGROUND:	Senior Associate Vice President Weiss will present the Corporation's FY 2025 audit report (including financial statements and single audit compliance report) to the Audit Committee for ultimate acceptance by the full Board. Copies of the FY 2025 Financial Statements and Single Audit Compliance Report for the West Virginia University Research Corporation are attached.
OVERALL	The financial statements earned an unqualified (clean) audit opinion. The Corporation's total net position increased by approximately \$5.3 million to \$58.8 million or .9%. The Corporation's balance sheet remains stable with adequate working capital (current assets less current liabilities) to meet current obligations.
ASSETS	Total assets of the Corporation increased by \$ \$16.4 million, or .9% above prior year for a total of approximately \$179.7 million. Cash of \$38.8 million increased \$11.3 million from cash at June 30, 2024 due to cyclical net changes in accounts payable in addition to a positive net position.

LIABILITIES

Total liabilities (including deferred inflows of resources) increased by approximately \$11 million from last year for a total of \$120.8 million, or .9%.

Accounts payable of \$31.2 was up \$7.8 million from June 30, 2024, increasing the cash position.

REVENUES

Total revenues decreased by approximately \$10.7 million, or 5.8% from the previous year, to \$184.2 million.

Grants and contracts revenue decreased \$4.4 million due to decreased activity on new and existing awards. However, F&A (which is included in this grant total was consistent at \$33 million). Some of the decrease could be related to the Executive Orders regarding a reduction in federal funding, stop work orders, etc.

Net operating revenue from the University decreased \$2.6 million from June 30, 2024. These amounts represent amounts received from the University on sub-awards.

Gift revenue declined \$3.6 million from June 30, 2024 related to a decrease in Foundation back bill related to the Research Trust Fund.

EXPENSES

Total expenses decreased by \$3.9 million to \$178.9 million, or 2.2%

Supplies were down \$2.8 million from June 30, 2024, related to a decrease in grant revenue.

Transfer of assets to the University was down \$2.8 million, which is related to a decrease in capital equipment transferred to the University.

The increase in net position was \$5.3 million from June 30, 2024. In addition, the Balance Sheet remains healthy with adequate working capital (current assets minus current liabilities).

**WEST VIRGINIA UNIVERSITY
RESEARCH CORPORATION**
(A BLENDED COMPONENT UNIT OF
WEST VIRGINIA UNIVERSITY)

FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024



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**WEST VIRGINIA UNIVERSITY
RESEARCH CORPORATION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
West Virginia University Research Corporation
Morgantown, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the West Virginia University Research Corporation, a blended component unit of West Virginia University, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the West Virginia University Research Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the West Virginia University Research Corporation, as of June 30, 2025 and 2024, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 West Virginia University Research Corporation 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.

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 West Virginia University Research Corporation'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.

Board of Directors
West Virginia University Research Corporation

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 West Virginia University Research Corporation'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 West Virginia University Research Corporation's ability to continue as a going concern for a reasonable period of time.

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

Board of Directors
West Virginia University Research Corporation

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2025, on our consideration of the West Virginia University Research Corporation'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 West Virginia University Research Corporation'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 West Virginia University Research Corporation's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 13, 2025

WEST VIRGINIA UNIVERSITY RESEARCH CORPORATION

Management's Discussion and Analysis (Unaudited) Year Ended June 30, 2025

Overview

The Management's Discussion and Analysis is required supplementary information and has been prepared in accordance with the requirements of the Governmental Accounting Standards Board ("GASB"). This section of the West Virginia University Research Corporation's (the "Corporation") annual financial report provides an overview of the Corporation's financial performance during the fiscal year ended June 30, 2025, as compared to the previous fiscal year. Comparative analysis is also presented for fiscal year 2024 compared to fiscal year 2023.

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

Net Position

The statements of net position present the assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) of the Corporation as of the end of the fiscal years. Assets denote the resources available to continue the operations of the Corporation. Deferred outflows of resources represent consumption of resources by the Corporation that is applicable to a future reporting period. Liabilities indicate how much the Corporation owes vendors, employees and West Virginia University (the "University"). Deferred inflows of resources are the acquisition of net position by the Corporation that is applicable to a future reporting period. Net position measures the equity or the availability of funds of the Corporation for future periods.

The components of Net Position are displayed in three major categories:

Net investment in capital assets. This category represents the Corporation's total investment in capital assets, net of accumulated depreciation, amortization, and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position. This category includes resources, the use of which is restricted, either due to externally imposed constraints or because of restrictions imposed by law. They are further divided into two additional components - nonexpendable and expendable. Nonexpendable includes endowment and similar type funds for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal. Expendable includes resources for which the Corporation is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted. This category includes resources that are not subject to externally imposed stipulations. Such resources are derived primarily from facilities and administrative earnings and revenues from royalties and investments. Unrestricted resources are used for transactions related to the educational and general operations of the Corporation and may be designated for specific purposes by action of the Corporation's Board of Directors.

Condensed Statements of Net Position (in thousands)

	As of June 30		
	2025	2024	2023
Assets			
Current Assets	\$ 106,665	\$ 93,528	\$ 98,107
Noncurrent Assets	1,529	192	192
Capital and Intangible right to use Assets	70,269	68,211	65,488
Noncurrent Investments	1,197	1,376	1,308
Noncurrent Accounts Receivable	15	15	16
Total Assets	\$ 179,675	\$ 163,322	\$ 165,111
Liabilities and Deferred Inflow of Resources			
Current Liabilities	\$ 65,329	\$ 55,996	\$ 68,394
Noncurrent Liabilities	53,576	53,764	54,971
Total Liabilities	\$ 118,905	\$ 109,760	\$ 123,365
Deferred Inflows of Resources	\$ 1,935	\$ 71	\$ 116
Total Liabilities and Deferred Inflows of Resources	\$ 120,840	\$ 109,831	\$ 123,481
Net Position			
Net Investment in Capital Assets	\$ 21,842	\$ 19,520	\$ 15,775
Restricted for:			
Restricted expendable	1,513	-	-
Unrestricted	35,480	33,971	25,530
Total Net Position	\$ 58,835	\$ 53,491	\$ 41,305

Total assets of the Corporation increased \$16.4 million to a total of \$179.7 million as of June 30, 2025. This change is primarily due to increases in current cash and cash equivalents, current investments, lease receivables (current and noncurrent), and other accounts receivable net of allowances for doubtful accounts. These increases were offset by decreases in grants and contracts accounts receivable net of allowances for doubtful accounts, amounts due from the Higher Education Policy Commission, and prepaid expenses. Total assets experienced a decrease from fiscal year 2023 to fiscal year 2024 of \$1.8 million due to a decrease in cash and cash equivalents and leases receivable offset by increases in accounts receivable net of allowances for doubtful accounts, investments (current and noncurrent), and capital and intangible assets, net of accumulated depreciation and amortization.

- Current cash and cash equivalents increased to a total of \$38.6 million in fiscal year 2025 compared to a total of \$27 million in fiscal year 2024. This increase is due to an increase in cash balances in sponsored awards and deans overhead funds as well as an increase in deposits with United Bank. Cash and cash equivalents decreased \$27.6 million in fiscal year 2024 due to a decrease in sponsored awards and dean's overhead accounts.
- Current investments totaled \$16.5 million in fiscal year 2025 reflecting an increase of \$1.3 million from the prior year. Held investments increased from \$15 million in fiscal year 2024 to a total of \$16.5 million in fiscal year 2025.

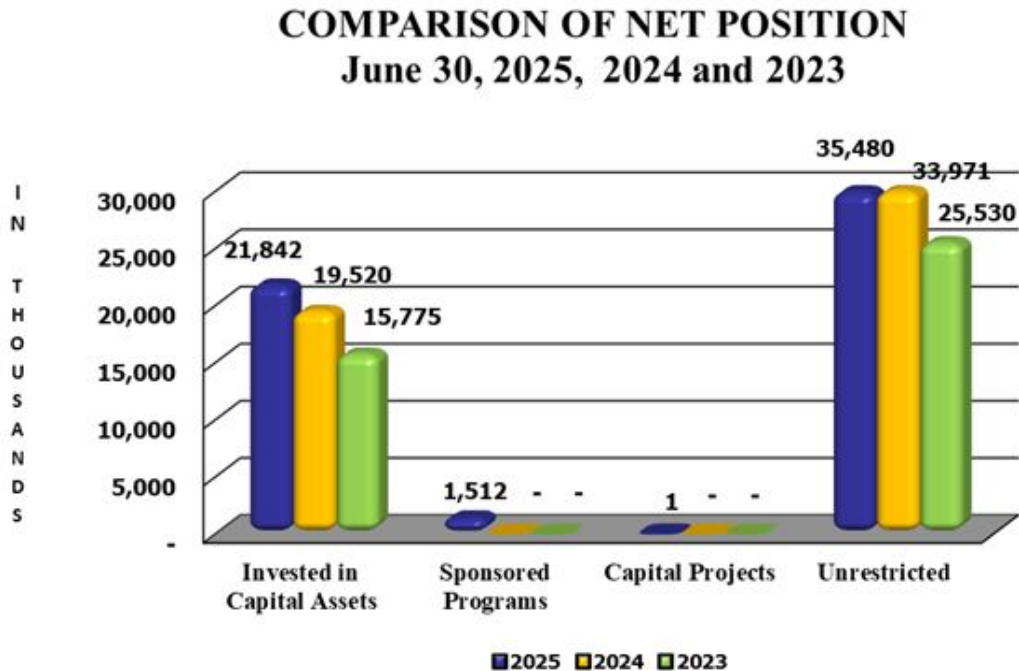
- Lease receivables (current and noncurrent) increased \$1.5 million in fiscal year 2025 due to an agreement with the National Aeronautics and Space Administration (“NASA”), effective in April 2025, for the lease of the NASA IV&V facility in Fairmont, WV. Leases receivable decreased \$339,000 in fiscal year 2024 due to the final payment of a sublease of office space in Charleston, WV to the University.
- Other accounts receivable net of allowances for doubtful accounts increased \$327,000 to a total of \$3 million in fiscal year 2025. The primary cause of this increase is due to the use of a revolving line of credit agreement between the Corporation and WVU Health Sciences and the WVU Innovation Corporation. Other accounts receivable net of allowances for doubtful accounts reflected an increase of \$1.4 million in fiscal year 2024. This increase was primarily due to payments made by the Corporation on behalf of WVU relating to WV Campus Housing LLC.
- Grants and contracts accounts receivable, net of allowances for doubtful accounts, decreased to a total of \$47 million. This decrease is directly attributed to a decrease in unbilled sponsored awards and an increase in allowance for doubtful accounts. This category increased to a total of \$50 million in fiscal year 2024 due to an increase in amounts billed on sponsored awards.
- Amounts due from the Higher Education Policy Commission decreased \$47,000 to a total of \$395,000. Total accounts receivable due from the Higher Education Policy Commission increased \$195,000 in fiscal year 2024 to a total of \$442,000. Variances occur due to the timing and activity of sponsored Higher Education Policy Commission awards.
- Prepaid expenses decreased \$60,000 in fiscal year 2025. This decrease is due to a decrease in pre-payments for association dues and professional memberships. This category experienced a decrease of \$159,000 in fiscal year 2024 for similar reasons.

Total liabilities of the Corporation as of June 30, 2025 increased \$9 million to a total of \$119 million in fiscal year 2025. This increase is primarily due to an increase in accounts payable to the University, leases payable (current and noncurrent), and unearned revenue. This increase was offset by decreases in accounts payable (nonpayroll related) and notes payable (noncurrent). Total liabilities of the Corporation reflected a decrease of \$13.6 million in fiscal year 2024. This decrease was primarily due to a decrease in other accounts payable, accounts payable to the University, notes payable, and unearned revenue.

- Accounts payable to the University totaled \$19 million; an overall increase of \$9.4 million. This increase was due to an increase of deans overhead net cash balances transferred to the University, sponsored award payments due from the Corporation to the University, and subcontracted employees of the Corporation to the University on sponsored awards. Accounts payable to the University decreased \$7.5 million in fiscal year 2024 due to a decrease in the transfer of deans overhead net cash balances transferred to the University and payroll reimbursements from the Corporation to the University.
- Leases payable (current and noncurrent) increased by \$1.6 million in fiscal year 2025 primarily due to the renewal of the Equities House lease which is a sublease to the University. This category experienced a decrease of \$234,000 in the prior year due to scheduled payments.
- Unearned revenue relating to sponsored awards decreased \$700,000 to a total of \$25 million in fiscal year 2025. This decrease is directly related to scheduled sponsored award payments. Unearned revenue relating to sponsored awards decreased \$560,000 in the prior year for similar reasons.
- Accounts payable (nonpayroll related) decreased \$1.6 million in fiscal year 2025. This decrease is directly tied to decreases in spending on sponsored awards and deans overhead accounts. In fiscal year 2024, this category experienced a decrease of \$4.3 million for similar reasons.

- Notes payable (noncurrent) decreased \$1.3 million to a total of \$52.7 million in fiscal year 2025 as a result of the debit service payments made on the Health Science Center Untied Bank loan and Beckley financing. This category also decreased \$1.2 million in fiscal year 2024 due to debt service payments.

The following is a comparative illustration of net position:



Net investment in capital assets net position increased \$2.3 million from the prior year primarily due to an increase in capital and leased assets net of accumulated depreciation and amortization, lease receivables, lease receivables from the University, and a decrease in debit service. This increase was offset by an increase in leases payable (current and non-current). Net investments in capital assets increased \$3.7 million in fiscal year 2024 due to an increase in capital assets, net of accumulated depreciation and amortization offset by debt service payments.

Restricted Sponsored Programs net position increased \$1.5 million in fiscal year 2025. This increase is due to an increase in receivables due from the University related to sponsored programs. This category showed no balance in fiscal year 2024.

Restricted Capital Projects net position increased \$1,000 in fiscal year 2025 due to transfers from unrestricted funding. This category showed no balance in fiscal year 2024.

Unrestricted net position increased \$1.5 million in fiscal year 2025. This increase is due to an increase in cash and cash equivalents, investments, and other accounts receivable. This increase is offset by an increase in accounts payable and payroll accruals and compensated absences. Unrestricted net position increased \$8.4 million in fiscal year 2024 due to decreases in accounts payable other and accounts payable due to the University and increases in investments and accounts receivable.

Revenues, Expenses and Changes in Net Position

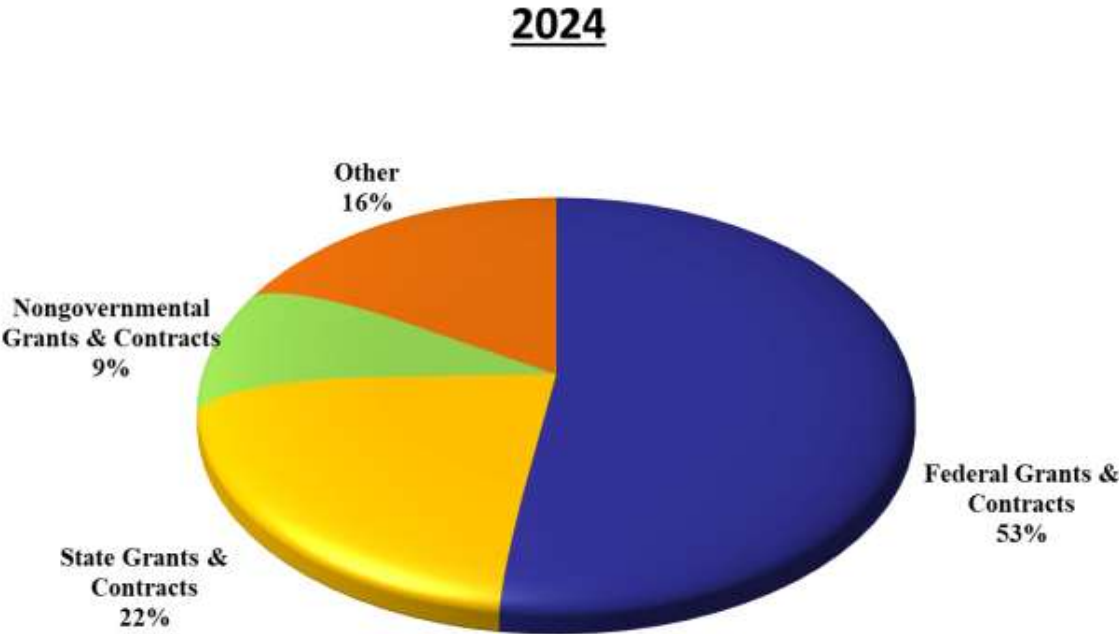
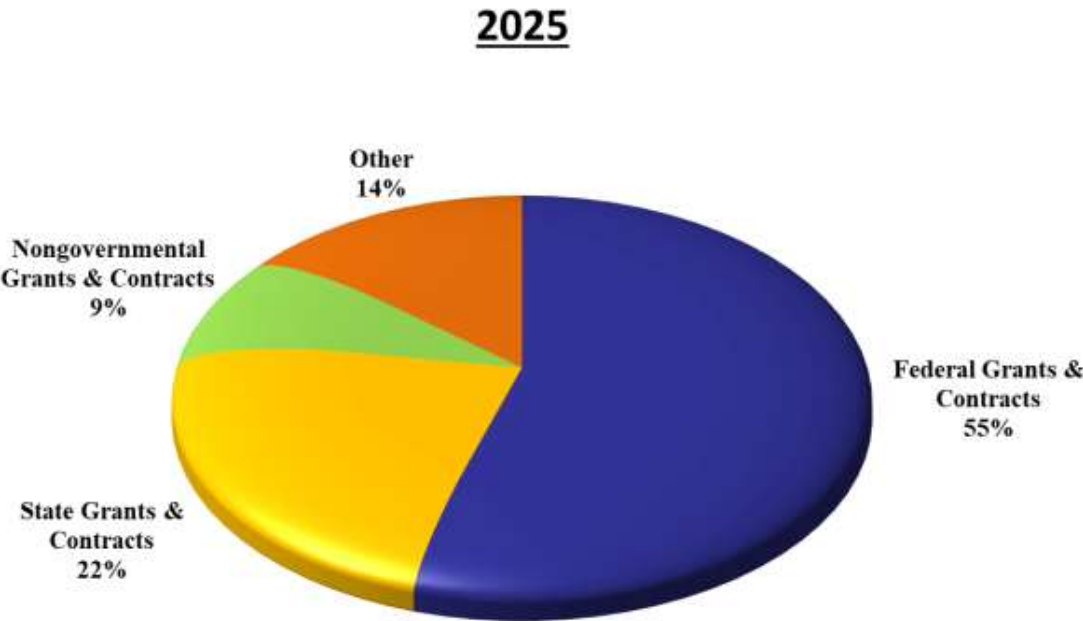
The statements of revenues, expenses and changes in net position present the operating revenues, operating expenses, nonoperating revenues and expenses and other revenues, expenses, gains, or losses of the Corporation. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

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

	Years Ended June 30		
	2025	2024	2023
Operating Revenues	\$ 166,949	\$ 173,923	\$ 159,718
Operating Expenses	171,909	173,011	165,813
Operating Income (Loss)	(4,960)	912	(6,095)
Net Nonoperating Revenues	14,660	18,176	14,686
Income before Other Revenues, Expenses, Gains, or Losses	9,700	19,088	8,591
Capital Grants and Gifts	-	218	182
Transfer of Assets to the University	(7,457)	(9,928)	(8,056)
Transfer of Assets from the University	3,101	2,808	596
Increase in Net Position	5,344	12,186	1,313
Net Position at Beginning of Year	53,491	41,305	39,992
Net Position at End of Year	\$ 58,835	\$ 53,491	\$ 41,305

Revenues:

The following charts illustrate the composition of revenues by source for 2025 and 2024.

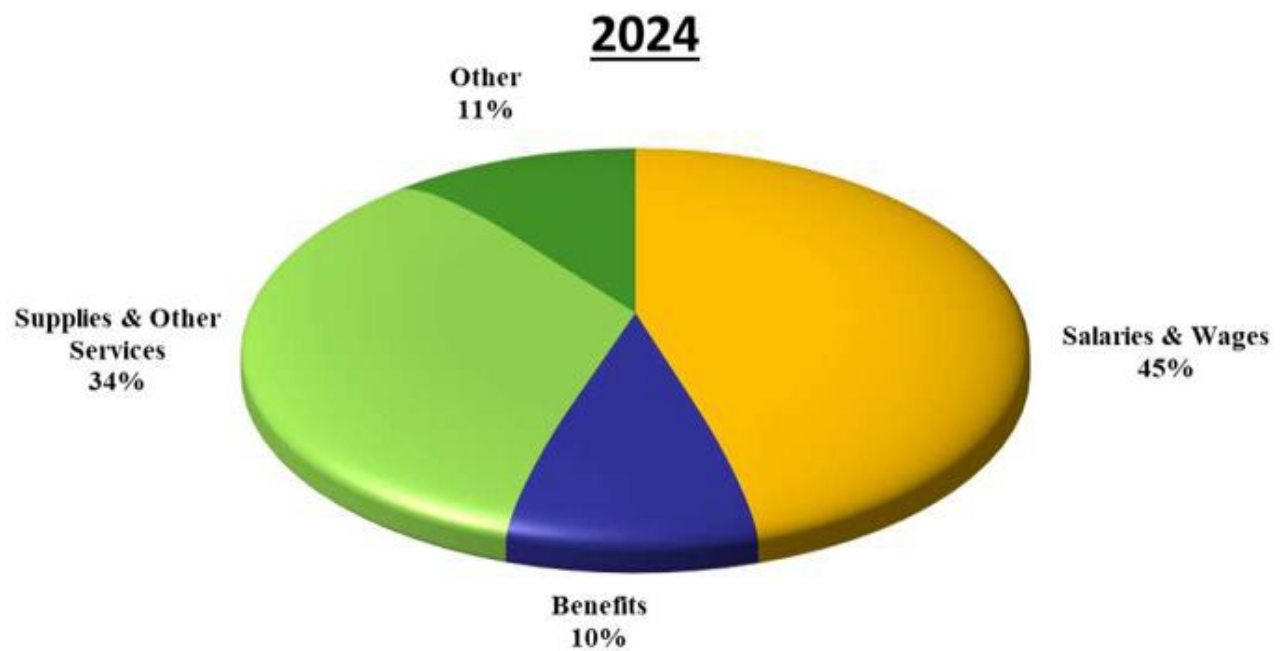
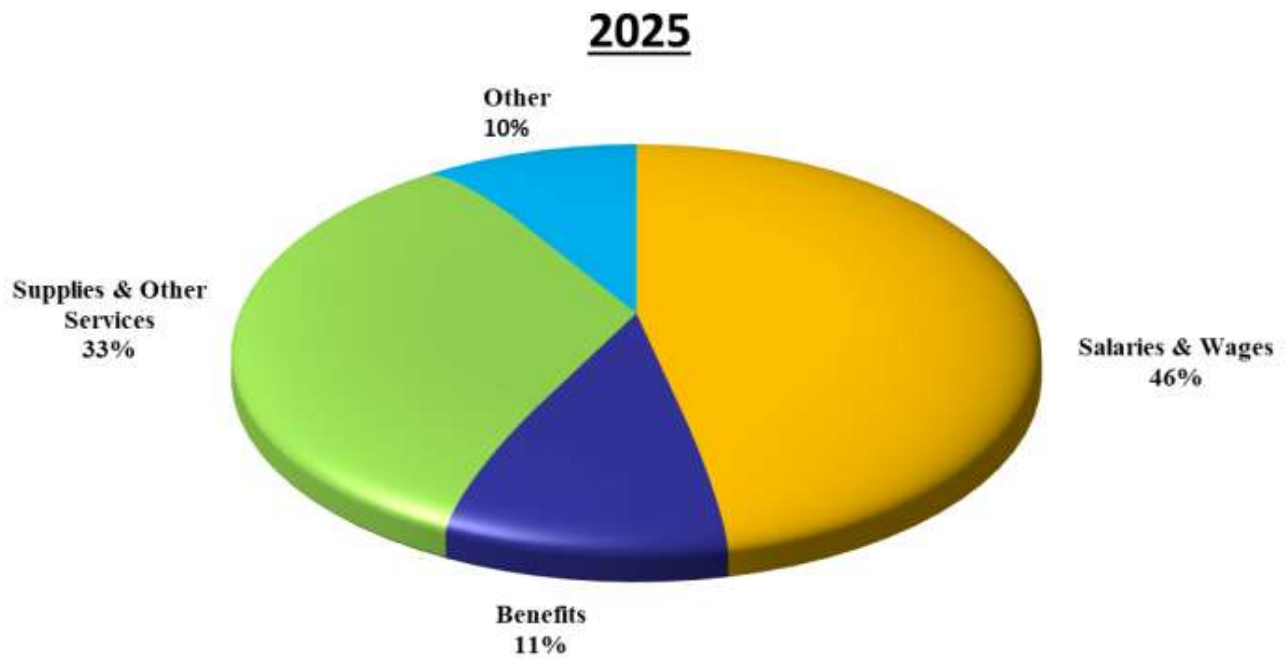


Total revenues for fiscal year 2025 were \$187 million, a decrease of \$10 million when compared to the previous year. The change in total revenues can primarily be attributed to a decrease in gift revenue, net operating revenue from the University, and non-governmental, state, and federal grants and contracts. Total revenues increased in fiscal year 2024 by \$20 million. This increase was attributed to an increase in federal and state grants and contracts, investment income, gifts, net operating revenue from the University, and the transfer of assets from the University.

- Gift revenue decreased \$3.6 million to a total of \$14.6 million. This decrease is directly tied to revenue received from the WVU Foundation on back bill accounts and the Research Trust Fund Program. This category experienced an increase of \$3 million in fiscal year 2024. This increase is attributed to an increase in the WVU Foundation back bill account.
- Net operating revenue from the University decreased \$2.6 million to a total of \$4.9 million. This is due to a decrease in transfers from the University related to the Research Trust Funds and a decrease in departmental transfers between the two reporting entities. Net operating revenue from the University increased \$4.9 million to a total of \$7.5 million in fiscal year 2024 due to increased activity on subcontracted awards between the Corporation and the University, transfers from the University related to the Research Trust Funds and departmental transfers between the two reporting entities.
- Non-governmental grants and contracts decreased \$1.8 million compared to the prior year. This change can be attributed to a decrease in active sponsored awards in fiscal year 2025. This category decreased \$430,000 when comparing fiscal year 2024 to fiscal year 2023. This increase can be related to an increase in active sponsored awards and an increase in deans overhead fund balances.
- State grants and contracts decreased \$1.5 million to a total of \$42 million due to a decrease in activity on state grants and contracts as well as a decrease in deans overhead fund balances. State grants and contracts increased \$7.9 million in the prior year due to an increase in new sponsored awards and activity in existing awards.
- Federal grants and contracts decreased \$820,000 million in fiscal year 2025 to a total of \$103 million. This is directly tied to decreased activity on existing sponsored awards. Federal grants and contracts experienced an increase of \$1.5 million in fiscal year 2024 due to an increase in new sponsored awards as well as increased activity on existing awards.

Expenses:

The following is a graphic comparison of total expenses by category between 2025 and 2024.



Total expenses for fiscal year 2025 decreased \$3.6 million to a total of \$182 million when compared to fiscal year 2024. The change in expenses can be attributed to decreases in supplies and other services, transfer of assets to the University, and scholarships and fellowships. These decreases are offset by increases in benefits and salaries and wages. Total expenses for fiscal year 2024 increased \$9.1 million due to increases in supplies and other services, salaries and wages, fringe benefits, and the transfer of assets to the University.

- Supplies and other services decreased \$2.8 million to a total of \$60.4 million in fiscal year 2025. This was primarily due to decreased spending on restricted funds for sponsored awards and unrestricted deans overhead and support accounts. In fiscal year 2024, this category experienced an increase of \$646,000 primarily due to an overall increase on sponsored awards and Foundation backbill accounts.
- Transfer of assets to the University totaled \$7.5 million in fiscal year 2025; a decrease of \$2.5 million. This decrease represents a decrease in construction in process and capital equipment transferred to the University. In fiscal year, 2024, transfer of assets to the University increased \$1.9 million due to an increase in capital equipment transferred from the Corporation to the University.
- Scholarships and fellowships decreased \$835,000 to a total of \$3 million. The largest decrease in this category occurred in the total number of sponsored awards providing scholarships and fellowships. This category experienced a slight increase of \$107,000 in fiscal year 2025 with increases noted in Research Trust funds and sponsored award support.
- Fringe benefits increased \$1.6 million in fiscal year 2025. This category increased to a total of \$20.8 million due to an overall increase in premiums as well as an increase in salaries and wages. In fiscal year 2024, fringe benefits increased \$1.9 million due to similar reasons.
- Salaries and wages increased \$902,000 due to an increase in salaries and wages paid to Corporation employees versus state employees. This increase is directly related to work performed on restricted sponsored awards by Corporation employees. Salaries and wages increased \$5.1 million in fiscal year 2024 due to an increase in sponsored awards and backbill accounts reimbursed by the Foundation.

Cash Flows

The statements of cash flows provide information about the cash receipts, cash payments, and net change in cash resulting from the operating, investing, and financing (capital and noncapital) activities of the Corporation during the year. This statement helps users assess the Corporation's ability to generate net cash flows, its ability to meet obligations as they come due, and any potential need for external financing.

The statement of cash flows is divided into five sections:

Cash flows from operating activities. This section shows the net cash provided by the operating activities of the Corporation.

Cash flows from noncapital financing activities. This section reflects the cash received and paid for non-operating, non-investing, and non-capital financing purposes.

Cash flows from capital financing activities. This section includes cash used for the acquisition and construction of capital and related items.

Cash flows from investing activities. This section shows the purchases, proceeds, and interest received from investing activities.

Reconciliation of operating income to net cash provided by operating activities. This section provides a schedule that reconciles the accrual-based operating income (loss) and net cash provided by (used in) operating activities.

Condensed Statements of Cash Flows (in thousands)

	Years Ended June 30		
	2025	2024	2023
Cash Provided By (Used In):			
Operating Activities	\$ 4,560	\$ (11,573)	\$ (10,230)
Noncapital Financing Activities	14,625	18,307	15,142
Capital Financing Activities	(9,053)	(14,181)	(11,229)
Investing Activities	1,076	989	663
Increase (Decrease) in Cash and Cash Equivalents	11,208	(6,458)	(5,654)
 Cash and Cash Equivalents, Beginning of Year	 27,571	 34,029	 39,683
 Cash and Cash Equivalents, End of Year	 \$ 38,779	 \$ 27,571	 \$ 34,029

Total cash and cash equivalents increased by approximately \$11.2 million during fiscal year 2025 to \$38.8 million.

- Net cash used in operating activities increased by \$16.1 million primarily due to decreases in payments for operating expenses to the University, payments to suppliers, payments for scholarships and fellowships, and an increase in other receipts. This was offset by a decreased inflow of grants and contracts, and increased outflow of payments to employees of the Corporation, and payments for benefits to the Corporation. Net cash used in operating activities increased \$1.3 million in fiscal year 2024 due to increased outflows from payments to suppliers and employees of the University and Corporation, payments for fringe benefits and operating expenses to the University.
- Net cash provided by non-capital financing activities experienced a decrease of \$3.7 million due to a decreased inflow of gift revenue being offset by a slight increase in other non-operating receipts. This category experienced an increase in fiscal year 2024 due to an increased inflow of gift revenue.
- Net cash used in capital financing activities decreased \$5.1 million in fiscal year 2025. This decrease is due to a decreased outflow for the purchase of assets purchased and transferred to the University, increased inflow for lease proceeds and lease proceeds from the University. Offsetting the decrease was decreased capital gifts and grants received and an increase in principal paid on capital debt and leases. Net cash used in capital financing activities increased \$3 million in fiscal year 2024 due to an increased outflow of assets purchased and transferred to the University off set by decreased outflows for principal paid on capital debit and leases.
- Net cash provided by investing activities increased \$87,000 in fiscal year 2025 due to a decreased outflow for the purchase of investments offset by a decreased inflow of investment income. This category reflected an increase of \$326,000 in fiscal year 2024 due to increased inflows from investment income

Capital Asset and Long-Term Debt Activity

During fiscal year 2006, the Board of Directors of the Corporation approved a borrowing plan by the Corporation of up to \$24.4 million to finance certain improvements at Health Sciences Center including financing the construction of the Biomedical Research Building, and the HSC Learning Center and Library Addition. The Corporation had entered into construction loan and pledge agreements with the West Virginia Housing Development Fund, the West Virginia Economic Development Authority, and the West Virginia Infrastructure and Jobs Development Council to finance such projects. In December 2012, the loans were refinanced through United Bank. This refinance resulted in a fiscal year 2013 gain from early extinguishment of debt of \$592,000 and contributed to a decrease of \$355,000 in interest on capital debt. In fiscal year 2014, a deferred gain on refunding of \$521,000 was recorded as an adjustment to the fiscal year 2013 gain from early extinguishment of debt. Starting in fiscal year 2014, this gain is being amortized over the remaining life of the debt; as of June 30, 2025, the deferred gain on refunding was \$26,000. The United Bank loan amount is recorded as notes payable. Refer to the notes to the financial statements for more information.

The Corporation received a 30-year term loan from United Bank in December 2016. Proceeds of \$24 million were used to finance the costs associated with the acquisition of the land, facilities, construction, improvements, and operation of the Beckley campus. Additionally, the proceeds were used to pay the principal balance on the bridge loan received in fiscal year 2016 in full. In December of fiscal year 2018, the Corporation obtained a Senior Secured note with Wells Fargo Bank in the amount of \$42 million. Proceeds from the note were used to pay the United Bank loan and provide additional funding for Beckley campus improvements.

During fiscal year 2025, the Corporation transferred \$7.5 million and \$3.1 million in assets to and from the University, respectively. This primarily consisted of equipment, construction-in-progress and library materials. During fiscal year 2024, the Corporation transferred \$9.9 million and \$2.8 million in assets to and from the University, respectively.

There have been no significant changes in credit ratings or debt limitations that may affect future financing for the Corporation. Refer to the notes to the financial statements for more information.

Economic Outlook

Research is an integral part of the University's mission, and the Corporation facilitates this mission through its role as fiscal agent for sponsored projects. The Corporation also uses its unique status to maximize the effectiveness of technology transfer in addition to its economic and business development functions. One important indication of this success is WVU's classification as an R1, Doctoral University – Highest Research Activity, by the Carnegie Foundation. Currently, there are 187 institutions recognized as an R1 institution and 135 of them are public. WVU has maintained a Carnegie R1 status since 2016. Sponsored Expenditures came in at \$264M for FY 2025 with \$132M coming from Federal Agencies (in 2024 the numbers were \$275M total expenditures and \$128M from federal funds). The effective F&A recovered increased from 25.6 to 26.5. The effective F&A recovery rate increased from 18.7% to 19.8%.

Comparing 2024 to 2025 for our primary Federal research Sponsors:

DoE-Funded Expenditures decreased from \$19.8M to \$16.2M

HHS-Funded Expenditures grew from \$50M to \$54.6M

USDA-Funded Expenditures grew from \$7.7M to \$8M

NASA-Funded Expenditures decreased from \$7.7M to \$6.5M

NSF – Funded Expenditures decreased from \$14.1M to \$14M.

The continued increase in federal funding received is a direct result of the university's investments in improving the competitiveness of the faculty through support to ensure that resubmitted proposals have a significantly enhanced probability of success, grant development mentoring, and internal reviewing services. Our focus on areas such as Neuroscience, Cancer, Energy and Sustainability, and Aerospace is yielding many of the increases noted above. It should also be noted that the F&A recovery has grown by over \$16M since 2020.

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

Contact the Office of the Senior Associate Vice President for Finance at 304-293-4008 with any questions.

WEST VIRGINIA UNIVERSITY RESEARCH CORPORATION**STATEMENTS OF NET POSITION****AS OF JUNE 30, 2025 AND 2024****(Dollars in Thousands)**

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 38,587	\$ 27,379
Investments	16,482	15,139
Leases receivable - WVU, current portion	360	-
Accounts receivable, net of allowances for doubtful accounts of \$1,726 and \$2,430	50,088	49,990
Due from the Higher Education Policy Commission	395	442
Leases receivable - current	233	-
Prepaid expenses	320	378
Notes receivable	200	200
Total current assets	106,665	93,528
Noncurrent Assets:		
Restricted cash and cash equivalents	192	192
Investments	1,197	1,376
Other accounts receivable	15	15
Leases receivable	185	-
Leases receivable - WVU	1,152	-
Capital and intangible right to use assets, net	70,269	68,211
Total noncurrent assets	73,010	69,794
TOTAL ASSETS	\$ 179,675	\$ 163,322

(continued)

WEST VIRGINIA UNIVERSITY RESEARCH CORPORATION**STATEMENTS OF NET POSITION (CONTINUED)**

(Dollars in Thousands)

	2025	2024
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities:		
Accounts payable	\$ 12,362	\$ 13,964
Accounts payable - West Virginia University	18,842	9,488
Accrued liabilities	196	192
Accrued payroll	4,984	4,687
Unearned revenue	25,073	24,389
Compensated absences	1,835	1,714
Subscription liabilities, current portion	-	24
Leases payable, current portion	771	336
Notes payable, current portion	1,266	1,202
Total current liabilities	<u>65,329</u>	<u>55,996</u>
Noncurrent Liabilities:		
Leases payable	2,159	1,036
Notes payable	51,417	52,728
Total noncurrent liabilities	<u>53,576</u>	<u>53,764</u>
TOTAL LIABILITIES	<u>118,905</u>	<u>109,760</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding	26	71
Deferred inflows related to leases	417	-
Deferred inflows - leases with primary government	1,492	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,935</u>	<u>71</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>\$ 120,840</u>	<u>\$ 109,831</u>
NET POSITION		
Net investment in capital assets	\$ 21,842	\$ 19,520
Restricted for:		
Expendable:		
Sponsored programs	1,512	-
Capital projects	1	-
Total restricted expendable	<u>1,513</u>	<u>-</u>
Unrestricted	<u>35,480</u>	<u>33,971</u>
TOTAL NET POSITION	<u>\$ 58,835</u>	<u>\$ 53,491</u>

See notes to financial statements.

WEST VIRGINIA UNIVERSITY RESEARCH CORPORATION**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

(Dollars in Thousands)

	2025	2024
OPERATING REVENUES		
Federal grants and contracts	\$ 103,007	\$ 103,889
State grants and contracts	42,141	43,643
Local grants and contracts	196	200
Nongovernmental grants and contracts	15,958	17,718
Sales and services of educational departments	344	727
Net operating revenue from the University	4,889	7,517
Other operating revenues	414	229
Total operating revenues	166,949	173,923
OPERATING EXPENSES		
Salaries and wages	84,369	83,468
Benefits	20,774	19,168
Scholarships and fellowships	2,999	3,834
Utilities	303	281
Supplies and other services	60,387	63,158
Depreciation and amortization	3,066	3,095
Other operating expenses	11	7
Total operating expenses	171,909	173,011
OPERATING INCOME (LOSS)	(4,960)	912
NONOPERATING REVENUES (EXPENSES)		
Gifts	14,578	18,207
Investment income (including unrealized gain of \$1,173 and \$455)	2,206	2,258
Interest on capital asset-related debt	(2,589)	(2,614)
Interest revenue from the University	428	330
Other nonoperating revenues (expenses) - net	37	(5)
Net nonoperating revenues	14,660	18,176
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	9,700	19,088
Capital grants and gifts	-	218
INCREASE IN NET POSITION BEFORE TRANSFERS	9,700	19,306
TRANSFER OF ASSETS TO THE UNIVERSITY	(7,457)	(9,928)
TRANSFER OF ASSETS FROM THE UNIVERSITY	3,101	2,808
INCREASE IN NET POSITION	5,344	12,186
NET POSITION--BEGINNING OF YEAR	53,491	41,305
NET POSITION--END OF YEAR	\$ 58,835	\$ 53,491

See notes to financial statements.

WEST VIRGINIA UNIVERSITY RESEARCH CORPORATION**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024****(Dollars in Thousands)**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants and contracts	\$ 162,261	\$ 164,947
Payments to suppliers	(62,181)	(66,120)
Payments to employees of the University and Corporation	(84,113)	(83,414)
Payments for benefits to the University and Corporation	(20,470)	(20,077)
Payments for utilities	(297)	(277)
Payments for scholarships and fellowships	(2,999)	(3,834)
Receipts (payments) of operating expenses to the University	11,948	(2,283)
Other receipts (payments)	411	(515)
Net cash provided by (used in) operating activities	4,560	(11,573)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Gifts	14,578	18,207
Purchase of promissory notes	-	100
Other nonoperating receipts	47	-
Cash provided by noncapital financing activities	14,625	18,307
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital gifts and grants received	-	46
Purchases of capital assets	(7,120)	(12,265)
Proceeds from leases	48	-
Proceeds from leases to the University	404	343
Principal paid on capital debt, leases and subscriptions	(1,518)	(1,433)
Interest paid on capital debt, leases and subscriptions	(867)	(872)
Net cash used in capital financing activities	(9,053)	(14,181)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	1,405	1,778
Liquidation and redemption of investments	-	60
Purchase of investments	(329)	(849)
Net cash provided by investing activities	1,076	989
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,208	(6,458)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	27,571	34,029
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 38,779	\$ 27,571

(continued)

WEST VIRGINIA UNIVERSITY RESEARCH CORPORATION
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Dollars in Thousands)

	2025	2024
Reconciliation of operating loss to net cash used in operating activities:		
Operating income (loss)	\$ (4,960)	\$ 912
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	3,066	3,095
Amortization - intra-entity leases	(373)	(325)
Beckley lease transfer to the University	(2,294)	(2,298)
Changes in assets and liabilities:		
Accounts receivable, net	(132)	(1,081)
Due from the Commission	47	(195)
Prepaid expenses	59	159
Accounts payable	7,673	(11,781)
Accrued liabilities	670	403
Unearned revenue	684	(561)
Compensated absences	120	99
Net cash provided by (used in) operating activities	<u>\$ 4,560</u>	<u>\$ (11,573)</u>
Noncash Transactions:		
Lessee arrangements	<u>\$ 233</u>	<u>\$ 404</u>
Lessor arrangements	<u>\$ 464</u>	<u>\$ -</u>
Unrealized gain on investments	<u>\$ 1,173</u>	<u>\$ 455</u>
Deferred gain on refunding	<u>\$ 45</u>	<u>\$ 45</u>
Capital assets transferred to the University	<u>\$ (7,457)</u>	<u>\$ (9,928)</u>
Capital assets transferred from the University	<u>\$ 3,101</u>	<u>\$ 2,808</u>
Reconciliation of cash and cash equivalents to the statements of net position:		
Cash and cash equivalents classified as current assets	\$ 38,587	\$ 27,379
Cash and cash equivalents classified as noncurrent assets	192	192
	<u>\$ 38,779</u>	<u>\$ 27,571</u>

See notes to financial statements.

WEST VIRGINIA UNIVERSITY RESEARCH CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

1. ORGANIZATION

West Virginia University Research Corporation (the "Corporation") is a not-for-profit corporation incorporated in 1986, pursuant to the laws of the State of West Virginia (the "State"). The purpose of the Corporation is to foster and support research at West Virginia University (the "University") and to provide commercial outlets for the research activities of the University faculty, staff and students. With the assistance of the University, the Corporation has been designated by the University to fulfill the role of public institutions to work in partnership with business, industry or government and encourages the acceptance of gifts, grants, contracts and equipment, and the sharing of facilities, equipment and skilled personnel to promote and develop joint, applied research and development, technical assistance and instructional programs in the State. The Corporation receives grants on behalf of the University, some of which are for the construction or acquisition of capital assets. These expenditures are recorded on the Corporation's records and the completed or substantially completed asset is transferred to the University as the beneficiary of the asset. The portion of the assets financed by the notes payable is recorded on the Corporation's records (see Note 12). The Corporation exists as an organization separate from the University. West Virginia State code allows the Corporation to employ personnel separate from the University. The Corporation chose to exercise this option effective January 1, 2005. The Corporation maintains a payroll and human resources information system separate from the University. The Corporation first began fulfilling its purpose in 1990.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- a. *Reporting Entity* – The Corporation is a blended component unit of the University, as the University is the sole member of the non-stock not-for-profit corporation and is combined in the University's financial statements. The University is an operating unit of the West Virginia Higher Education Fund and represents separate funds of the State that are not included in the State's general fund. The University is a separate entity, which, along with all State institutions of higher education, the West Virginia Higher Education Policy Commission (the "Commission") (which includes West Virginia Network for Educational Telecomputing (WVNET)), and the West Virginia Council for Community and Technical College Education form the Higher Education Fund of the State. The Higher Education Fund is considered a component unit of the State, and its financial statements are discretely presented in the State's comprehensive annual financial report.

The accompanying financial statements include financial information as of June 30, 2025 and June 30, 2024 and for the period from July 1, 2024 through June 30, 2025 and July 1, 2023 through June 30, 2024 for fiscal years 2025 and 2024, respectively, of F&P Realty Company (the “Company”), in which the Corporation is the sole stockholder. The Corporation purchased all of the outstanding shares of the Company on October 31, 2010.

- b. *Basis of Accounting* – For financial reporting purposes, the Corporation is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the Corporation have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenses are reported when materials or services are received. All accounts and transactions between the Corporation and the Company have been eliminated.
- c. *Cash and Cash Equivalents* – For purposes of the statement of net position, the Corporation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Cash in bank accounts may include deposits in the Insured Cash Sweep (ICS) program.

- d. *Investments* – Investments that are (1) externally restricted to make debt service payments or to maintain sinking funds or reserve funds, to purchase capital or other noncurrent assets or to settle long-term liabilities, or (2) permanently restricted components of net position are classified as a noncurrent asset on the statement of net position. All other investments are classified as current or noncurrent based on the underlying investment.
- e. *Accounts Receivable* – Accounts receivable include amounts receivable from sponsoring agencies on contracts and grants.

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

- f. *Allowance for Doubtful Accounts* – It is the Corporation’s policy to provide for future losses on uncollectible contracts and grants receivable based on an evaluation of the underlying contract and grant balances, the historical collectability experienced by the Corporation on such balances and such other factors which, in the Corporation’s judgment, require consideration in estimating doubtful accounts.
- g. *Leases Receivable* – Leases receivable include amounts due from external parties for long-term leases of land and building space, recorded at the present value of lease payments expected to be received during the lease term.

- h. *Leases Receivable – West Virginia University* – Leases receivable – West Virginia University includes the Corporation's receivable from the University for the sublease of office space in Charleston, WV.
- i. *Noncurrent Cash and Cash Equivalents* – Cash that is externally restricted to make debt service payments or to maintain sinking funds or reserve funds or to purchase capital or other noncurrent assets or settle long-term liabilities is classified as a noncurrent asset on the statement of net position.
- j. *Capital and Intangible Right-to-Use Assets* – Capital assets include property, plant and internally generated software. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is generally 15 to 50 years for buildings, infrastructure, and land improvements, 3 to 15 years for furniture, equipment and internally generated software.

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

Other assets include donated right-to-use software with a term greater than twelve months. These assets are recorded at the acquisition value at the date of donation and are amortized over the term of the use agreement.

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

- k. *Accounts Payable – West Virginia University* – Accounts payable – West Virginia University primarily includes the Corporation's liability to the University for the dean's portion of overhead earned on sponsored awards.
- l. *Unearned Revenue* – Revenues for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue, including advance payments on sponsored awards.
- m. *Compensated Absences* – GASB requires recognition of a liability for leave that accumulates and is attributable to services already rendered and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The Corporation's full-time employees earn up to two days paid time off for each month of service and are entitled to compensation for accumulated, unpaid leave upon termination.

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

- n. *Noncurrent Liabilities* – Noncurrent liabilities include liabilities that will not be paid within the next fiscal year.

- o. Net Position* – GASB establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a basis to focus on the Corporation as a whole. Net position is classified into four categories according to external donor restrictions or availability of assets for satisfaction of Corporation obligations. The Corporation’s components of net position are classified as follows:

Net investment in capital and intangible right-to-use assets: This represents the Corporation’s total investment in capital intangible right-to-use assets, net of accumulated depreciation/amortization and outstanding debt obligations related to those assets. To the extent debt has been incurred but not yet expended, such amounts are not included as a component of net investment in capital and intangible right-to-use assets, net of related debt.

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

Restricted – nonexpendable: This includes endowment and similar type funds which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal. The Corporation did not have any restricted nonexpendable net position as of June 30, 2025 and 2024.

Unrestricted - This includes resources that are not subject to externally imposed stipulations. Such resources are derived from investment income and sales and services of educational activities. This component is used for transactions related to the educational and general operations of the Corporation and may be designated for specific purposes by action of the Board of Directors.

- p. Classification of Revenues:* The Corporation has classified its revenues according to the following criteria:

Operating Revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) most federal, state, local and nongovernmental grants and contracts, and (2) sales and services of educational activities.

Nonoperating Revenues: Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB, such as investment income.

Other Revenues: Other revenues primarily consist of capital grants and gifts.

- q. Use of Restricted Net Position* – The Corporation has adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available. The Corporation attempts to utilize restricted components of net position first when practicable. The Corporation did not have any designated components of net position as of June 30, 2025 or 2024.

- r. *Government Grants and Contracts* – Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. The Corporation 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 four years.
- s. *Income Taxes* – The Corporation has received from the Internal Revenue Service an exemption from taxation under Section 501 (c) (3) of the Internal Revenue Code as an entity organized for educational, research and economic development purposes.
- t. *Cash Flows* – Any cash and cash equivalents escrowed, restricted for noncurrent assets, or in funded reserves are included as cash and cash equivalents for the purpose of the statement of cash flows.
- u. *Deferred Outflows of Resources* – Consumption of net assets by the Corporation that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position. The Corporation did not have any deferred outflows of resources as of June 30, 2025 or 2024.
- v. *Deferred Inflows of Resources* – Acquisition of net assets by the Corporation 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, 2025 and 2024, the Corporation had a deferred gain on refunding of \$26,000 and \$71,000, respectively. As of June 30, 2025 and 2024, the Corporation also had deferred inflows related to a sublease of office space to the University of \$417,000 and \$0, respectively. As of June 30, 2025 and 2024, the Corporation also had deferred inflows related to leases with primary government of \$1,492,000 and \$0, respectively.
- w. *Risk Management* – The State’s Board of Risk and Insurance Management (BRIM) provides general and professional liability, property and auto insurance coverage to the Corporation. Such coverage is provided to the Corporation through a self-insurance program maintained by BRIM for liability and auto insurance coverage. BRIM maintains a self-insurance program to pay the first \$1,000,000 of each property insurance claim and purchases excess property insurance from the commercial insurance market up to a limit of \$3,000,000 per occurrence. BRIM self-insurance programs may involve experience and exposure related premiums.

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

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

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

Beazley provides a Data Breach Response insurance policy to cover claims commonly referred to as “cyber liability” claims. “First party” claims coverage includes financial expenses associated with a data breach including business interruption, cyber extortion, and data recovery. “Third party” claims coverage includes the financial expenses associated with a data breach that are incurred by other than the Corporation including disclosure of personally identifiable information, regulatory defense and penalties, and payment card liabilities and costs. The Corporation is insured under the same policy as the University.

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

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

- x. *Use of Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- y. *Risks and Uncertainties* – The Corporation utilizes various investment instruments that are exposed to risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements and accompanying notes.
- z. *Newly Adopted Statements Issued by GASB* – The Corporation has implemented Statement No. 101, “*Compensated Absences*”. This statement establishes accounting and financial reporting requirements for compensated absences and associated salary-

related payments. This statement did not have a material impact on the financial statements.

The Corporation has also implemented Statement No. 102, “*Certain Risk Disclosures*”. This statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. No additional disclosures were required to the Corporation’s financial statements.

- aa. *Recent Statements Issued by GASB* – GASB has issued Statement No. 103, “*Financial Reporting Model Improvements*”. The objective of this statement is to improve key components of the financial reporting model. This statement establishes new accounting and financial reporting requirements – or modifies existing requirements – related to the following: management’s discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This statement is effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter. The Corporation has not yet determined the effect that the adoption of GASB Statement No. 103 may have on its financial statements.

GASB has also issued Statement No. 104, “*Disclosure of Certain Capital Assets*”. The objective of this statement is to improve key components of the financial reporting model. This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets footnotes. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. This statement is effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter. The Corporation has not yet determined the effect that the adoption of GASB Statement No. 104 may have on its financial statements.

3. CASH AND CASH EQUIVALENTS

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

2025

	Current	Noncurrent	Total
Cash in Bank	\$ 38,587	\$ -	\$ 38,587
Cash on deposit with Trustee	-	192	192
	<u>\$ 38,587</u>	<u>\$ 192</u>	<u>\$ 38,779</u>

2024

	Current	Noncurrent	Total
Cash in Bank	\$ 27,379	\$ -	\$ 27,379
Cash on deposit with Trustee	-	192	192
	<u>\$ 27,379</u>	<u>\$ 192</u>	<u>\$ 27,571</u>

Cash in Bank. Cash in bank includes bank balances and may include deposits in the ICS program. The carrying amount of cash in bank at June 30, 2025 and 2024 was \$38.6 million and \$27.4 million, respectively, as compared with bank balances of \$38.8 million and \$29.0 million, respectively. The difference was primarily caused by items in transit and outstanding checks. Bank accounts and ICS deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per Federal Employer Identification Number. In addition, bank balances are collateralized with the bank through a Repurchase Agreement in the name of the Corporation.

Cash on Deposit with Trustee. Cash on deposit with Trustee represents funds available for debt service held by the Trustee and related to the Beckley loan (see Note 12).

4. LESSOR ARRANGEMENTS

On April 17, 2025, the Corporation entered into a lease agreement with the National Aeronautics and Space Administration (NASA) for the lease of office space in Fairmont, WV. During the year ended June 30, 2025, the Corporation recognized revenues related to this lease arrangement of \$50,000. This includes the amortization of deferred inflows and interest income. The general terms of this lease agreement are as follows:

Lease Type	Description	Rate	Lease Term	Payment Frequency	Payment Amount
Real Estate	NASA IV & V Facility Fairmont	3.27%	4/1/2025 to 5/20/2026	Monthly	\$ 20,833

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

5. LEASES RECEIVABLE – WEST VIRGINIA UNIVERSITY

At June 30, 2025, leases receivable – West Virginia University included the Corporation's receivable from the University for the sublease of office space in Charleston, WV. This lease was renewed for an additional five-year term on July 1, 2024.

6. NOTES RECEIVABLE

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

7. INVESTMENTS

The following Fair Value Levels represent the valuation of the underlying investments. Level 1 represents investments that have a quoted price in the active market. Level 2 represents investments with direct or indirect observable market inputs. Level 3 represents investments with no observable inputs.

On July 1, 2019, the University's investments with the Foundation, including the Corporation's investments, were consolidated into one client portfolio. For accounting and reporting purposes, these investments are considered to be part of an internal investment pool and, as such, are not included with disclosures for other investments of the Corporation.

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

2025

Investment Type	Fair Value	Level 1	Level 2	Level 3
Other Investments:				
WV Growth Investment LLC	\$ 54	\$ -	\$ -	\$ 54
Aspinity, Inc.	49	-	-	49
	<u>\$ 103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103</u>
Investments with the Foundation - WVU Investment Pool	<u>17,576</u>			
Total Investments	<u><u>\$ 17,679</u></u>			

2024

Investment Type	Fair Value	Level 1	Level 2	Level 3
Other Investments:				
WV Growth Investment LLC	\$ 80	\$ -	\$ -	\$ 80
Aspinity, Inc.	49	-	-	49
CereDx	313	-	-	313
	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 442</u>
Investments with the Foundation - WVU Investment Pool	<u>16,073</u>			
Total Investments	<u><u>\$ 16,515</u></u>			

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

	Current		Noncurrent		Total
As of June 30, 2025	\$	16,482	\$	1,197	\$ 17,679
As of June 30, 2024	\$	15,139	\$	1,376	\$ 16,515

The above table includes all of the Corporation's investments, including investments with the Foundation.

Investments with the Foundation – WVU Investment Pool – Beginning in 2007, an investment strategy was initiated for the Corporation. These long-term investments are managed by the Foundation. The Corporation's investments held with the Foundation are governed by an investment policy and an investment management agency agreement that determine the permissible investments by category. The holdings include investment cash accounts, commingled debt funds, commingled equity funds, mutual bond funds, mutual stock funds and fixed income funds. The investment management agency agreement outlines the acceptable exposure to each category of investment and generally outlines a liquidity goal. The agreement also states that at no time will illiquid investment assets (defined as those assets that cannot be converted into cash within 90 days) exceed 10% of the Corporation's investments.

Effective July 1, 2019, The University's investments with the Foundation were consolidated into one client portfolio, including the Corporation's investments. For accounting and reporting purposes, these investments are considered to be part of an internal investment pool and, as such, are not included with disclosures for other investments of the Corporation.

As of June 30, 2025 and 2024, the Corporation's investments held with the Foundation were \$17.6 million and \$16.1 million, respectively.

West Virginia Growth Investment, LLC – The Corporation owns four units of membership interest in West Virginia Growth Investment, LLC ("WVGI"). The Corporation's share of the capital account was \$54,000 and \$80,000 at June 30, 2025 and June 30, 2024, respectively. WVGI is a limited liability company formed to pool the capital resources and the business connections of accredited investors in and around the State of WV. Since the Corporation holds less than 20% of the ownership interest in WVGI, is not an officer of WVGI, cannot exercise significant influence over WVGI's operations and the fair value of the membership units cannot be readily determined, this investment was recorded using the cost basis of accounting.

Aspinity, Inc. – The Corporation owns 411,706 shares of preferred stock in Aspinity, Inc. These shares had a fair market value of \$49,000 at both June 30, 2025 and June 30, 2024.

CereDx, Inc – The Corporation owned 24,184 shares of preferred stock in CereDx, Inc at June 30, 2024. These shares had a fair market value of \$313,000. CereDx dissolved on January 23, 2025 and these investments were written off.

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

Credit Risk

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

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

Interest Rate Risk

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

No investments outside of the consolidated investment pool were subject to interest rate risk at both June 30, 2025 and June 30, 2024.

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

Concentration of Credit Risk

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

At both June 30, 2025 and 2024, the Corporation's investments outside of the consolidated investment pool were not subject to concentration of credit risk.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the agency will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. This risk is not applicable to external investment pools and open-end mutual funds.

For the Corporation's investments at June 30, 2025 and June 30, 2024, no investments were subject to custodial credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Disclosure is not required for external investment pools unless the fund represents a significant portion of the Corporation's investments.

At both June 30, 2025 and June 30, 2024, the Corporation's investments outside of the consolidated investment pool were not subject to foreign currency risk.

8. CAPITAL AND INTANGIBLE RIGHT-TO-USE ASSETS

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

2025	Beginning Balance	Additions	Completed CIP	Transfers to the University	Transfers from the University	Reductions	Ending Balance
Capital assets not being depreciated or amortized:							
Land	\$ 4,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,012
Construction in progress	1,909	964	(3,261)	(740)	2,928	-	1,800
Total capital assets not being depreciated or amortized	<u>\$ 5,921</u>	<u>\$ 964</u>	<u>\$ (3,261)</u>	<u>\$ (740)</u>	<u>\$ 2,928</u>	<u>\$ -</u>	<u>\$ 5,812</u>
Other capital assets:							
Land Improvements	\$ 524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 524
Buildings	85,170	-	907	-	-	-	86,077
Equipment	3,103	6,290	-	(6,132)	173	(721)	2,713
Library books	-	442	-	(443)	-	-	(1)
Infrastructure	1,715	-	2,355	-	-	-	4,070
Other Assets	438	-	-	-	-	-	438
Intangible right to use assets	2,841	2,822	-	(142)	-	(312)	5,209
Total other capital assets	<u>93,791</u>	<u>9,554</u>	<u>3,262</u>	<u>(6,717)</u>	<u>173</u>	<u>(1,033)</u>	<u>99,030</u>
Less accumulated depreciation or amortization for:							
Land Improvements	(176)	(35)	-	-	-	-	(211)
Buildings	(27,562)	(1,755)	-	-	-	-	(29,317)
Equipment	(1,363)	(184)	-	-	-	(6)	(1,553)
Infrastructure	(594)	(215)	-	-	-	-	(809)
Other Assets	(322)	(86)	-	-	-	-	(408)
Intangible right to use assets	(1,484)	(791)	-	-	-	-	(2,275)
Total other capital and intangible right to use assets	<u>(31,501)</u>	<u>(3,066)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(34,573)</u>
Other capital assets and intangible right to use assets, net	<u>\$ 62,290</u>	<u>\$ 6,488</u>	<u>\$ 3,262</u>	<u>\$ (6,717)</u>	<u>\$ 173</u>	<u>\$ (1,039)</u>	<u>\$ 64,457</u>
Capital and Intangible Right to Use Assets Summary:							
Capital assets not being depreciated or amortized	5,921	964	(3,261)	(740)	2,928	-	5,812
Other capital and intangible right to use assets	93,791	9,554	3,262	(6,717)	173	(1,033)	99,030
Total cost of capital and intangible right to use assets	<u>99,712</u>	<u>10,518</u>	<u>1</u>	<u>(7,457)</u>	<u>3,101</u>	<u>(1,033)</u>	<u>104,842</u>
Less accumulated depreciation and amortization	<u>\$ (31,501)</u>	<u>\$ (3,066)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6)</u>	<u>\$ (34,573)</u>
Capital and intangible right to use assets, net	<u>\$ 68,211</u>	<u>\$ 7,452</u>	<u>\$ 1</u>	<u>\$ (7,457)</u>	<u>\$ 3,101</u>	<u>\$ (1,039)</u>	<u>\$ 70,269</u>

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2024	Beginning Balance	Additions	Completed CIP	Transfers to the University	Transfers from the University	Reductions	Ending Balance
Capital assets not being depreciated or amortized:							
Land	\$ 4,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,012
Construction in progress	927	638	(1,796)	(113)	2,323	(70)	1,909
Total capital assets not being depreciated or amortized	<u>\$ 4,939</u>	<u>\$ 638</u>	<u>\$ (1,796)</u>	<u>\$ (113)</u>	<u>\$ 2,323</u>	<u>\$ (70)</u>	<u>\$ 5,921</u>
Other capital assets:							
Land Improvements	\$ 524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 524
Buildings	82,142	1,654	1,374	-	-	-	85,170
Equipment	2,474	9,966	-	(9,235)	484	(586)	3,103
Library books	-	438	-	(438)	-	-	-
Infrastructure	1,293	-	422	-	-	-	1,715
Other Assets	266	172	-	-	-	-	438
Intangible right to use assets	3,895	792	-	(142)	-	(1,704)	2,841
Total other capital assets	<u>90,594</u>	<u>13,022</u>	<u>1,796</u>	<u>(9,815)</u>	<u>484</u>	<u>(2,290)</u>	<u>93,791</u>
Less accumulated depreciation or amortization for:							
Land Improvements	(141)	(35)	-	-	-	-	(176)
Buildings	(25,836)	(1,726)	-	-	-	-	(27,562)
Equipment	(1,152)	(290)	-	-	-	79	(1,363)
Infrastructure	(482)	(112)	-	-	-	-	(594)
Other Assets	(265)	(57)	-	-	-	-	(322)
Intangible right to use assets	(2,169)	(875)	-	-	-	1,560	(1,484)
Total other capital and intangible right to use assets	<u>(30,045)</u>	<u>(3,095)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,639</u>	<u>(31,501)</u>
Other capital assets and intangible right to use assets, net	<u>\$ 60,549</u>	<u>\$ 9,927</u>	<u>\$ 1,796</u>	<u>\$ (9,815)</u>	<u>\$ 484</u>	<u>\$ (651)</u>	<u>\$ 62,290</u>
Capital and Intangible Right to Use Assets Summary:							
Capital assets not being depreciated or amortized	4,939	638	(1,796)	(113)	2,323	(70)	5,921
Other capital and intangible right to use assets	<u>90,594</u>	<u>13,022</u>	<u>1,796</u>	<u>(9,815)</u>	<u>484</u>	<u>(2,290)</u>	<u>93,791</u>
Total cost of capital and intangible right to use assets	<u>95,533</u>	<u>13,660</u>	<u>-</u>	<u>(9,928)</u>	<u>2,807</u>	<u>(2,360)</u>	<u>99,712</u>
Less accumulated depreciation and amortization	<u>\$ (30,045)</u>	<u>\$ (3,095)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,639</u>	<u>\$ (31,501)</u>
Capital and intangible right to use assts, net	<u>\$ 65,488</u>	<u>\$ 10,565</u>	<u>\$ -</u>	<u>\$ (9,928)</u>	<u>\$ 2,807</u>	<u>\$ (721)</u>	<u>\$ 68,211</u>

Depreciation on capital assets is computed using the straight-line method over the estimated useful life of the asset (see Note 2j). The Corporation's depreciation expense for fiscal years 2025 and 2024 was \$60.4 million and \$63.2 million, respectively.

The Corporation leases buildings, equipment and software from external parties. In accordance with governmental accounting standards, the University records right-to-use assets and lease liabilities (see Note 10) based on the net present value of the expected payments over the terms of the lease agreements. The future lease payments are discounted using the interest rate charged by the lessor or the interest rate implicit in the lease. If the interest rate could not be readily determined, the estimated incremental borrowing rate was used. Variable payments are excluded unless they are fixed in substance. These assets are amortized over the shorter of the lease term or the estimated useful life of the underlying asset.

The Corporation has also entered into subscription-based information technology arrangements (SBITAs) with various vendors. In accordance with governmental accounting standards, the University records right-to-use assets and subscription liabilities (see Note 11) based on the net present value of the expected payments over the terms of the subscription agreements. The future subscription payments are discounted using the interest rate charged by the vendor or the interest rate implicit in the lease. If the interest rate could not be readily determined, the estimated incremental borrowing rate was used. Variable payments are excluded unless they are fixed in substance. These assets are amortized over the shorter of the subscription term or the estimated useful life of the underlying asset.

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Balances and changes in these right-to-use assets by major class of asset were as follows as of June 30 (dollars in thousands):

2025	Beginning Balance	Additions	Completed CIP	Transfers to the University	Transfers from the University	Reductions	Ending Balance
Leased assets:							
Buildings	\$ 2,749	\$ 2,447	\$ -	\$ -	\$ -	\$ (312)	\$ 4,884
Equipment	-	233	-	-	-	-	233
Total leased assets	<u>\$ 2,749</u>	<u>\$ 2,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (312)</u>	<u>\$ 5,117</u>
Less accumulated amortization for:							
Buildings	\$ (1,437)	\$ (757)	\$ -	\$ -	\$ -	\$ -	\$ (2,194)
Equipment	-	(10)	-	-	-	-	(10)
Total accumulated amortization	<u>\$ (1,437)</u>	<u>\$ (767)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,204)</u>
Leased assets, net	<u>\$ 1,312</u>	<u>\$ 1,913</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (312)</u>	<u>\$ 2,913</u>
Subscription assets:							
Software	92	142	-	(142)	-	-	92
Total subscription assets	<u>\$ 92</u>	<u>142</u>	<u>-</u>	<u>(142)</u>	<u>-</u>	<u>-</u>	<u>92</u>
Less accumulated amortization for:							
Software	(47)	(24)	-	-	-	-	(71)
Total accumulated amortization	<u>\$ (47)</u>	<u>\$ (24)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (71)</u>
Subscription assets, net	<u>\$ 45</u>	<u>\$ 118</u>	<u>\$ -</u>	<u>\$ (142)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21</u>
Intangible Right to Use Assets Summary:							
Leased assets	\$ 2,749	\$ 2,680	\$ -	\$ -	\$ -	\$ (312)	\$ 5,117
Subscription assets	92	142	-	(142)	-	-	92
Total cost of intangible right to use assets	<u>\$ 2,841</u>	<u>\$ 2,822</u>	<u>\$ -</u>	<u>\$ (142)</u>	<u>\$ -</u>	<u>\$ (312)</u>	<u>\$ 5,209</u>
Less accumulated amortization:							
Leased assets	\$ (1,437)	\$ (767)	\$ -	\$ -	\$ -	\$ -	\$ (2,204)
Subscription assets	(47)	(24)	-	-	-	-	(71)
Total accumulated amortization	<u>(1,484)</u>	<u>(791)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,275)</u>
Total intangible right to use assets, net	<u>\$ 1,357</u>	<u>\$ 2,031</u>	<u>\$ -</u>	<u>\$ (142)</u>	<u>\$ -</u>	<u>\$ (312)</u>	<u>\$ 2,934</u>

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2024	Beginning Balance	Additions	Completed CIP	Transfers to the University	Transfers from the University	Reductions	Ending Balance
Leased assets:							
Buildings	\$ 3,663	\$ 650	\$ -	\$ -	\$ -	\$ (1,564)	\$ 2,749
Equipment	65	-	-	-	-	(65)	-
Total leased assets	<u>\$ 3,728</u>	<u>\$ 650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,629)</u>	<u>\$ 2,749</u>
Less accumulated amortization for:							
Buildings	\$ (2,034)	\$ (823)	\$ -	\$ -	\$ -	\$ 1,420	\$ (1,437)
Equipment	(57)	(8)	-	-	-	65	-
Total accumulated amortization	<u>\$ (2,091)</u>	<u>\$ (831)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,485</u>	<u>\$ (1,437)</u>
Leased assets, net	<u>\$ 1,637</u>	<u>\$ (181)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (144)</u>	<u>\$ 1,312</u>
Subscription assets:							
Software	167	142	-	(142)	-	(75)	92
Total subscription assets	<u>\$ 167</u>	<u>142</u>	<u>-</u>	<u>(142)</u>	<u>-</u>	<u>(75)</u>	<u>92</u>
Less accumulated amortization for:							
Software	(78)	(44)	-	-	-	75	(47)
Total accumulated amortization	<u>\$ (78)</u>	<u>\$ (44)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ (47)</u>
Subscription assets, net	<u>\$ 89</u>	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ (142)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45</u>
Intangible Right to Use Assets Summary:							
Leased assets	\$ 3,728	\$ 650	\$ -	\$ -	\$ -	\$ (1,629)	\$ 2,749
Subscription assets	167	142	-	(142)	-	(75)	92
Total cost of intangible right to use assets	<u>\$ 3,895</u>	<u>\$ 792</u>	<u>\$ -</u>	<u>\$ (142)</u>	<u>\$ -</u>	<u>\$ (1,704)</u>	<u>\$ 2,841</u>
Less accumulated amortization:							
Leased assets	\$ (2,091)	\$ (831)	\$ -	\$ -	\$ -	\$ 1,485	\$ (1,437)
Subscription assets	(78)	(44)	-	-	-	75	(47)
Total accumulated amortization	<u>(2,169)</u>	<u>(875)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,560</u>	<u>(1,484)</u>
Total intangible right to use assets, net	<u>\$ 1,726</u>	<u>\$ (83)</u>	<u>\$ -</u>	<u>\$ (142)</u>	<u>\$ -</u>	<u>\$ (144)</u>	<u>\$ 1,357</u>

9. LONG-TERM LIABILITIES

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

2025	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Leases payable	\$ 1,372	\$ 2,287	\$ (729)	\$ 2,930	\$ 771
Subscription liabilities	24	-	(24)	-	-
Notes payable	53,930	-	(1,247)	52,683	1,266
Total long-term liabilities	<u>\$ 55,326</u>	<u>\$ 2,287</u>	<u>\$ (2,000)</u>	<u>\$ 55,613</u>	

2024	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Leases payable	\$ 1,607	\$ 1,253	\$ (1,488)	\$ 1,372	\$ 336
Subscription liabilities	47	-	(23)	24	24
Notes payable	55,114	-	(1,184)	53,930	1,202
Total long-term liabilities	<u>\$ 56,768</u>	<u>\$ 1,253</u>	<u>\$ (2,695)</u>	<u>\$ 55,326</u>	

10. LESSEE ARRANGEMENTS

The Corporation leases real estate from external parties. The general terms of these lease agreements are as follows:

Lease Type	Description	Rate	Lease Term	Payment Frequency	Payment Amount
Real Estate	Equities House in Charleston, WV	3.27%	3/1/2019 - 6/30/2024 renewed 7/1/2024-6/30/2029	Monthly	\$ 33,647
Real Estate	Building on Canyon Road	3.05%	9/16/2017 - 3/28/2026; renewal assumed through 3/28/2031	Monthly	10,827
Real Estate	Office Space on Dents Run Road	3.27%	8/1/2019 - 3/31/2028	Monthly	6,665
Real Estate	Office Space in Morgantown, WV	3.23%	7/1/2023 - 6/30/2028	Monthly	6,095
Real Estate	Office Space in Lewisburg, WV	3.23%	10/1/2021-9/30/2023; 10/1/2023-9/30/2025	Monthly	4,465
Real Estate	Office Space in Washington DC	3.03%	11/17/2017 - 12/31/2026	Monthly	2,719
Real Estate	Office Space in Martinsburg, WV	3.03%	9/1/2022-8/31/2024 (auto annual renewals after)	Monthly	1,770
Equipment	Nav1FUS Ultrasound Device	3.27%	6/1/2025-5/31/2027	Quarterly	18,900

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

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

Fiscal Year Ending June 30,	Principal	Interest
2026	\$ 771	\$ 83
2027	747	58
2028	649	35
2029	526	17
2030	134	5
2031-2035	103	1
Lease Payable	<u>\$ 2,930</u>	<u>\$ 199</u>
Current Portion	771	
Noncurrent Portion	<u>\$ 2,159</u>	

There were no variable lease payments, residual value guarantees, or termination penalties not previously included in the measurement of the related lease liabilities during the years ended June 30, 2025 and 2024.

See Note 8 for balances and changes in intangible right-to-use assets, including leased assets, at June 30, 2025 and 2024.

11. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Corporation has entered into a subscription-based information technology arrangement with an external vendor. The subscription term is May 31, 2023 through May 31, 2026. Payments of \$24,175 were due on an annual basis. The final payment was made in May 2025. If the interest rate was not readily determinable, the Corporation's incremental borrowing rate was used.

There were no variable payments or termination penalties not previously included in the measurement of the related subscription liabilities during the years ended June 30, 2025 and 2024.

See Note 8 for balances and changes in intangible right-to-use assets, including subscription assets, at June 30, 2025 and 2024.

12. NOTES PAYABLE

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

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

- 1) 30% of the total HSC facilities and administrative revenues, up to a total of \$6.8 million (“threshold amount”) received by the Corporation in any single fiscal year.
- 2) 70% of the total HSC facilities and administrative revenues above the threshold amount received by the Corporation in such fiscal year.

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

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

Total principal to be paid at June 30, 2025 and June 30, 2024 was approximately \$13.4 million and \$14.1 million, respectively. Total interest paid through June 30, 2025 and June 30, 2024 was approximately \$7.2 million and \$6.4 million, respectively. Total facilities and administrative revenues earned by HSC during fiscal year 2025 and 2024 were \$21.9 million and \$23.0 million, respectively. Total pledged revenue as of June 30, 2025 and June 30, 2024 was \$15.3 million and \$16.1 million, respectively.

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

On December 15, 2016, the Corporation closed on a note with United Bank. Proceeds of \$24 million were used to pay the principal balance on the 90 day note in full. Additionally, the proceeds were used to reimburse the University for the purchase of the Beckley campus as well as for capital improvements to the campus. The proceeds included capital interest of \$3.0 million as the loan will have a capitalized interest period of three years. The amortization term was 30 years. The interest rate is set for 5-year increments beginning with a rate of 3.11% fixed for the first five years and a spread to the 5-year constant U.S. Treasury Maturity rate thereafter. The spread is based on the University’s rating with Moody’s.

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

On August 9, 2016, the Corporation entered into an agreement with the University regarding the Corporation's financing of assets required by the University for the operation of the Beckley campus. This agreement was amended on December 15, 2016 to reflect an increase in the principal amount of the Corporation's loan with United Bank. This agreement was again amended on December 22, 2017 in conjunction with the Wells Fargo note. The payments payable to the Corporation are to equal the principal and interest payments on the loan.

The deed of trust on the property on the Beckley campus including the buildings, structures and improvements, and fixtures is secured as collateral on this note along with any income from leases and rents.

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

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

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

Fiscal Year		
Ending June 30,	Principal	Interest
2026	\$ 1,266	\$ 2,329
2027	1,380	2,406
2028	1,451	2,335
2029	1,529	2,257
2030	1,610	2,176
2031-2035	9,414	9,513
2036-2040	8,189	7,007
2041-2045	5,890	5,575
2046-2050	7,355	4,110
2051-2055	9,183	2,281
2056-2058	5,416	317
	<u>52,683</u>	<u>40,306</u>
Current Portion	<u>1,266</u>	
Noncurrent Portion	<u>\$ 51,417</u>	

13. RETIREMENT PLANS

Substantially all eligible employees of the Corporation participate in the Teachers Insurance and Annuities Association – College Retirement Equities Fund (TIAA-CREF).

The TIAA-CREF is a defined-contribution benefit plan in which benefits are based upon amounts contributed plus investment earnings. Each employee who elects to participate in these plans is required to make a contribution equal to 3% of their total annual compensation. The Corporation simultaneously matches the employees' 3% contribution. Employees have the option of contributing an additional 1-3% of their total annual compensation to the plan, which is also matched by the Corporation. Contributions are immediately and fully vested.

Contributions to the TIAA-CREF were approximately as follows:

Fiscal Year Ending			
June 30,	Corporation	Employees	Total
2025	\$ 1,743,000	\$ 1,743,000	\$ 3,486,000
2024	1,687,000	1,687,000	3,374,000
2023	1,639,000	1,639,000	3,278,000

The Corporation's total payroll expense for fiscal years 2025, 2024, and 2023, was \$84.4 million, \$83.5 million, and \$78.4 million, respectively (including payroll expense for employees of the University); total covered employees' salaries in the TIAA-CREF were \$34.0 million in fiscal year 2025, \$33.3 million in fiscal year 2024, and \$32.6 million in fiscal year 2023, respectively.

14. COMMITMENTS

The Corporation has entered into contracts for the construction and improvement of various facilities. These outstanding contractual commitments totaled approximately \$5.2 million at June 30, 2025.

15. AFFILIATED ORGANIZATIONS

The University (the Corporation's parent) is the sole member of the not-for-profit corporation. The Corporation receives grants on behalf of the University, some of which are for the construction and acquisition of capital assets. These expenditures are recorded on the Corporation's records and the completed asset is transferred to the University as the beneficiary of the asset. The Corporation also receives facilities and administration earnings generated from such grants, a portion of which is shared with the University. A liability has been recorded to reflect the facilities and administration earnings due to the University. The University and the Corporation have entered into an operating agreement whereby the University provides staffing to meet a portion of the Corporation's needs; the Corporation reimburses the University for the related salaries and benefits.

Related Party Transactions

West Virginia University Innovation Corporation (WVUIC)— Effective April 1, 2022, WVUIC's bylaws were amended and restated such that the West Virginia United Health System, Inc. (WVUHS) and the University have equal voting control in WVUIC through appointment of 50% each of the Board of Directors of WVUIC. Also effective April 1, 2022, an asset purchase agreement was executed whereby WVUIC acquired a former pharmaceutical manufacturing facility from Viatris, Inc., Mylan, Inc. and Mylan Pharmaceuticals, Inc. at a purchase price of \$1. According to the purchase agreement, the facility cannot be sold for the first 12 years from the date the facility was acquired. The facility is no longer being operated as a pharmaceutical manufacturing facility and WVUIC intends to sub-divide, market and lease the space to potential future tenants.

WVUHS and WVUIC entered into a revolving line of credit agreement which established a revolving line of credit to be repaid in accordance with the terms of the agreement. During the first two years of WVUIC's operation of the facility, costs and excess revenues will be allocated 75% to WVUHS and 25% to the Corporation. According to the reimbursement agreement between the Corporation and WVUHS, WVUHS will repay the Corporation upon receiving a repayment on the promissory note from WVUIC. WVUHS has control over WVUIC through a management services and operation agreement with WVUIC and economic interest, thus WVUIC's financial statements are included in the consolidated financial statements for WVUHS.

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

16. CONTINGENCIES

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

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 Corporation's management believes disallowances, if any, will not have a material financial impact on the Corporation's financial position.

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17. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATION
(Dollars in Thousands)

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

Year Ended June 30, 2025									
Natural Classification									
Functional Classification	Salaries & Wages	Benefits	Scholarships & Fellowships	Utilities	Supplies & Other Services	Depreciation and Amortization	Other Operating Expenses	Total	
Instruction	\$ 5,584	\$ 1,374	\$ -	\$ -	\$ 2,833	\$ -	\$ -	\$ -	\$ 9,791
Research	56,162	13,469	-	181	41,915	-	-	-	111,727
Public Service	15,254	4,115	-	36	10,657	-	-	-	30,062
Academic Support	1,361	397	-	23	244	-	-	-	2,025
Student Services	53	19	-	-	2	-	-	-	74
Operation and Maintenance of Plant	7	-	-	9	735	-	-	-	751
General Institutional Support	5,948	1,400	-	54	4,001	-	-	11	11,414
Student Financial Aid	-	-	2,999	-	-	-	-	-	2,999
Depreciation and Amortization	-	-	-	-	-	3,066	-	-	3,066
Total Expenses	\$ 84,369	\$ 20,774	\$ 2,999	\$ 303	\$ 60,387	\$ 3,066	\$ -	\$ 11	\$ 171,909

Year Ended June 30, 2024									
Natural Classification									
Functional Classification	Salaries & Wages	Benefits	Scholarships & Fellowships	Utilities	Supplies & Other Services	Depreciation and Amortization	Other Operating Expenses	Total	
Instruction	\$ 6,619	\$ 1,694	\$ -	\$ -	\$ 3,915	\$ -	\$ -	\$ -	\$ 12,228
Research	55,321	11,859	-	200	46,487	-	-	-	113,867
Public Service	14,096	3,733	-	38	7,975	-	-	-	25,842
Academic Support	1,502	422	-	18	236	-	-	-	2,178
Student Services	46	14	-	-	14	-	-	-	74
Operation and Maintenance of Plant	6	2	-	25	246	-	-	-	279
General Institutional Support	5,878	1,444	-	-	4,285	-	-	7	11,614
Student Financial Aid	-	-	3,834	-	-	-	-	-	3,834
Depreciation and Amortization	-	-	-	-	-	3,095	-	-	3,095
Total Expenses	\$ 83,468	\$ 19,168	\$ 3,834	\$ 281	\$ 63,158	\$ 3,095	\$ -	\$ 7	\$ 173,011



CliftonLarsonAllen LLP
CLAconnect.com

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
West Virginia University Research Corporation
Morgantown, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the West Virginia University Research Corporation (the Corporation), a blended component unit of West Virginia University, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated October 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

Board of Directors
West Virginia University Research Corporation

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 13, 2025



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Board of Directors
West Virginia University Research Corporation
Morgantown, West Virginia

We have audited the financial statements of the business-type activities of West Virginia University Research Corporation (the Corporation), a component unit of West Virginia University, as of and for the year ended June 30, 2025, and have issued our report thereon dated October 13, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our planning communication dated November 22, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 2 to the financial statements.

As described in Note 2, the Corporation changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences*, in fiscal year 2025. The implementation of this standard did not have a significant impact on the Corporation. The Corporation also implemented GASB Statement No. 102, *Certain Risk Disclosures*, in fiscal year 2025. The implementation of this standard did not have a significant impact on the financial statements.

We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Board of Directors
West Virginia University Research Corporation
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Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter date.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants. We were informed by management that there were no consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

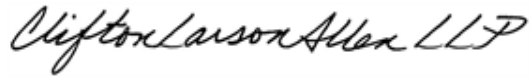
Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

* * *

Board of Directors
West Virginia University Research Corporation
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This communication is intended solely for the information and use of the board and management of West Virginia University Research Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 13, 2025

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS

Meeting of November 7, 2025

- ITEM:** Athletics Master Plan, Including Approvals Relating to Premium Seating at the Hope Coliseum and the Milan Puskar Stadium West Tower Project
- INSTITUTION:** West Virginia University
- COMMITTEE:** Full Board – Regular Agenda
- RECOMMENDATION:** Resolved: That pursuant to BOG Governance Rule 1.2, the West Virginia University Board of Governors hereby approves University management to proceed to complete the addition of the Premium Seating Project at Hope Coliseum and to proceed with the Initial Phase of the Milan Puskar Stadium West Tower Project.
- STAFF MEMBERS:** Wren Baker
Vice President and Director of Athletics
- BACKGROUND:** WVU Athletics has engaged with an architect to identify capital improvements needed to attain consistent and long-term success in for WVU Athletics. Those efforts have resulted in a WVU Athletics Master Plan (“**Master Plan**”), attached to this Resolution. The Master Plan contains initial short-term projects that WVU Athletics intends to move forward on in the near future and long-term aspirational projects.
- WVU Athletics is seeking authorization to move forward now with two specific projects in the Master Plan:
1. First, an approximate \$1.5 million project to add approximately 85 loge style and 16 ledge style premium seating at the Hope Coliseum, as shown in the Master Plan (“**Premium Seating Project**”); and
 2. Second, the initial phase of a project to tear down the current press box and suites on the west side of Milan Puskar Stadium and rebuild a new, expanded tower, and to address access issues to facilitate large entertainment events, as shown in the Master Plan (“**West Tower Project**”). Specifically, WVU Athletics is seeking authorization, with respect to the West Tower Project, to:
 - a. Enter into an agreement with an architecture and engineering firm (“**A&E Firm**”);

- b. Undertake a request for proposal and proceed to enter into an agreement with an owner's representative firm to assist in managing the West Tower Project ("**Owner's Rep**");
- c. Undertake a request for proposal and proceed to enter into an agreement with a sales firm to maximize revenue, growing fanbases and databases using data-driven marketing and sales strategies ("**Sales Rep**"); and
- d. Initiate a request for proposal process for a general construction management company.

(collectively, the "**Initial Phase**"). WVU Athletics proposes to return to the Board of Governors in early 2026 after additional fundraising, sales, and design efforts have led to a refined total project cost and plan of finance for the West Tower Project. At that time, WVU Athletics is expected to submit a request for authorization to proceed with the execution of any remaining necessary agreements and to proceed with the West Tower Project.

The total estimated cost of the West Tower Project is approximately \$156 million. The plan of finance will be further delineated in early 2026, after additional fundraising, sales, naming, and sponsorship efforts.

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 07, 2025

ITEM:	PSC Science Hall Lab Renovation
INSTITUTION:	West Virginia University
COMMITTEE:	Full Board – Consent Agenda
RECOMMENDATION:	Approve project budget for PSC Science Hall Lab Renovation project.
STAFF MEMBER:	Barbara A. Weiss, Interim Vice President and Chief Financial Officer
BACKGROUND:	Potomac State College (PSC) is planning a comprehensive renovation of the Chemistry and Biology laboratories to address longstanding infrastructure deficiencies and enhance the learning environment. The existing labs suffer from poor ventilation and outdated equipment, and the upgrades will provide a safer, more functional space for students and faculty. The scope of work includes asbestos abatement, installation of new casework and fume hoods, a new rooftop air handling unit, electrical and plumbing upgrades, new lighting, and refreshed finishes throughout the labs. The original project was funded through the State-HEPC deferred maintenance grant and budgeted at \$2.3M. Design work is complete, and the estimate came in over budget by \$2.6M. The cost increase is primarily due to required asbestos abatement, significant HVAC upgrades, and electrical enhancements to support new lab equipment. WVU has identified approximately \$1M surplus from other HEPC deferred maintenance projects at PSC and secured an additional \$1M contribution from WVU Medicine in support of Nursing students. The remaining \$600K is planned to be funded by WVU FY27 Capital Pool. The total proposed project budget is \$4.9M.
Schedule:	The target completion is Summer of 2026.
Budget:	\$4,900,000
Funding:	State/HEPC Deferred Maintenance Grant, WVU Medicine, and WVU FY27 Capital Pool

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 7, 2025

ITEM:	Notice of Proposed Rulemaking for amendments to the following Rule: West Virginia University Board of Governors Talent & Culture Rule 3.4 – Drug and Alcohol Testing for FTA and FMSCA Covered Positions
INSTITUTION:	West Virginia University
COMMITTEE:	Full Board
RECOMMENDATION:	Resolved: That the West Virginia University Board of Governors approves the issuance of a Notice of Proposed Rulemaking, as presented, pursuant to BOG Governance Rule 1.1.
STAFF MEMBER:	Stephanie D. Taylor, Vice President & General Counsel
BACKGROUND:	Changes are proposed to <u>BOG Talent & Culture Rule 3.4 – Drug and Alcohol Testing for FTA and FMSCA Covered Positions</u>. The proposed changes amend the Rule to better reflect the University’s current practices regarding drug and alcohol testing and clarify the categories of employees that are outside the scope of the Rule. Substantively, the proposed changes to the Rule will result in amendments as set forth in detail in the table located in the Notice of Proposed Rulemaking and in the attached redline. Following the issuance of the Notice of Proposed Rulemaking, the proposed changes to the Rule will be posted for the required public comment period from November 10, 2025, through December 11, 2025. The Board of Governors is asked to approve the issuance of the Notice of Proposed Rulemaking, as presented.

NOTICE OF PROPOSED RULEMAKING

This Notice of Proposed Rulemaking is issued pursuant to West Virginia University Board of Governors Governance Rule 1.1. The proposed changes are to the following current Board of Governors Rule: West Virginia University Board of Governors Talent & Culture Rule 3.4 – Drug and Alcohol Testing for FTA and FMSCA Covered Positions.

The proposed changes are to amend the current BOG Rule to better reflect the University's current practices regarding drug and alcohol testing and clarify the categories of employees that are outside the scope of the Rule.

A copy of the current Rule can be found at <http://bog.wvu.edu/policies> and a copy of the proposed Amended Rule and this Notice of Proposed Rulemaking can be found at <https://policies.wvu.edu/bog-rules-under-review>.

There will be a public comment period from November 10, 2025, and will extend through December 11, 2025, for the submission of written comments. Comments should be submitted using the online submission form for each Rule, which can be found by clicking on the link to the Rule located at: <http://policies.wvu.edu/>. If there are any questions about the submission process, they can be directed to Valerie Lopez, Special Assistant to the Board of Governors, at Valerie.Lopez@mail.wvu.edu or Valerie Lopez, Office of the President, West Virginia University, PO Box 6201, Morgantown, West Virginia 26506-6201.

Once the comment period has ended, all public comments received or a summary thereof will be posted on the University's policy website. The Rule may be changed, subject to comments received.

Substantively, the proposed changes to the BOG Rule above will result in the amendments as set forth below:

BOG Rule	Recommended Action	Comments
BOG Talent & Culture Rule 3.4 – Drug and Alcohol Testing for FTA and FMSCA Covered Positions	Amend and Approve	▪ The Board adopted this Rule on September 8, 2017 as part of the initial wave of BOG Rules under the Freedom Agenda. ▪ The proposed amendments are minor clerical changes to better reflect the University’s current process with drug and alcohol testing on campus and clarify the categories of positions that the Rule applies to. ▪ As such, the proposed amendments seek to (1) add a new Section 1.3 to give express authority to the President or designee to create a drug testing policy for positions that do not fall within the scope of the Rule, which includes UPD Officers; (2) amend Section 2.1.4 to update the contact information for the University office responsible for administering drug and alcohol tests under the Rule; and (3) amend Sections 2.2.1 and 2.2.2 to more clearly define which University positions do not fall within the scope of the Rule.



Board of Governors Rule

Talent and Culture
Drug and Alcohol Testing for FTA & FMCSA
Covered Positions
Responsible Unit: Talent and Culture
Amended: September 9, 2022
Effective: September 30, 2022
Revision History: Prior BOG Policy 56
(December 11, 2009, September 25, 2015);
Rewritten and adopted as BOG Rule 3.4 on
September 8, 2017 (effective September 28,
2017); Amended on February 10, 2021
(effective March 3, 2021)
Review Date: September 2027

BOG TALENT AND CULTURE RULE 3.4 DRUG AND ALCOHOL TESTING FOR FEDERAL TRANSIT ADMINISTRATION (FTA) & FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION (FMCSA) COVERED POSITIONS

SECTION 1: PURPOSE & SCOPE.

1.1 To outline the rules to be followed in the administration of the drug and alcohol testing program for FTA and FMCSA covered positions.

1.2 This Rule applies to Covered Employees of the West Virginia University Board of Governors, as defined by section 2.2 of this Rule, as well as any contractors who stand in the shoes of FTA Covered Employees as defined in section 2.3 of this Rule.

~~1.2~~ 1.3 This Rule does not apply to other employees not covered by either FTA or FMCSA. The Board delegates to the President the responsibility of identifying and implementing a procedure for the drug and alcohol testing of other safety sensitive positions not covered by the FTA or FMCSA.

SECTION 2: POLICY.

2.1 General

2.1.1 West Virginia University is committed to maintaining a safe and efficient working environment for all of its employees. To that end, as set forth in the University's Drug-Free Schools and Communities Act notification, which is circulated each year to students and employees, the University prohibits the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance on its property or as part of any of its programs or activities. Further, reporting to work or any University function under the influence of an illicit controlled substance is prohibited. Additionally, the University will not tolerate any risk to safety, quality or productivity that may be caused by a Covered Employee who uses drugs or alcohol. This policy complies with 49 C.F.R §§ 40.



Board of Governors Talent & Culture Rule 3.4

2.1.2 **Independent Authority**

The United States Department of Transportation (DOT) allows the University to make several decisions under its independent authority that go beyond Federal laws, as long as the decisions specific to the University are identified. Therefore, where this Rule goes beyond the requirements of the DOT, the text below is highlighted in bold print.

2.1.3 **Compliance with the Drug & Alcohol Testing Program.** Participation and compliance with the University's DOT Drug & Alcohol Testing Program is a requirement for all Covered Employees, and therefore, is a condition of employment. **Failure to participate and comply with the requirements of the DOT Drug & Alcohol Testing Program may be grounds for disciplinary action, up to and including termination of employment.**

2.1.4 **Designated Employer Representative/Contact.** The designated employer representative (DER) is the employee authorized by the University to take immediate action(s) to remove Covered Employees from safety-sensitive duties, or cause Covered Employees to be removed from these covered duties, and to make required decisions in the testing and evaluation processes. The DER also receives test results and other communications for the University, consistent with the requirements of Federal law. Anyone who has questions regarding this policy or the University's DOT drug and alcohol testing program should contact the University's DER. Contact information can be found by clicking on the link below or by calling the following telephone number.

[WVU Risk Management Talent and Culture](https://riskmanagement.wvu.edu/)
 (304) 293-2241(304) 293-5700 ext. 8
<https://riskmanagement.wvu.edu/>

2.1.5 **Information Disclosure.**

2.1.5.1 To be considered for employment, all applicants for covered positions shall be asked to give consent to conduct a background check of their previous DOT covered employers, as required by applicable DOT regulations. Refusal to do so will result in removal from consideration for employment in the covered position.

2.1.5.2 In addition, to be considered for employment, all applicants will also be asked to verify whether or not they have tested positive, or refused to test, on any pre-employment drug or alcohol test administered by an employer to which the applicant applied for a position in safety-sensitive transportation work covered by DOT agency drug and alcohol testing rules during the past two (2) years, but did not obtain.



Board of Governors Talent & Culture Rule 3.4

If the applicant admits that he/she had a positive test or a refusal to test, the University will not further consider the applicant for employment in a covered position, until the applicant documents successful completion of the return-to-duty process, as outlined by DOT regulations.

- 2.1.5.3 **If it is determined that a Covered Employee provided inaccurate or untruthful information regarding his/her previous DOT drug & alcohol testing history, it will be considered a falsification of application information and shall result in denial for consideration of employment, and/or disciplinary action, up to and including termination of employment.**

2.2 **Covered Employees**

- 2.2.1 This Rule applies to every employee whose position requires the possession of a commercial driver's license (CDL); every employee performing a "safety-sensitive function" as defined [herein under the FMCSA or FTA](#), and any person applying for or volunteering in such positions.

Under FMCSA, a Covered Employee is any employee who operates a commercial motor vehicle and performs safety-sensitive functions. Safety-sensitive functions shall include:

- all time at an employer or shipper plant, terminal, facility, or other property, or on any public property, waiting to be dispatched, unless the Covered Employee has been relieved from duty by the University;
- all time inspecting equipment or otherwise inspecting, servicing, or conditioning any commercial motor vehicle at any time;
- all time spent at the driving controls of a commercial motor vehicle in operation;
- all time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; and
- all time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

- 2.2.2 Under FTA, a Covered Employee is performing a safety-sensitive function if they are responsible for:

- operation of a revenue service vehicle, including when not in revenue service;
- operation of a non-revenue vehicle requiring a CDL;

Effective: [\[INSERT DATE\]](#)

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WVU BOG Tal. & Cult. R. 3.4



Board of Governors Talent & Culture Rule 3.4

- controlling movement or dispatch of a revenue service vehicle;
- maintenance (including repairs, overhaul and rebuilding) of a revenue service vehicle or equipment used on revenue service.
- security personnel who carry firearms **(this does not include the University Police Department who are subject to departmental policies adopted in accordance with Section 1.3).**

223 A volunteer is a Covered Employee if:

- he/she is required to hold a commercial driver's license to operate the vehicle; or
- he/she performs a safety-sensitive function for the University and receives remuneration in excess of his or her actual expenses incurred while engaged in the volunteer activity.

224 Talent and Culture shall post a list of covered job titles on its website.

225 **Covered Employees are expected to be immediately available to perform safety sensitive functions, anytime that they are at work.**

2.3 **Contractors Hired by the University**

231 Contractors hired by the University that fall under 49 C.F.R. Part 655 (FTA) shall be required to submit a copy of their DOT Drug Testing Program to Talent and Culture, and may also be required to submit quarterly reports that state for that period:

- number of Covered Employees tested;
- type of test;
- number of positive drug tests and resulting action for those that tested positive;
- number of alcohol tests that indicated an alcohol concentration of 0.04 or greater and the resulting action;
- number of alcohol tests that indicated an alcohol concentration of 0.02 or greater, but less than 0.04 and the resulting action.

232 Contractors shall allow access to their property and records by a University representative or any DOT agency with regulatory authority over the contractor for the purpose of monitoring the contractor's compliance with the requirements of DOT drug and alcohol testing requirements.

2.4 **Prohibited Conduct & Substances**

Effective: [INSERT DATE](#)

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Board of Governors Talent & Culture Rule 3.4

- 241 **Conduct.** Covered Employees shall not perform safety-sensitive functions while impaired by drugs or alcohol. Supervisors shall immediately remove any Covered Employee from the performance of safety-sensitive functions if the Covered Employee is perceived to be impaired and shall request a reasonable suspicion test as set forth in section 2.5.3. In addition, it is also the responsibility of the Covered Employee voluntarily to remove himself/herself from the performance of safety sensitive functions if he/she is impaired. **A supervisor or Covered Employee who fails to perform these responsibilities may be subject to disciplinary action.**
- 242 **Drugs.¹** Covered Employees are prohibited by the DOT from using the following controlled substances at any time, and the University is required to test for these drugs and associated metabolites:
- Marijuana/THC;
 - Cocaine;
 - Phencyclidine (PCP);
 - Amphetamines;
 - Methamphetamine;
 - Methylenedioxymethamphetamine (MDMA); and
 - Opioids [including but not limited to Codeine, Morphine, Heroin, Hydrocodone, Hydromorphone, Oxycodone, and Oxymorphone].

If the University receives a verified positive, adulterated, or substituted drug test result, the Covered Employee will be immediately removed from performing safety-sensitive functions.

- 243 **Alcohol.** A Covered Employee will be removed from performing safety-sensitive functions:
- if the Covered Employee's test results indicate an alcohol concentration of 0.04 or greater;
 - if the Covered Employee has used alcohol within four (4) hours prior to performing safety sensitive functions;
 - if the Covered Employee uses alcohol on the job;
 - if during the eight (8) hours following an accident the Covered Employee's involvement has not been discounted as a contributing factor in the accident or until the Covered Employee is tested;

¹ Note that this list is based on the current version of 40 C.F.R. Part 40 (2020). Consistent with Section 4.2 of this Rule, to the extent 40 C.F.R. Part 40 is amended in the future, the University will test consistent with those amendments and may either add or remove drugs. Employees will be put on notice of such changes.



Board of Governors Talent & Culture Rule 3.4

- if the Covered Employee refuses to submit to required alcohol tests; or
- if the Covered Employee is in possession of alcohol.

If a Covered Employee is found to have an alcohol concentration of 0.02 or greater, but less than 0.04, or if the Covered Employee is under the influence of or impaired by alcohol, as indicated by behavior, speech, and performance indicators, and a reasonable suspicion alcohol test cannot be obtained, the Covered Employee shall be removed from safety-sensitive duties for a period of twenty-four (24) hours under the FMCSA regulations or for a period of eight (8) hours under FTA regulations.

244 Prescription Drugs and Over-the-Counter Medications

2441 **The appropriate use of legally prescribed drugs and over-the-counter medication is not prohibited. It is, however, a Covered Employee's responsibility to inform his/her physician of the Covered Employee's job duties and submit a determination from the physician to the DER as to whether or not the prescribed drug/over-the-counter medication may impair the Covered Employee's job performance.**

2442 According to DOT compliance notices, the use of marijuana for medical or recreational purposes will not be a valid explanation for a positive drug test result, even if the use occurred in a state that has legalized marijuana for such purposes. **Therefore, the University will continue to treat a positive test result for marijuana as a verified positive drug test which shall subject the Covered Employee to the consequences for violations, as outlined in section 2.8 below.**

If a Covered Employee is legally prescribed marijuana for a medical purpose, he/she must notify the DER immediately. The Covered Employee shall be removed from the performance of all safety-sensitive functions. The DER will determine when or if the Covered Employee can return to the performance of safety-sensitive functions.

2443 A Covered Employee may be subject to disciplinary action if he/she fails to report the use of drugs/over-the-counter medications, or fails to provide proper medical documentation.

2.5 **Drug & Alcohol Testing Requirements.** Covered Employees subject to this Rule are required to be tested under the following types of tests:

Effective: [INSERT DATE](#)

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Board of Governors Talent & Culture Rule 3.4

2.5.1 Pre-Employment

- 2.5.1.1 An offer of employment for an FTA or FMCSA covered position is contingent upon successfully passing a pre-employment drug test. The individual will not be hired, and thus will not be allowed to perform safety-sensitive functions, unless he/she successfully passes the pre-employment drug test.
- 2.5.1.2 A pre-employment drug test will be conducted when an applicant is selected to be hired for an FTA or FMCSA covered position.
- 2.5.1.3 A pre-employment drug test will be conducted when a current employee transfers from a position not covered by FTA or FMCSA into a covered position.
- 2.5.1.4 If a current Covered Employee has been removed from the random testing pool, as per section 2.5.2.6 below, a pre-employment drug test will be required before the Covered Employee will be allowed to resume the performance of safety-sensitive functions.
- 2.5.1.5 If a pre-employment test is canceled, the applicant/current employee is required to submit to and pass another test.

2.5.2 Random

- 2.5.2.1 All Covered Employees working in an FTA or FMCSA covered position are subject to unannounced testing based on random selection. A Covered Employee may be randomly picked more than once or not picked at all during the annual period.
- 2.5.2.2 Random notifications will be conducted as discreetly as possible in order to ensure the confidentiality and integrity of the process.
- 2.5.2.3 All Covered Employees in FTA or FMCSA covered positions will be placed into either an FTA or FMCSA pool, as applicable. Covered Employees will remain in the random testing pools at all times, regardless of whether or not they have been previously selected for testing. **To ensure the integrity of the University's drug and alcohol testing program, Covered Employees will be selected for random testing by a third party administrator.**
- 2.5.2.4 Random testing will be sporadic throughout each quarter of the annual cycle to prevent Covered Employees from matching their drug/alcohol use patterns to the schedule for collection. Selected Covered Employees will not be notified until immediately prior to the time that they are due at the collection site.

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- 2.5.2.5 If a Covered Employee is temporarily unavailable, or it is their day off, the test will be conducted immediately upon his/her return to work within the same testing period.
- 2.5.2.6 If a Covered Employee who is restricted for any reason from performing safety-sensitive functions is selected, the test will be postponed until he/she is released to return to the performance of safety-sensitive functions. If the Covered Employee is expected to be or has been restricted for any reason for greater than ninety (90) days, he/she will be removed from the random testing pool, and another Covered Employee will be selected for random testing. However, a Covered Employee removed from the random testing pool for any reason will be required to submit to a pre-employment drug test prior to being allowed to return to safety-sensitive functions (please see section 2.5.1.4 above.)
- 2.5.2.7 For each pool, the University will test at least fifty percent (50%) of the Covered Employees in an annual period for prohibited drugs. This rate is subject to adjustment by the DOT, as based on the industry's violation rate.
- 2.5.2.8 For each pool, the University will test at least ten percent (10%) of the Covered Employees in an annual period for alcohol use. This rate is subject to adjustment by the DOT based on the industry's violation rate.
- 2.5.2.9 A Covered Employee may be randomly tested for prohibited drug use anytime while on duty.
- 2.5.2.10 A Covered Employee shall only be tested for alcohol while the Covered Employee is performing, just before the Covered Employee is to perform, or just after the Covered Employee has performed safety-sensitive functions **(please see section 2.2.5 above for the University's position on the performance of safety-sensitive functions.)**

2.5.3 Reasonable Suspicion

- 2.5.3.1 When there is reasonable suspicion to believe that a Covered Employee is using prohibited drugs or alcohol while on duty, the Covered Employee will be required to take a drug and/or alcohol test. The required observations for reasonable suspicion testing shall be made by a supervisor or University official who has received training, authorized by Talent and Culture, in drug/alcohol use symptoms.

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- 2.5.3.2 A decision to test must be based on specific, contemporaneous, and articulable observations concerning the appearance, behavior, speech, or odors of the Covered Employee. The observations may include indications of the chronic and withdrawal effects of drugs. Alcohol testing is authorized only if the observations are made during, just preceding, or just after a Covered Employee's work day **(please see section 2.2.5 above for the University's position on the performance of safety-sensitive functions.)**
- 2.5.3.3 The supervisor must record the observable behaviors that support the determination to conduct a reasonable suspicion test. This documentation should be prepared and signed by the supervisor within twenty-four (24) hours of the request for a test or before the results of the tests are released, whichever is earlier, if possible. **A copy of this documentation must be forwarded to the DER. A supervisor who fails to comply with the provisions of this section may be subject to disciplinary action.**
- 2.5.3.4 If an alcohol test is required, but is not administered within two (2) hours following the request for the test, the University shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If a required test is not administered within eight (8) hours following the request, the University shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test.
- 2.5.3.5 Notwithstanding the absence of a reasonable suspicion alcohol and/or drug test under this section, no Covered Employee shall report for duty or remain on duty requiring the performance of safety-sensitive functions while the Covered Employee is perceived to be under the influence of or impaired by alcohol or drugs, as shown by the behavioral, speech, and performance indicators of alcohol misuse or drug use, nor shall the University permit the Covered Employee to perform or continue to perform safety sensitive functions until:
1. Negative drug test results are reported; and/or
 2. An alcohol test is administered and the Covered Employee's alcohol concentrations measure less than 0.02; or the applicable period of time has elapsed following the determination that there was reasonable suspicion to believe that the Covered Employee had violated the alcohol provisions of this Rule. The applicable



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period of time for FMCSA and FTA is twenty-four (24) hours and eight (8) hours, respectively.

- 2.5.4 **Post Accident.** Covered Employees whose performance either contributed to an accident or cannot be completely discounted as a contributing factor to the accident will be tested as soon as practicable.

- 2.5.4.1 **FMCSA Qualifying Accident.** An FMCSA qualifying accident is an occurrence involving a commercial motor vehicle operating on a public road in commerce where a Covered Employee was performing safety-sensitive functions, and:

1. the accident involved the loss of human life; or
2. the Covered Employee receives a citation under State or local law for a moving traffic violation arising from the accident, if the accident involved:
 - a. bodily injury to any person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident; or
 - b. one or more motor vehicles incurring disabling damage as a result of the accident, requiring the motor vehicle to be transported away from the scene by a tow truck or other motor vehicle.

- 2.5.4.2 **FTA Qualifying Accident.** An FTA qualifying accident means an occurrence associated with the operation of a vehicle, and:

1. an individual dies;
2. an individual suffers bodily injury and immediately receives medical treatment away from the scene of the accident;
3. with respect to an occurrence in which the mass transit vehicle is a bus, electric bus, van, or automobile, one or more vehicles (including non-FTA funded vehicles) incurs disabling damage as the result of the occurrence and such vehicle or vehicles are transported away from the scene by a tow truck or other vehicle; or
4. with respect to an occurrence in which the mass transit vehicle involved is a rail car, trolley car, trolley bus, or vessel, the mass transit vehicle is removed from operation.



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2.5.4.3 **Time Frame for Testing Covered Employees**

- 2543.1 As soon as practicable following an accident, the University shall perform required post-accident testing for drugs and alcohol.
- 2543.2 The Covered Employee will be tested for prohibited drugs as soon as possible, but no later than thirty-two (32) hours after the accident. If the required drug test is not performed within thirty-two (32) hours, the University shall cease attempts to administer a drug test, and prepare and maintain on file a record stating the reasons the test was not promptly administered.
- 2543.3 The Covered Employee will be tested for alcohol use as soon as possible, but not later than eight (8) hours after the accident. If an alcohol test is required, but is not administered within two (2) hours following the accident, the University shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If a required test is not administered within eight (8) hours following the accident, the University shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test.
- 2543.4 The decision not to administer a test shall be based on the University's determination, using the best available information at the time of the determination, that the Covered Employee's performance could not have contributed to the accident.
- 2543.5 A Covered Employee who is subject to post-accident testing who fails to remain readily available for such testing, including notifying the University of his/her location if he/she leaves the scene of the accident prior to submission to such test, may be deemed by the University to have refused to submit to testing. Nothing in this Rule shall be construed to require the delay of necessary medical attention for injured people following an accident or to prohibit a Covered Employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care.
- 2543.6 The results of a drug or alcohol test conducted by Federal, State, or local officials having independent authority for the

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test, shall be considered to meet the requirements for post accident testing, provided such tests conform to the applicable Federal, State or local drug and alcohol testing requirements, and that the results of the tests are obtained by the University.

2.5.5 Return to Duty/Follow-up Testing.

2.5.5.1 The University has a zero tolerance policy for drug and alcohol use resulting in the termination of employment, as outlined in section 2.8 below. Thus, return to duty and follow-up testing will be limited to the instances outlined below.

2.5.5.2 The University does allow for self-disclosure of drug and alcohol use, as outlined in section 2.10 below, and will conduct return to duty testing and only non-DOT drug/alcohol testing forms will be utilized.

2.5.5.3 Per the provisions of DOT regulations, new hires that have had a positive drug and/or alcohol test at a previous DOT regulated employer and have successfully completed the required return-to work process, will continue the follow-up testing plan as prescribed by the Substance Abuse Professional (SAP) to assure that the requirements of the SAP's follow-up plan "follows the Covered Employee" to subsequent employers or through breaks in service. The previous employer's SAP must present the University's DER with any pertinent information regarding the Covered Employee's rehabilitation compliance and release to return to duty, including a follow-up testing plan outlining the number and frequency of unannounced testing, as required by regulations. The SAP, following the Covered Employee's successful completion of the mandatory testing requirements the first year, may terminate follow-up testing. Follow-up testing is in addition to the other required drug and alcohol testing described in this Rule. Follow-up testing must be performed as recommended by the SAP's testing plan. If testing is not performed as outlined, the Covered Employee will not be permitted to perform safety-sensitive functions, **and shall be subject to disciplinary action up to and including termination of employment.**

2.6 Drug & Alcohol Testing Procedures.

2.6.1 All testing will be conducted as required by the U.S. Department of Transportation (49 C.F.R. § 40), as well as where applicable the FTA (49 C.F.R § 655), and the FMCSA (49 C.F.R. §382).



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- 2.6.2 Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities which have been approved by the U.S. Department of Health and Human Services (DHHS). Testing will be performed in a private, confidential manner and every effort will be made to protect the Covered Employee, the integrity of the testing procedure, and the validity of the test result.
- 2.6.3 A Covered Employee has the right to request and receive from the University a copy of the test result report on any drug or alcohol test for which he/she provided a urine or breath sample. The request, verbal or written, should be addressed to the DER (for alcohol test results), and to the Medical Review Officer (MRO) (for drug test results).
- 2.6.4 **Split Specimen**
- 2.6.4.1 In drug testing, a part of the urine specimen that is sent to a first laboratory and retained unopened, can be transported to a second laboratory in the event that the Covered Employee requests that it be tested following a verified positive test of the primary specimen or a verified adulterated or substituted test result.
- 2.6.4.2 When an MRO notifies a Covered Employee that he/she has a verified positive drug test and/or refusal to test because of adulteration or substitution, the Covered Employee has seventy-two (72) hours from the time of notification to request a test of the split specimen. The request may be verbal or written. Split specimen testing will not be conducted for an invalid result.
- 2.6.4.3 If the Covered Employee fails to request a test of the split specimen within seventy-two (72) hours, the Covered Employee may inform the MRO of his/her reason(s) for failure to request the test, and the MRO shall have the authority to determine if a legitimate reason exists to allow for testing of the split specimen.
- 2.6.4.4 **The University shall pay for the costs associated with a split specimen test.**
- 2.6.5 **Dilute Specimen.**
- 2.6.5.1 A dilute specimen is a urine specimen with creatinine and specific gravity values that are lower than expected for human urine.



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2.6.5.2 If the MRO informs the University that a positive drug test was dilute, it will be treated as a verified positive test.

2.6.5.3 **If the MRO informs the University that a negative test was dilute, the University will require that the Covered Employee undergo a second test, when recollection requires direct observation.**

2.7 **Refusals to Test.** A Covered Employee has refused to test if the Covered Employee:

- fails to appear at a urine/alcohol collection site when directed to report;
- fails to remain at the urine/alcohol collection site as directed by the collector;
- fails to provide a urine specimen or an adequate amount of saliva or breath;
- fails to permit a monitored or observed collection;
- fails to provide a sufficient amount of urine, if the MRO determines that there was no medical reason for the Covered Employee to provide an insufficient amount of urine;
- fails to provide a sufficient breath specimen, if an evaluating physician find that there was no medical reason for the Covered Employee to provide an insufficient amount of breath;
- fails or declines to take an additional drug test the University or collector has directed;
- fails to undergo a medical examination or evaluation, as directed by the MRO or University;
- fails to cooperate with any part of the drug or alcohol testing collection process;
- for an observed collection, fails to follow the instructions to raise and lower clothes and turn around;
- possesses or wears a prosthetic or other device that could be used to interfere with the collection process;
- admits to the collector to having adulterated or substituted the specimen;
- adulterates or substitutes the urine specimen, as determined by the MRO;
- admits to the MRO to having adulterated or substituted the specimen; or
- fails to sign the certification statement at Step 2 of the Alcohol Testing Form.

2.8 **Consequences for Violations**

2.8.1 Engaging in any of the prohibited conduct, as outlined in section 2.4 of this Rule, will result in a Covered Employee being required to immediately ceasing performance of all safety-sensitive functions, **and may subject a Covered Employee to disciplinary action, up to and including termination of employment.**



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2.8.2 The following violations will be considered gross misconduct and shall result in termination of employment of a Covered Employee:

- refusing to submit to a test, as outlined in section 2.7 of this Rule;
- a verified positive drug test;
- a confirmed alcohol test result of 0.04 or greater; or
- a negative test result because of a diluted, substituted or adulterated specimen, as verified by the MRO.

2.8.3 Any other instances of failure to comply with this Rule, as determined by Talent and Culture, may also subject a Covered Employee to disciplinary action, up to and including termination of employment.

2.9 Substance Abuse Professional (SAP) Services & Treatment Recommendations.

2.9.1 A Covered Employee, including an applicant, who fails a drug test, alcohol test (0.04 or greater), or refuses to be tested will be referred to a qualified SAP.

2.9.2 Any and all costs associated with substance abuse professional services and treatment recommendations shall be the responsibility of the Covered Employee and shall not be paid by the University.

2.10 Employee Self Disclosure of Drug & Alcohol Use.

2.10.1 Covered Employees who self-disclose to the DER that they may have a problem from the use of drugs and/or alcohol shall be provided a referral to the University's Faculty and Staff Assistance Program (FSAP).

2.10.2 A Covered Employee will be given the opportunity to obtain a chemical use assessment from the FSAP and shall provide the University with a signed authorization for the release of the results of the assessment to the DER, including any subsequent reports related to the assessment.

2.10.3 A Covered Employee's self-disclosure to the DER shall:

- occur prior to the Covered Employee reporting for duty;
- not be made in an attempt to avoid a required drug or alcohol test;
- **require Covered Employee to initiate an assessment through the FSAP within three (3) business days after the self-disclosure; and**
- require the University to remove the Covered Employee who self-discloses from performing any safety-sensitive functions.



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2.10.4 A Covered Employee who complies satisfactorily with the FSAP assessment and recommendations for treatment, will be permitted to return to safety-sensitive function if the Covered Employee passes a return to duty test that confirms:

- an alcohol concentration of less than 0.02; and/or
- a verified negative test result for prohibited drugs.

2.10.5 A Covered Employee who self-discloses and fully complies with the assessment and recommendations for treatment from the FSAP will not be subject to disciplinary action. **However, a Covered Employee who self-discloses under this Rule, and who then fails to comply with the recommendations made by the FSAP may be subject to disciplinary action.**

2.11 **Education & Training.** The University will establish and maintain a program to ensure that Covered Employees and their supervisors are properly educated and trained on the requirements of the University's DOT Drugs and Alcohol Testing Program, as well as the effects of drug and alcohol use.

2.11.1 **Education on the Effects of Drugs and Alcohol Use.** Covered Employees and their supervisors will receive information on the effects of alcohol and drug use on an individual's health, work, and personal life; signs and symptoms of an alcohol or a drug problem (the driver's or a co-worker's); and available methods of intervening when an alcohol or a drug use problem is suspected, including confrontation, referral to any employee assistance program and or referral to management.

2.11.2 **Required Training**

2.11.2.1 Covered Employees

FTA Requirements: Covered Employees must receive at least sixty (60) minutes of training on the effects and consequences of prohibited drug use on personal health, safety, and the work environment, and on the signs and symptoms that may indicate prohibited drug use.

2.11.2.2 Supervisors

FTA & FMCSA Requirements: All supervisors of Covered Employees shall receive at least sixty (60) minutes of training on alcohol misuse and they shall also receive at least sixty (60) minutes of additional training on drug use. The training will be used by supervisors to determine whether reasonable suspicion exists to require a Covered Employee to undergo drug and/or alcohol testing as required by this Rule. The training shall include



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the physical, behavioral, speech, and performance indicators of probable alcohol misuse and use of drugs.

2.11.3 Rule & Program Material Distribution

2.11.3.1 Prior to any testing for drugs or alcohol of Covered Employees, the University shall provide educational materials and a copy of this Rule to each current Covered Employee and his/her supervisor and to any applicant for a position which is covered by the provisions of this Rule.

2.11.3.2 The University shall also provide written notice to representatives of employee organizations of the availability of this information.

2.12 **Drug-Free Workplace Act of 1988.** In accordance with the Drug Free Work Place Act of 1988, an employee who is convicted of any criminal drug statute for a violation occurring in the work place shall notify Talent and Culture no later than five (5) days after such conviction.

2.13 **Records**

2.13.1 Records pertaining to the Drug and Alcohol Testing Program shall be maintained in secured and locked confidential files in Talent and Culture. Internal access to these records shall be limited to Talent and Culture and administrative officials on a need-to-know basis.

2.13.2 Except as required by law or expressly authorized or required by FTA or FMCSA rules and regulations, a Covered Employee may have access to his/her own records or the Covered Employee may authorize, in writing, the release of his/her records to a third party.

2.13.3 Records and report data shall be maintained as specified by Federal laws or regulations.

SECTION 3. DEFINITIONS.

3.1 All defined terms for this Rule are contained within the Definitions Section of Board of Governors Talent & Culture Rule 3.1, unless the text clearly indicates a different meaning.



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SECTION 4: DELEGATION.

- 4.1 The Board of Governors delegates to the Vice President of Talent and Culture the ability to adopt internal human resource policies and procedures in order to implement the provisions of this Rule. Any actions taken pursuant to this delegation must be consistent with the guidelines provided by this Rule.
- 4.2 To the extent federal and state law is inconsistent with this Rule and it is not possible for the University to comply with all, applicable law will govern. Accordingly, Talent and Culture, with advice from the Office of General Counsel, has the discretion to implement any necessary changes in order to comply with legal obligations.

SECTION 5: AUTHORITY.

- 5.1 41 U.S.C. § 8102 (2017); 49 U.S.C §§ 5331, 31133, 31136, and 31306 (2017); 49 C.F.R §§ Parts 40, 382 and 655 (2016); W. Va. Code §18B-1-6 and §18B-2A-4

SECTION 6: SUPERSEDING PROVISIONS.

- 6.1 This Rule also repeals and supersedes WVU BOG Policy 56 – Drug and Alcohol Testing for Federal Transit Administration (FTA) & Federal Motor Carrier Safety Administration (FMCSA) Covered Positions, which was adopted on December 11, 2009, and amended on September 25, 2015, and any other human resources policy or procedure which relates to the subject matter contained within this Rule.

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
November 7, 2025

ITEM:	Jackson's Mill Lodge Renovation (Budget Increase)
INSTITUTION:	West Virginia University
COMMITTEE:	Full Board – Consent Agenda
RECOMMENDATION:	Approve additional project budget for JM Lodge Renovation project.
STAFF MEMBER:	Barbara Weiss, Interim Vice President and Chief Financial Officer
BACKGROUND:	This project was approved by the BOG in September 2025 with a budget of \$4.25M. Since that time, the bidding process was conducted, and only one bid was received, and it exceeded project budget by approximately \$900,000. Following discussions with stakeholders, it was confirmed that additional funding is available to allow the project to move forward. Built in 1968, Jackson's Lodge serves as Jackson's Mill largest lodging facility at 22 rooms. These motel-type rooms have two double beds, air conditioning, cable television and an exterior deck. Jackson's Lodge has not had significant renovations since its construction in 1968. Planned improvements to the facility include a new elevator, accessible ramp, the creation of a dedicated visitor's space, the conversion of several rooms to meet ADA standards, new furniture, additional electrical and data outlets, HVAC systems, light fixtures, flooring, painting, doors and windows where required, decks and upgrading the main entrance with stone accents. Technology improvements will include card readers, security cameras, building-wide fiber infrastructure, and integrated audio-visual systems.
Schedule:	The target completion is Summer of 2026.
Budget:	\$ 4,250,000 (approved budget) <u>\$ 900,000</u> (budget increase) \$ 5,150,000 (revised budget)
Funding:	WVU Extension Foundation Funds

SenWEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 7, 2025

- ITEM:** Reedsville Farm Horse Barn Replacement
- INSTITUTION:** West Virginia University
- COMMITTEE:** Full Board – Consent Agenda
- RECOMMENDATION:** Approve the project budget of \$1,295,200 to construct a new Horse Barn and supporting structures.
- STAFF MEMBER:** Barbara A. Weiss, Interim Vice President and Chief Financial Officer
- BACKGROUND:** On December 13, 2024, The WVU Horse Barn at the J.W. Ruby Research Farm in Reedsville was destroyed by fire. This large single structure provided stabling for the horses, equipment and dry storage. The barn was deemed a total loss and was demolished at the end of March 2025.
- For future fire safety it was decided to separate the original barn's functions into three smaller individual structures. The replacement of the WVU Horse Barn was set as the base bid with two add alternates for an Equipment and Dry Storage Shed, and an Event Barn respectively. The University has awarded only the base bid WVU Horse Barn and is working through a value engineering exercise with the Contractor to include a storage structure into the overall construction scope.
- Schedule:** Construction is ready to commence in November, 2025 and will be complete by May 1, 2026.
- Budget:** The total project budget is \$1,295,200. The current value of Construction is \$987K for the WVU Horse Barn only, but will increase to \$1.2M when the additional storage structure is added.
- Funding:** BRIM reimbursement of \$1,295,200

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 7, 2025

- ITEM:** Sale of Partial Interest in Real Property (Land and Buildings)
- INSTITUTION:** West Virginia University
- COMMITTEE:** Full Board – Consent Agenda
- RECOMMENDATION:** Resolved: That pursuant to BOG Governance Rule 5.1, the West Virginia University Board of Governors authorizes the sale of the University’s partial interest in three adjacent parcels of land containing approximately 4.29 acres, more or less, and the buildings located thereupon, in the Seventh Ward of Morgantown, West Virginia, to West Virginia University Hospitals, Inc. (“WVUH”) and University Health Associates (“UHA”). Accordingly, the Board grants standing authority to the President to initiate, negotiate and finalize the sale on terms deemed favorable to the University. The Board further authorizes this transfer to be carried out directly or through an affiliate of the University, such as the West Virginia University Research Corporation.
- STAFF MEMBERS:** Stephanie D. Taylor,
Vice President and General Counsel
- Rossi E. Wiles,
Senior Deputy General Counsel for Innovation and Research
- BACKGROUND:** In 2012, through a series of public transactions, the University and WVUH each acquired an undivided Fifty (50%) percent interest in three adjacent parcels of land containing approximately 4.29 acres and the buildings located thereupon, in the Seventh Ward of Morgantown, West Virginia.
- WVUH and UHA have offered to purchase the University’s undivided Fifty (50%) interest in the real property.

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 7, 2025

- ITEM:** Authorization of the West Virginia University Police Department (“WVUPD”) to Participate in a Program Designed to Conditionally Transfer Excess Personal Property from the Department of Defense to State Law Enforcement Agencies (“1033 Program”)
- INSTITUTION:** West Virginia University
- COMMITTEE:** Full Board – Consent Agenda
- RECOMMENDATION:** That the West Virginia University Board of Governors approves WVUPD’s participation in the 1033 Program, as presented.
- STAFF MEMBER:** Chief Sherry St. Clair, UPD
Captain Matthew Swain, UPD
- BACKGROUND:** On May 29, 2024, WVUPD expressed a desire to participate in the 1033 Program by executing a State Plan of Operation (SPO) with the State of West Virginia (attached). According to the terms of the SPO, WVUPD must obtain authorization from the relevant governing authority as a condition of further participation. This agenda item seeks the required permission.
- For background, pursuant to 10 U.S.C. § 2576a, Congress has authorized the transfer of excess Department of Defense property to law enforcement agencies. There are a number of conditions that must be met to be part of the program. In working with the State of West Virginia’s Coordinator, the University has been informed that it is currently in compliance with all existing policies of the 1033 Program and is therefore seeking this final step in the process.
- The purpose of requesting this authorization at this time is in order to acquire rifles that had previously been provided to the City of Morgantown’s Police Department. Importantly, this transfer will be at no cost to WVU. Specifically, WVUPD is seeking these rifles to issue one to each certified police officer that has successfully completed annual rifle qualifications. Currently, rifles are only located inside patrol cars or in the armory. This opportunity will enhance the ability for each officer to be properly equipped to respond to an active shooter event and protect members of the WVU community.

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 7, 2025

- ITEM:** Appointment to County Extension Committees
- INSTITUTION:** West Virginia University
- COMMITTEE:** Full Board – Consent Agenda
- RECOMMENDATION:** Resolved: That the West Virginia University Board of Governors approves the nominees and alternates for positions on the County Extension Service Committees in West Virginia, as presented.
- STAFF MEMBER:** Paul Kreider, ED
Interim Provost and Vice President for Academic Affairs
- BACKGROUND:** The Board of Governors of West Virginia University is responsible for approving the appointments of individuals to the County Extension Service Committees which function in each county of West Virginia.
- Please review the nominees and alternates. You are asked to approve both, as a first choice may have to refuse the position, and the alternate is then approached

Brooke County08/04/2025 **Date****Employees and/or community leaders involved in selection of those recommended:****Incumbent:****Name:** Joy Crawford**Address:** 4135 Bethany Pike Wellsburg, WV 26070**Date term expires:****NOMINATED MEMBER:****Name:** Nancy Karavolos**Address:** 155 Leech Street , Weirton, WV 26062**Phone Number(s):** 304-670-8696**E-mail:** karavolos155@comcast.net**Education:****Occupation:** Master Gardener**Leadership positions in community:****(e.g. vice-president, chamber of commerce; chair, solid waste authority; board of directors, economic development authority)**

Nancy was the Food Service Director in Brooke County. and partnered with WVU Extension on many initiatives within the Brooke County School system. She has retired and now serves as volunteer for Brooke County Extension.

Involvement in other community activities:**(e.g. member, county library board; volunteer, community council; member, FRN)**

She helps with the Brooke Middle School Garden, volunteers with the Bruins Helping Bruins Food Pantry, and is a master Gardner.

Previous experience with WVU Extension Activities:

We have a lot of experience working together on projects in the school system and throughout the community. She is now a great resource for teaching students and community members about gardening as she is now a master gardener.

Please indicate if this nomination is submitted to achieve balance of committee membership in regard to:

Race: No Gender: No

Previous service on CESC: (include approximate dates of service)

First Time serving.

Brooke County
08/05/2025 **Date**

Employees and/or community leaders involved in selection of those recommended:

Incumbent:

Name:

Address:

Date term expires:

NOMINATED MEMBER:

Name: Sherrill Ripley

Address: 4319 Bethany Pike, Wellsburg, WV 26070

Phone Number(s): 412-217-2934

E-mail: momripley@hotmail.com

Education:

Occupation:

Leadership positions in community:

(e.g. vice-president, chamber of commerce; chair, solid waste authority; board of directors, economic development authority)

Sherrill has served as an Elder on her church board for many years.

Involvement in other community activities:

(e.g. member, county library board; volunteer, community council; member, FRN)

4-H Volunteer Leader

Previous experience with WVU Extension Activities:

Sherrill's Children and now Grandchildren on involved with 4-H. She was a volunteer 4-H and was on the Leaders Association in the past.

Please indicate if this nomination is submitted to achieve balance of committee membership in regard to:

Race: No Gender: No

Previous service on CESC: (include approximate dates of service)

Brooke County
08/08/2025 **Date**

Employees and/or community leaders involved in selection of those recommended:

Incumbent:

Name:

Address:

Date term expires:

NOMINATED MEMBER:

Name: Suzanne Davidson

Address: 101 Church Ave, Follanbsee, 26037

Phone Number(s): 304-670-4412

E-mail: SUZdavidson@comcast.net

Education: M.A.

Occupation: Substitute Teacher

Leadership positions in community:

(e.g. vice-president, chamber of commerce; chair, solid waste authority; board of directors, economic development authority)

Brooke Chambers of Commerce Education Committee Chair, Christmas in the Park Committee Chair

Involvement in other community activities:

(e.g. member, county library board; volunteer, community council; member, FRN)

Alpha Delta Kapa - National Teachers Organization, St. Anthony's Church.

Previous experience with WVU Extension Activities:

Science Saturday with WVU Extension, Activities for Energy Express, After School STEM Club

Please indicate if this nomination is submitted to achieve balance of committee membership in regard to:

Race: No Gender: No

Previous service on CESC: (include approximate dates of service)

**Jefferson County
Date****Employees and/or community leaders involved in selection of those recommended:****Incumbent:****Name:** Larry Willingham**Address:** 534 Hinton Rd Kearneysville, WV 25430**Date term expires:** 06/30/2025**NOMINATED MEMBER:****Name:** Jane Tabb**Address:** 922 Old Leetown Pike, Kearneysville, WV 25430**Phone Number(s):** 304-671-1213**E-mail:** vinemont.farm@gmail.com**Education:** Bachelor's Degree in Dairy Science, Virginia Tech**Occupation:** Former county commissioner, farmer**Leadership positions in community:****(e.g. vice-president, chamber of commerce; chair, solid waste authority; board of directors, economic development authority)**

President of Lady Fairfax CEOS Club

Involvement in other community activities:**(e.g. member, county library board; volunteer, community council; member, FRN)**

Member JCDA Strategic Plan Committee, Jefferson GAP Coalition, WV State Dairy Show Board Member

Previous experience with WVU Extension Activities:

Former program assistant with WVU Extension, 4-H volunteer at large, CEOS member

Please indicate if this nomination is submitted to achieve balance of committee membership in regard to:

Race: No Gender: No

Previous service on CESC: (include approximate dates of service)

January 1, 2001 – December 31, 2006 and January 1, 2012 – December 31, 2024, as county commissioner

Pleasants County
10/23/2025 **Date****Employees and/or community leaders involved in selection of those recommended:****Incumbent:****Name:** Dale Evans**Address:** 346 Old Farm Road St. Mary's, WV**Date term expires:** 06/2025**NOMINATED MEMBER:****Name:** Timothy Sweeney**Address:** Cool Springs Lane St Mary's, WV 26170**Phone Number(s):** 304-481-9195**E-mail:** timlsweeney@aol.com**Education:****Occupation:** Judge- Third Judicial Circuit**Leadership positions in community:****(e.g. vice-president, chamber of commerce; chair, solid waste authority; board of directors, economic development authority)**

Pleasants County Public Library President

Involvement in other community activities:**(e.g. member, county library board; volunteer, community council; member, FRN)**

Pleasants County Humane Society Board Member Pleasants County Historical Society Board Member

Previous experience with WVU Extension Activities:

Parent and Grandparent of 4-H members and Energy Express participants Pleasants County 4-H Foundation Board Member

Please indicate if this nomination is submitted to achieve balance of committee membership in regard to:

Race: No Gender: No

Previous service on CESC: (include approximate dates of service)

None

Pleasants County10/23/2025 **Date****Employees and/or community leaders involved in selection of those recommended:****Incumbent:****Name:** Greg Arnott**Address:** 771 Henry Camp Road St. Mary's, WV**Date term expires:** 06/2025**NOMINATED MEMBER:****Name:** Elizabeth Eddy**Address:** 516 Morgan Avenue St. Marys, WV 26170**Phone Number(s):** 740-629-3810**E-mail:** ecarpent@k12.wv.us**Education:****Occupation:** Pleasants County Schools Retired Teacher and Substitute Teacher**Leadership positions in community:****(e.g. vice-president, chamber of commerce; chair, solid waste authority; board of directors, economic development authority)****Involvement in other community activities:****(e.g. member, county library board; volunteer, community council; member, FRN)**

ELKS Club Secretary, Volunteered at Pleasants County Public Library during Summer Reading Program

Previous experience with WVU Extension Activities:

Energy Express Site Coordinator for 18+ Years

Please indicate if this nomination is submitted to achieve balance of committee membership in regard to:

Race: No Gender: No

Previous service on CESC: (include approximate dates of service)

Served from 2011-2017

Pleasants County
10/23/2025 **Date**

Employees and/or community leaders involved in selection of those recommended:

Incumbent:

Name: Becky Ingram

Address: 512 Second Street St. Mary's, WV 26170

Date term expires: 06/2026

NOMINATED MEMBER:

Name: Katrina Malone

Address: 1029 Hebron Road

Phone Number(s): 304-588-7829

E-mail:

Education:

Occupation: Chief Tax Deputy Pleasants County

Leadership positions in community:

(e.g. vice-president, chamber of commerce; chair, solid waste authority; board of directors, economic development authority)

Involvement in other community activities:

(e.g. member, county library board; volunteer, community council; member, FRN)

Youth Softball Organization Volunteer Pleasants County Schools Volunteer

Previous experience with WVU Extension Activities:

Served as Energy Express Mentor Parent of former 4-H member

Please indicate if this nomination is submitted to achieve balance of committee membership in regard to:

Race: No Gender: No

Previous service on CESC: (include approximate dates of service)

None

Pleasants County
10/23/2025 **Date****Employees and/or community leaders involved in selection of those recommended:****Incumbent:****Name:** Mary Hooper**Address:** 1071 Hebron Road St. Mary's, WV**Date term expires:** 06/2026**NOMINATED MEMBER:****Name:** Jessica Rupert**Address:** 209 Second Street St. Marys, WV 26170**Phone Number(s):** 304-580-6870**E-mail:** pscj@frontier.com**Education:****Occupation:** Pleasants County Senior Citizens Center Director**Leadership positions in community:****(e.g. vice-president, chamber of commerce; chair, solid waste authority; board of directors, economic development authority)****Involvement in other community activities:****(e.g. member, county library board; volunteer, community council; member, FRN)**

Pleasants Community Foundation Board of Directors, Downtown Block Party Board Member, Pleasants County Public Library Volunteer, 4-H Volunteer

Previous experience with WVU Extension Activities:

Parent of 4-H member. Previous member of CEOS

Please indicate if this nomination is submitted to achieve balance of committee membership in regard to:

Race: No Gender: No

Previous service on CESC: (include approximate dates of service)

None

Marion County
10/28/2025 **Date**

Employees and/or community leaders involved in selection of those recommended:

Incumbent:

Name: Tiffany Walker-Samuels

Address:

Date term expires: 06/30/2025

NOMINATED MEMBER:

Name: Ashley Lesnick

Address: 127 Pricketts Creek Rd, Fairmont, WV 26554

Phone Number(s): (814) 573-8522

E-mail: ashley.lesnick@mail.wvu.edu

Education: BS in Business Administration, Clarion University of Pennsylvania

Occupation: Assistant Director of Undergraduate Career Development with WVU College of B&E

Leadership positions in community:

(e.g. vice-president, chamber of commerce; chair, solid waste authority; board of directors, economic development authority)

Education Committee Chair, Master Gardeners Association of Marion County Retreat Planning Committee, Leadership Monongalia

Involvement in other community activities:

(e.g. member, county library board; volunteer, community council; member, FRN)

Advisory Board Committee Member, Clarion University of Pennsylvania Remote Workers/ Remote Leaders Certification Badge Facilitator, Brad &

Alys Smith Outdoor Economic Collaborative - AscendWV & AccentWV Women's Group, Winfield District Volunteer Fire Department

Previous experience with WVU Extension Activities:

Member, West Virginia Master Gardener Association

Please indicate if this nomination is submitted to achieve balance of committee membership in regard to:

Race: No Gender: No

Previous service on CESC: (include approximate dates of service)

none

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 7, 2025

ITEM: Naming Opportunity

INSTITUTION: West Virginia University

COMMITTEE: Full Board – Consent Agenda

RECOMMENDATION: Resolved: That pursuant to BOG Governance Rule 1.2, the West Virginia University Board of Governors hereby approves the naming opportunity discussed during yesterday's Executive Session of the Finance, Facilities, and Revitalization Committee.

STAFF MEMBERS: Wren Baker
Vice President and Director of Athletics

BACKGROUND: In consultation with the WVU Foundation, the administration has presented a naming opportunity for an Athletics facility. Details of the naming opportunity will be withheld until a later date at which time a formal announcement will be made.

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WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 7, 2025

ITEM: Discontinuance of the BS: Health Services Administration in the School of Public Health, WVU Main Campus

INSTITUTION: West Virginia University

COMMITTEE: Full Board – Consent Agenda

RECOMMENDATION: Resolved: That the West Virginia University Board of Governors approves the discontinuance of the BS in Health Services Administration in the School of Public Health

STAFF MEMBERS: Michael T. Benson
President

Paul Kreider
Interim Provost and Vice President for Academic Affairs

BACKGROUND: Rational for deactivation: The School of Public Health has a renewed focus on streamlining and optimizing programmatic offerings and enrollment while focusing on equitable faculty workloads. Based on enrollment and three-year award trends, the school is choosing to deactivate this program and focus on offering a reduced credit, general Bachelor of Science in Public Health (BSPH) curriculum. The school is also proposing a new minor in Health Systems Management which will include subject matter from this major.

Effective Term: Spring 2027

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 7, 2025

ITEM: Approval of New Undergraduate Certificate in River Conservation Management, WVU Main Campus

INSTITUTION: West Virginia University

COMMITTEE: Full Board – Consent Agenda

RECOMMENDATION: Resolved: That the West Virginia University Board of Governors approves a new certificate program in River Conservation Management in the College of Agriculture and Natural Resources.

STAFF MEMBERS: Michael T. Benson
President

Paul Kreider, ED
Interim Provost and Vice President for Academic Affairs

BACKGROUND: West Virginia University, College of Agriculture and Natural Resources is requesting approval to initiate a new undergraduate certificate in River Conservation Management.

Water is crucial for healthy communities yet, floods, droughts, and pollution increasingly threatened freshwater security of humans, the environment, and economy. With hundreds of thousands of miles of streams, creeks, and rivers, West Virginia and the Appalachian Mountains region play disproportionately large roles in provisioning freshwater from forested watersheds to the nation that is used for drinking, growing food, producing energy, and recreation. The vision for the River Conservation and Management Certificate Program is an Appalachian region with healthy rivers and thriving river-based communities. Our mission, to inspire a new generation of river conservation professionals that serve as problem solvers, innovators, and agents of changes in their communities, professions, and beyond, directly supports and enhances WVU's land-grant mission by providing the leadership needed to transform the health, prosperity, and resilience of the region's rivers, communities, and emerging 21st century economies.

The certificate was approved by the Faculty Senate at its October 13, 2025, meeting.

The curriculum is designed to be 12 credit hours.

Effective Term: Fall 2025

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 7, 2025

ITEM: Approval of New Undergraduate Certificate in Wetland Management, WVU Main Campus

INSTITUTION: West Virginia University

COMMITTEE: Full Board – Consent Agenda

RECOMMENDATION: Resolved: That the West Virginia University Board of Governors approves a new certificate program in Wetland Management in the College of Agriculture and Natural Resources.

STAFF MEMBERS: Michael T. Benson
President

Paul Kreider, ED
Interim Provost and Vice President for Academic Affairs

BACKGROUND: West Virginia University, College of Agriculture and Natural Resources is requesting approval to initiate a new undergraduate certificate in Wetland Management.

Wetlands are widely recognized for provision of important ecosystem services such as clean water, flood control, carbon sequestration, and provision of critical habitat. The mission for this transcribed certificate in Wetland Management is to promote professional opportunities for students in environmental fields, who commonly are involved in environmental consultation activities for impact assessment to wetland ecosystems, identifying opportunities for conservation of wetland resources, as well as supporting mitigation and restoration efforts of degraded wetlands.

WVU's land-grant mission of "creating a diverse and inclusive culture that advances education, healthcare and prosperity for all by providing access and opportunity; by advancing high-impact research; and by leading transformation in West Virginia and the world through local, state and global engagement" is strongly constituent in the programs goals to create experiential educational opportunities, advancing technological understanding through applied research, and to provide professional services to stakeholders in the areas of soil and water conservation to promote healthy and productive ecosystems.

The certificate was approved by the Faculty Senate at its October 13, 2025, meeting.

The curriculum is designed to be 17 credit hours.

Effective Term: Fall 2026

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS

Meeting of November 7, 2025

- ITEM:** Discontinuation of Existing Programs: MS in Applied and Environmental Microbiology; Entomology; Environmental, Soil and Water Sciences; Plant Pathology; and Horticulture
- INSTITUTION:** West Virginia University
- COMMITTEE:** Full Board – Consent Agenda
- RECOMMENDATION:** Resolved: The West Virginia University Board of Governors approves the deactivation of the MS in Applied and Environmental Microbiology; Entomology; Environmental, Soil and Water Sciences; Plant Pathology; and Horticulture majors within the WVU Davis College of Agriculture and Natural Resources.
- STAFF MEMBERS:** Dr. Michael Benson
President
- Dr. Paul Kreider
Interim Provost and Vice President for Academic Affairs
- BACKGROUND:** The Davis College of Agriculture and Natural Resources is consolidating these five underenrolled majors into a single program with areas of emphasis, which is the MS in Plant and Soil Sciences.
- The Davis College is targeting Fall 2026 to launch the new program.
- The consolidation of these programs has been endorsed by the Department, faculty, Chair, College Curriculum Committee, Dean, and Associate Provost for Faculty Affairs.

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS

Meeting of November 7, 2025

ITEM: Approval of new program: MS in Plant and Soil Sciences

INSTITUTION: West Virginia University

COMMITTEE: Full Board – Consent Agenda

RECOMMENDATION: Resolved: West Virginia University Board of Governors approves the new program in the MS in Plant and Soil Sciences.

STAFF MEMBERS: Dr. Michael Benson
President

Dr. Paul Kreider
Interim Provost and Vice President for Academic Affairs

BACKGROUND: The Davis College of Agriculture and Natural Resources has consolidated five underenrolled majors into a single program with areas of emphasis, which is the MS in Plant and Soil Sciences.

This new program and its areas of emphasis will support the full range of occupational outcomes and graduate placements for these students.

The Davis College is targeting Fall 2026 to launch the new program.

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS

Meeting of November 7, 2025

ITEM:	Approval of New Program: MA in Strategic Organizational Communication
INSTITUTION:	WVU
COMMITTEE:	Full Board – Consent Agenda
RECOMMENDATION:	Resolved: The West Virginia University Board of Governors approves the creation of a new program in Strategic Organizational Communication within the WVU Eberly College of Arts and Sciences.
STAFF MEMBERS:	Dr. Michael Benson President Dr. Paul Kreider Interim Provost and Vice President for Academic Affairs
BACKGROUND:	This new program is a revision of the current MA in Communication Studies program which is designed to more effectively draw on faculty expertise in the unit while potentially capturing more market share with more focus than the more general communication studies market. The MA in Strategic Organizational Communication prepares leaders to communicate strategically and navigate a range of workplace and organizational dynamics. Through this program, graduates translate fundamental ideas of communication into real-life applications. By learning innovative strategies for effective solutions, graduates develop skills to respond to crises that organizations may encounter. Students will succeed in the workplace by acquiring strong organizational interpersonal communication skills, the ability to navigate conflict and effectively lead groups, curate a professional digital persona, perform strong critical-thinking skills, and create effective written communication products. The modern workplace is based on information exchange – on developing core communication literacies to engage multiple information sources and receivers effectively in an increasingly crowded and connected digital landscape – and our program prepares graduates who can meet those demands. This program is designed for working professionals who want to enhance their communication skills to advance in the

workplace. Students will learn how to navigate organizational networks effectively, influence clients, coworkers, and administrators, develop and evaluate workplace programming, manage conflict and lead groups, interact with people from diverse populations, and use technology and social media to effectively communicate. Improved communication competence in one-on-one and group interactions, along with the proper use of technology and social media to effectively communicate will also be highlighted.

This proposed degree program has been endorsed by the Department, faculty, Chair, College Curriculum Committee, Dean, Associate Provost for Graduate Academic Affairs, Provost, and was approved by the Graduate Council at its September 18, 2025, meeting.

The curriculum is designed to be 30 credit hours.

The new degree will be available to students beginning in Fall 2026.

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 7, 2025

ITEM:	Educational Materials 2024-2025 Report
INSTITUTION:	West Virginia University
COMMITTEE:	Full Board
RECOMMENDATION:	Information Only
STAFF MEMBER:	Evan Widders, Associate Provost for Undergraduate Education
BACKGROUND:	In compliance with BOG Governance Rule 1.12: Educational Materials - wherein Section 2.2 provides that “At least annually, the Board shall be provided with a summary report, for the prior fiscal year, regarding the progress of, and compliance with, the matters outlined in this Rule” Associate Provost Evan Widders will provide to the WVU Board of Governors a report of WVU’s efforts to improve educational materials affordability for the academic year 2024-2025. Details of WVU’s efforts can be found in the <i>Educational Materials 2024-2025 Report</i> (attached).

EDUCATIONAL MATERIALS 2024-2025 REPORT

West Virginia University System

West Virginia University System Educational Materials Report 2024-2025

West Virginia Board of Governors Rule 1.12 Educational Materials

West Virginia Higher Education Policy Commission

Title 133, Series 51 Bookstores and Textbooks

1. **BOG Rule 1.12 Section 1 (Effective July 2019)**

1.1 The purpose of this Rule is to ensure that appropriate, high quality, and affordable Educational Materials are selected for courses offered by the University. Accordingly, this Rule outlines the guiding principles for the selection, adoption, use, sale, and delivery of Educational Materials.

Compliance with BOG Rule 1.12 Section 1

The West Virginia University System fully supports the goals of BOG Rule 1.12. To create further transparency and facilitate compliance, in 2022 the Office of the Provost began collecting and documenting all Educational Affordability Initiatives at <https://provost.wvu.edu/projects-and-initiatives/educational-materials-affordability>. The linked website contains a detailed list of initiatives undertaken by the university relevant to the BOG Rule.

Educational Materials Affordability

WVU strives to enhance the affordability of course materials for its students. This includes identifying and offering more affordable versions of texts and other educational materials (including online resources/modules) and low-cost texts/materials that have been created by faculty and shared with the academic community, such as open educational resources (OER).

Various campus committees lead several initiatives across the WVU system. Resources and details about these efforts are available for each of our three audiences - students, faculty and administration.

Student Resources

Faculty Resources

Administration Resources

[Student Resources](#)

[Faculty Resources](#)

[Administration Resources](#)

[Course Materials Selection Process](#)

2. **BOG Rule 1.12 Section 2: Textbook and Educational Materials Committee; Reporting**

2.1 Committee. *The President shall appoint an Educational Materials Committee ("Committee") which shall:*

2.1.1 *Meet periodically, but at least annually.*

2.1.2 *Advise the President and Board on Educational Materials affordability issues and initiatives.*

2.1.3 *Consistent with Section 3 of this Rule, establish formal selection guidelines and periodically update the guidelines to address emerging technologies or new strategies which address the affordability of Educational Materials.*

2.1.4 *Initiate educational opportunities regarding the affordability of Educational Materials and selection, including, but not limited to, open textbooks and open educational resources.*

2.2 Reporting. *At least annually, the Board shall be provided with a summary report, for the prior fiscal year, regarding the progress of, and compliance with, the matters outlined in this Rule.*

Compliance with BOG Rule 1.12 Section 2

The Educational Materials Executive Committee met during the 24-25 Academic Year to facilitate new and continuing initiatives. The Educational Materials Committee works in conjunction with Educational Materials working groups including the Student Government Association, the Faculty Senate Teaching and Assessment Committee, the First Day Complete team, and the Faculty Senate Academic Technology Committee.

3. BOG RULE 1.12 Section 3: Selection of Guideline Requirements

3.1 *The guidelines for the selection of Educational Materials shall, at a minimum:*

3.1.1 *Ensure appropriate, high quality course materials are selected by course instructors.*

3.1.2 *Establish firm deadlines for the selection of Educational Materials so that students have timely access to affordable course materials.*

3.1.3 *Ensure certain basic Educational Materials will be utilized for a reasonable number of consecutive years without new or updated editions being adopted, or selection of Educational Materials where earlier editions are easily and appropriately utilized in courses.*

3.1.4 *Encourage and incentivize the use of emerging technologies, such as electronic textbooks, online textbooks, print-on-demand services, and other open source materials.*

3.1.5 *Prohibit Employees from profiteering by requiring the purchase of one-time use materials (such as worksheets) or receiving payment or other consideration as an inducement for requiring students to purchase particular Education Materials.*

Compliance with BOG Rule 1.12 Section 3

The Provost's Office routinely distributes information to the faculty, both directly and via the academic deans, regarding educational materials. This process has become more important due to the adoption of First Day Complete (section 10 below). Ensuring adequate supplies of textbooks and, more often, digital access codes depend on early faculty responses to the request for materials. Implementing First Day Complete required materials to be identified earlier than was the case prior to First Day. Compliance with the earlier requests is not perfect but has been improving over the past two years.

A reminder letter that details the importance of timely educational material selection is sent to the faculty every fall and spring semester in advance of the educational material selection deadlines. A data dashboard was created to detail the state of material selection on our campuses and adoption messaging was repeated several times. The WVU Bookstore follows up

with faculty who have not submitted their educational material selections in a timely fashion.

Educational Materials Selection Guidelines

WVU's educational material selection guidelines are posted on the provost's website and outline strategies to keep educational materials affordable for students. The guidelines address the use of earlier editions of educational materials, the customization of educational materials, deadlines for educational material selection, the receipt of payment or other benefit as an inducement for requiring a specific textbook, and the written provision of information by educational material publishers when soliciting an employee of the WVU Board. Committee discussions with departments delivering large-scale instruction indicate that many have adopted affordability as a key standard in their decisions on educational resource adoption and that the number of traditional textbooks required for student purchase continues to decline.

<https://provost.wvu.edu/projects-and-initiatives/educational-materials-affordability/faculty-resources/guidelines-for-assigning-textbooks>

Default Selection of Educational Materials

First implemented in Fall 2012, the educational material default selection procedure stipulates that the WVU Bookstore notify department chairs of departmental courses without educational material selections after the educational material selection deadline so that the department chair can apply the default procedure. Each department, college, or school establishes its own default process and forwards that procedure to the Office of the Provost. If an educational material selection has not been made, and the department, college, or school has no default procedure in place, the university-wide default procedure is applied and course materials that were used the last time that the course was offered are reordered.

4. BOG RULE 1.12 Section 4: Bookstore Operations and Information Availability

- 4.1** *Each campus of the University shall have a bookstore, which may be operated by a vendor, and all moneys derived from the operation of a campus bookstore shall be handled in accordance with state law.*
- 4.2** *Campus bookstores should take reasonable steps to minimize the costs to students of purchasing Educational Materials, but in so doing, shall charge prices in accordance with state law.*
- 4.3** *When the selection process is complete, and Educational Materials are designated for order, the University, or its selected bookstore vendor, shall, in accordance with state and federal law, provide to students a listing of required or assigned Educational Materials for any course offered at the University.*

Compliance with BOG Rule 1.12 Section 4.

The WVU system is in full compliance with BOG Rule 1.12 Sections 4.1, 4.2, and 4.3. To further improve transparency and cost efficiencies for students, the WVU Bookstore has adopted an online educational material adoption platform for faculty, the Adoption and Insights Portal (AIP). The software also has improved functionality for adopting OER software.

AIP allows faculty members to research and adopt course materials, compare educational material costs, identify format availability prior to adoption, read product reviews, and review past educational material adoptions.

5. *Open Educational Resources (OER) Initiatives*

The WVU System is actively pursuing opportunities to encourage faculty and departments to adopt Open Educational Resources (OER) in their courses. OER is a general term describing a variety of different learning materials including textbooks, online modules, videos, and other resources. These resources are either in the public domain or have open “Creative Commons” licensing which permits their free distribution. Over the past few years, these resources have become widely acknowledged as a legitimate alternative to commercial educational materials.¹

WVU has encouraged faculty to review and possibly adopt OER resources in their courses. WVU has also added an OER material marking to its schedule of courses. If the course utilizes an OER resource, the instructor is asked to mark the course and then this marking is visible to students when they view the schedule of classes.

Other OER initiatives:

- A. Grants for the adoption of OER are offered by HEPC through the Open Learning West Virginia grant opportunity. See: <https://wvclimb.com/grants/>. These grants are facilitated by the Office of Institutional Research, the Office of the Provost, and the WVU Libraries. Details on the outcomes of the state-wide program can be found here: <https://www.wvhepc.edu/news/west-virginia-higher-education-policy-commission-reports-7-75-million-in-student-textbook-savings-through-open-educational-resources-initiative/n>

For AY 24-25, 15 faculty in the WVU system received \$1,000 general OER awards. Six additional faculty received \$2,500 Bridge OER awards. The total of these OER awards for AY 24-25 was \$30,000. Over the past five years, these awards have resulted in substantial increase in our courses that assign open educational resources.

Also, in AY 24-25 two faculty received \$25,000 HEPC OER awards. They awards are new and mean to address transformative OER work. The WVU system was the only institution to receive multiple awards.

- B. The WVU Library assists instructors who are interested in adopting OER. These include links to the most popular OER collections and an OER adoption guide webpage. <https://library.wvu.edu/teaching-and-learning/open-educational-resources>

¹ For a meta-analysis of the value and quality of OER resources, see, for example, Virginia Clinton and Shafiq Khan, *Efficacy of Open Textbook Adoption on Learning Adoption and Course Withdrawal Rates: A Meta-Analysis*, 2019.

Find and Incorporate OER

Looking to reduce textbook costs for your students and enhance your course with flexible, high-quality resources? The Libraries can help you discover and integrate Open Educational Resources (OER) into your teaching. You can:

- [Search OER collections and repositories](#) curated by the Libraries to identify textbooks, course modules, and multimedia materials in your discipline.
- Incorporate OER into your course with support on integrating resources into eCampus, syllabi, and other instructional tools.
- [Learn about accessibility and licensing](#) to ensure the materials you adopt meet student needs and comply with best practices.

Adapt, Develop, or Share OER

The Libraries provides support for OER publishing and will help you identify the best ways to make your work widely accessible, from choosing the right platform to maximizing discoverability. You can:

- [Access toolkits, templates, and examples](#) that make adapting or creating OER more approachable.
- [Find reputable OER publishers](#) and platforms that make your work freely accessible by default.
- Explore open licensing options (such as Creative Commons) to ensure your materials can be reused, remixed, and shared responsibly.
- [Submit your OER](#) to the WVU Research Repository, ensuring your materials are openly available and preserved.

Not sure where to start?

[Request one-on-one support](#) for identifying or adapting OER for your courses.

Or talk to WVU Libraries Scholarly Communications Librarian [Jonah McAllister-Erickson](#) about licensing, accessibility, and best practices in OER publishing.

C. The Barnes & Noble Bookstore now allows students to search for classes that have adopted OER.

More information on these initiatives, and detailed instructions on making use of these resources, can be found on the Provost Educational Materials Website at <https://provost.wvu.edu/projects-and-initiatives/educational-materials-affordability>

7. Course Marking Initiative

In compliance with [HB 2853](#) mandating expansion of Open Education Resources (OER), the West Virginia Higher Education Policy Commission is requiring all West Virginia public colleges and universities to implement a course cost-marking system. A November 2021 [memo to provosts and registrars](#) provides more detail on that expectation. In Fall 2022, WVU began publicizing the availability of “no-cost” and “low-cost” course sections directly within the course schedule. This process has continued each semester, with continual improvements to compliance and the number of offerings.

The available course section designations are defined at WVU as follows:

- **NOC (No-Cost Section)** - All required instructional materials (with the exception of proctoring and lab fees) are available to students at no additional cost beyond tuition. These materials may include open educational resources, materials available through the library (including course

reserves), access to content made available by the department, and other freely available and copyright-compliant online resources.

- **LOWC (Low-Cost Section)** - All required instructional materials (with the exception of proctoring and lab fees) can be purchased for a total expected cost of \$75.00 or less based on “University bookstore pricing.” This includes textbooks, academic technologies and access to publisher content expected to be purchased by the student. Unless the entire class is renting or leasing a book, please use the cost of a new textbook in your calculations.
- **OER (Open Educational Resources)** - All required instructional materials hold an open license or reside in the public domain. For assistance in identifying OER resources, please consult your subject matter library liaison.

8. Educational Affordability Website

The educational Materials Affordability Website contains webpages for students, faculty, and administrators. It links to relevant rules and memos, grant opportunities, and instructions for course marking and searching for no- and low-cost courses. The website documents the WVU System’s compliance with BOG Rule 1.12 and ensures that students, faculty, and administrators have ready access to our educational materials initiatives and policies.

<https://provost.wvu.edu/projects-and-initiatives/educational-materials-affordability>

9. Student Registration Integration

Student Financial Services has added Registration Integration to the student registration software (STAR). This integration helps ensure timely access to educational resources and enables students to easily pay for their required course materials with financial aid. Students using Registration Integration are able purchase the materials for their enrolled courses simply and easily using the funds in their student accounts.

Additionally, the bookstore allows for easy search and price comparison of required and optional educational materials and other course resources. Students are provided with transparent pricing with rental, digital, used, and new book prices listed.

10. First Day Complete Update

First Day Complete was available to nearly every undergraduate student on the three WVU campuses in Fall 2024. First Day Complete is an inclusive access program which provides students with all their educational materials for one price per semester. The materials are rented and returned at the end of each semester.

Complete details can be found at:

<https://studentaccounts.wvu.edu/course-materials-program>

<https://faculty.wvu.edu/teaching-at-wvu/course-materials-selection-process/first-day-complete-faqs>

WVU offered “First Day Complete” to undergraduate students for the first time in Fall 2024. First Day Complete is a course material model where students are provided with their course materials based

on a flat rate of \$345 for full time students (\$161 for part-time students). The price decreased by about \$15 this year from last year’s cost.

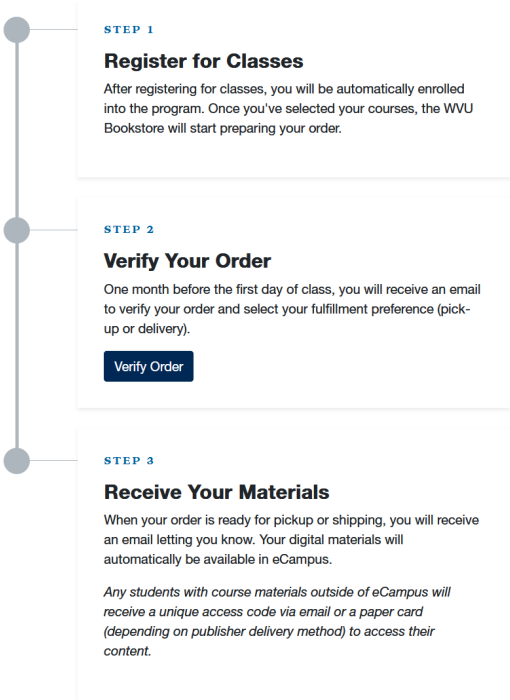
HOW IT WORKS

After registering for classes, the WVU Bookstore will begin preparing your course materials. Before the start of a new semester, you will be sent a series of emails allowing you to select your fulfillment preference (pick-up or delivery) and be notified when your materials are ready.

If you do not want to participate in First Day Complete for fall 2025, you may opt out of the program from July 11 through August 30 at 11:59 p.m. EST. The link to opt out will become available here on July 11.

Program Cost Per Semester

FULL-TIME STUDENT	PART-TIME STUDENT
\$345	\$161
12 or more credit hours per semester	11 or fewer credit hours per semester



By contracting all educational materials through Barnes and Noble, the bookstore can deliver materials at a lower cost to students before classes start. Students generally benefit from a lower cost and by receiving the books early. The bookstore benefits through volume. There is some evidence that this model increases student success.

Students who do not wish to participate in First Day Complete can opt out through an online process. Faculty can continue to select materials across all publishes and in any format. Over 100 campuses nationwide currently participate in First Day Complete.

Year	% Courses with First Day materials	% Students receiving books through First Day
AY 2024-2025	83%	59%
AY 2023-2024	80%	45%

APPENDIX—BIG 12 Bookstore Operations Survey Results

Following are the results of a spring 2025 survey of bookstores and inclusive access programs at other Big-12 institutions. The survey was conducted by the WVU President’s Office.

ENROLLMENT AND COURSE COUNT

School Name	Total Enrollment for Fall 2024	Approximate Number of Classes
Baylor University	20,626	Not available
Brigham Young University	34,522	8,300
Texas Tech University	41,045	20,528
University of Cincinnati	53,235	10,173
University of Colorado, Boulder	38,428	6,898
University of Utah	36,970	3,000+
West Virginia University	25,994	3,959 (<i>570 sections online and 3,389 in person</i>)

MANAGEMENT OF BOOKSTORE OPERATIONS

School Name	How are your bookstore operations managed?	Who is your external vendor/partner?	On what model does your bookstore program operate?
Baylor University	Managed by an external vendor/partner	Follett	• Traditional • Inclusive Access (IA)
Brigham Young University	Self-operated by my institution	N/A	• Traditional • Inclusive Access (IA)
Texas Tech University	Managed by an external vendor/partner	Follett	• Traditional
University of Cincinnati	Managed by an external vendor/partner	Follett	• Traditional • Inclusive Access (IA)
University of Colorado, Boulder	Self-operated by my institution	N/A	• Traditional • Inclusive Access (IA) • Equitable Access (EA)
University of Utah	Self-operated by my institution	N/A	• Inclusive Access (IA)
West Virginia University	Managed by an external vendor/partner	Barnes and Noble	• Equitable Access (EA)

IA AND EA MODELS / PRICING STRUCTURE

School Name	If you do not have an IA or EA program, do you plan on implementing one?	Did you have an IA model before transitioning to or starting an EA model?	Does your program have a flat-fee or per-credit-hour pricing structure?
Baylor University	No	N/A	N/A
Brigham Young University	Yes	N/A	N/A
Texas Tech University	No	N/A	N/A
University of Cincinnati	Yes	N/A	N/A
University of Colorado, Boulder	Yes	Yes	Flat fee
University of Utah	N/A	N/A	N/A
West Virginia University	N/A	No	Flat fee

COST OF PROGRAM

School Name	What is the cost of your program (flat-fee or per-credit-hour)?	Is the cost of your program increasing, decreasing or staying the same for fall 2025?	What is driving the increase or decrease of your program?
Baylor University	Our program is grassroots, we only add as professors request. Fees based by course.	Increasing	Word of mouth.
Brigham Young University	We do not charge a flat-fee or per-credit hour fee at this time.	Staying the same	N/A
Texas Tech University	We may consider an IA program for TTU Online, but will need to investigate how we can make this possible. Question below is N/A, but picking Staying the Same	Staying the same	N/A
University of Cincinnati	We do not have an EA program; pricing is determined per course.	Staying the same	N/A
University of Colorado, Boulder	\$269	Decreasing	The use of more free and Library materials, as well as a lower opt out rate than initially projected
University of Utah	We will be moving to a flat-fee model Fall 2025, \$259/semester for all undergrads. Summer will only be the IA model.	Staying the same	N/A
West Virginia University	Full time (12 or more credit hours): \$360; Part time (fewer than 12 credit hours): \$168	Decreasing	We are decreasing the cost of our program by encouraging faculty to increase adoptions of digital course materials as well as increasing our student participation in the program overall.

PROGRAM PARTICIPATION

School Name	Does your program use an opt-out or opt-in process?	Program participation rate for fall 2024	Which student groups are included in your program?
Baylor University	Opt-out	N/A	- Undergraduate students - Graduate students
Brigham Young University	Opt-out	Approximately 25% of our courses are IA and the participation rate is north of 90%	Undergraduate students
Texas Tech University	N/A	N/A	N/A
University of Cincinnati	Opt-out	99%	- Undergraduate students - Graduate students
University of Colorado, Boulder	Opt-out	91.5%	- Undergraduate students - Graduate students
University of Utah	Opt-out	94%	- Undergraduate students - Graduate students - Other
West Virginia University	Opt-out	44%	Undergraduate students

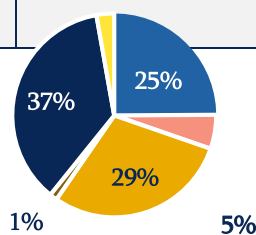
FACULTY ADOPTIONS

School Name	Is your institution successful in obtaining on-time adoptions from faculty and departments?	What strategies have you implemented to help improve the number of adoptions?
Baylor University	No	Not able to answer as Follett handles this process.
Brigham Young University	Yes	We begin emailing a "personalized" message early the prior semester for non-adoptions and continue that process. We also place phone calls. We exceeded 95% adoption for last semester by one week prior to the first day of class.
Texas Tech University	Yes	Working with Follett, Provost Office and IT to consistently notify faculty. Also created a "no change" adoption process with Follett that makes it really easy for faculty to continue offering same requirement with no effort.
University of Cincinnati	Yes	We have sent multiple reminders to faculty through the Office of the Provost and directly from the bookstore. Missing adoption lists have also been shared with associate deans, and we have implemented Follett Discover to simplify the process. Additionally, we have established a university Adoption Policy, outlining guidelines for adoption renewals and submission timelines.
University of Colorado, Boulder	No	Constant communication
University of Utah	Yes	Still need to improve overall communication efforts about deadlines.
West Virginia University	No	College, department, and unit level meetings to better educate deans, chairs, and faculty of the process and importance. A more robust communication plan from the university that compliments the communications from B&N to alert or call attention to actions and important messaging that faculty would otherwise disregard from B&N. A collaborative messaging approach with the Provost Office and the B&N team.

COURSE MATERIAL PERCENTAGES

SCHOOL	TRADITIONAL COURSE MATERIALS	CONSUMABLES	DIGITAL COURSE MATERIALS	OPEN EDUCATIONAL RESOURCES	NO MATERIALS	OTHER
Brigham Young University	60%	10%	30%	0%	0%	0%
Texas Tech University	8%	1%	3%	0.4%	87%	0.6% (Rentals)
University of Cincinnati	23%	0%	12%	1%	64%	0%
University of Colorado, Boulder	20.5%	13.3%	39%	4.9%	22.3%	0%
University of Utah	14%	0%	85%	1%	0%	0%
West Virginia University	24%	8%	7%	0%	45%	16% (No adoptions received / OER not reported through B&N)

Baylor University is not included in this data set, because they noted N/A for this question.



COURSE MATERIAL PERCENTAGES, COMBINED FOR ALL SCHOOLS

■ Traditional Course Materials
 ■ Consumables
 ■ Digital Course Materials
 ■ Open Educational Resources
 ■ No Materials
 ■ Other

OPEN EDUCATIONAL RESOURCES (OER)

School Name	Is your administration doing anything to support the development of OER?	How does your administration show its support?	Has the adoption of OER or other free materials impacted your course materials program in any of the following ways?
Baylor University	Yes	There is a course materials affordability committee	No perceptible impact / Not applicable to my institution
Brigham Young University	Yes	- Provides faculty training sessions on OER - Provides publishing support for OER	No perceptible impact / Not applicable to my institution
Texas Tech University	No	N/A	N/A
University of Cincinnati	No	N/A	N/A
University of Colorado, Boulder	Yes	- Offers grant programs for OER development - Provides faculty training sessions on OER	No perceptible impact / Not applicable to my institution
University of Utah	Yes	Supports efforts of library and store to promote and utilize OER in courses	No perceptible impact / Not applicable to my institution
West Virginia University	Yes	- Offers grant programs for OER development - Provides faculty training sessions on OER - We participate in the State OER grant program	- Lowered overall student costs - Improved student access to required materials

DIGITAL VS. PRINT MATERIALS

School Name	Does your STATE have a mandate or policy on offering digital vs. print materials?	Does your INSTITUTION have a mandate or policy on offering digital vs. print materials?
Baylor University	No	No
Brigham Young University	No	No
Texas Tech University	No	No
University of Cincinnati	No	No
University of Colorado, Boulder	No	No
University of Utah	No	No
West Virginia University	No	No

PROGRAM SUCCESS FACTORS

These factors were identified through open-text responses:

- ✓ Faculty advocacy and peer influence
- ✓ Cost-effective rental and IA programs
- ✓ Institutional support
- ✓ Growth of IA through LMS integration
- ✓ Flexible options for students
- ✓ Proactive faculty communication and e-book adaptability
- ✓ Increased awareness through better education and outreach

PROGRAM CHALLENGES

These challenges were identified through open-text responses:

- ✓ Affordability and rising costs
- ✓ Inventory risk in rental programs
- ✓ Faculty bypassing institutional programs (pointing students to publishers)
- ✓ Late adoptions and communication gaps
- ✓ Digital transition and adoption compliance
- ✓ Launch of Equitable Access (EA) program

SURVEY RESULTS: KEY TRENDS

/ Bookstore Management:

- / 4 institutions have bookstores managed by an external vendor.
- / 3 institutions self-operate their bookstores.

/ Most Common Vendors:

- / Follett is the most frequently used external vendor (3 institutions).
- / Barnes & Noble is used by 1 institution

WEST VIRGINIA UNIVERSITY BOARD OF GOVERNORS
Meeting of November 6, 2025

- ITEM:** Board Approved Ongoing Capital Projects
- INSTITUTION:** West Virginia University
- COMMITTEE:** Finance, Facilities, and Revitalization Committee – Agenda
- RECOMMENDATION:** Resolved: Informational Only
- STAFF MEMBER:** Barbara Weiss
Interim Vice President and Chief Financial Officer
- BACKGROUND:** Status of ongoing Capital Board of Governors approved projects.
- A.** Basketball Practice Facility Refresh
 - B.** Brooke Tower Piping Replacement and Bathroom Renovation
 - C.** Cary Gym Training Center Upgrades
 - D.** Football Game and Practice Facility Field Turf Replacement
 - E.** HEPC Deferred Maintenance Grant Projects Summary
 - F.** Jackson’s Mill Lodge Renovation
 - G.** School of Dentistry Renovation Phase I
 - H.** University Police Department Relocation to Chestnut Ridge Research Building
 - I.** WVU Pride Practice Facility (Don Wilcox Field)



BOARD OF GOVERNORS APPROVED ONGOING CAPITAL AND ITS PROJECTS

BASKETBALL PRACTICE FACILITY REFRESH

PROJECT DESCRIPTION: This project updates interior spaces of the Basketball Practice Facility with new graphics, displays, and finishes, including women's, men's, and shared areas.

- ✓ **Approved by the Board of Governors:** September 2024
- ✓ **Initial Approved Budget:** \$1,500,000
- ✓ **Current Anticipated Budget:** \$1,595,000
- ✓ **Anticipated Substantial Completion Date:** March 2026
- ✓ **Current Status and Updates:** The women's space has been completed. Design of the men's and shared spaces has resumed, with both programs reviewing plans. Installation is anticipated for Spring 2026.



BROOKE TOWER PIPING REPLACEMENT AND BATHROOM RENOVATION

PROJECT DESCRIPTION: Brooke Tower includes a total of 20 student restrooms, two per floor, plus RA restrooms on every other floor. The vertical sanitary risers have already been replaced. The horizontal water supply piping behind the bathroom walls has degraded and requires replacement. The project scope includes demolition of the wet wall and all associated piping, followed by installation of new, easily accessible piping. Bathrooms will also be reconfigured and updated, including the installation of new sanitary drain lines.

- ✓ **Approved by the Board of Governors:** April 2025
- ✓ **Initial Approved Budget:** \$4,000,000 (HEPC Funds) and \$3,250,000 (WVU Funds)
- ✓ **Current Anticipated Budget:** \$7,250,000
- ✓ **Anticipated Substantial Completion Date:** January 2026
- ✓ **Current Status and Updates:** The project remains on schedule and within budget. Floors 7, 8, and 9 are complete, and finishes are being installed on floors M through 6.



CARY GYM TRAINING CENTER UPGRADES

PROJECT DESCRIPTION: WVU Athletics plans to renovate the existing Gymnastics team spaces within the Cary Gym Training Center. This renovation will include a new locker room, shower/restroom facilities, a team lounge, and functional space in preparation for events. The renovation will create a mezzanine for viewing practices in the Cary Gym Training Center. Additionally, the project will include new lighting and flooring in the gym. Gymnastics and Athletics have identified a private donor for this project.

- ✓ **Approved by the Board of Governors:** December 2024
- ✓ **Initial Approved Budget:** \$2,480,000
- ✓ **Current Anticipated Budget:** \$2,480,000
- ✓ **Anticipated Substantial Completion Date:** December 15, 2025
- ✓ **Current Status and Updates:** The new lighting and flooring in the gym were completed prior to summer camps and team training in August. The team spaces, training areas, and the mezzanine are tracking on schedule for completion by mid-November. The project is tracking on budget.



FOOTBALL GAME AND PRACTICE FACILITY FIELD TURF REPLACEMENT

PROJECT DESCRIPTION: WVU Athletics plans to replace all its existing artificial turf fields, including Mountaineer Field at Milan Puskar Stadium and Steve Antoline Family Football Practice Field. Mountaineer Field was installed in 2016. The field has visible degradation due to UV exposure and use. The Antoline practice field was installed in late 2016 and sees more use as a practice field, and has visible signs of wear and tear due to use.

- ✓ **Approved by the Board of Governors:** November 2024
- ✓ **Initial Approved Budget:** \$3,240,000
- ✓ **Current Anticipated Budget:** \$1,950,000
- ✓ **Anticipated Substantial Completion Date:** July 9, 2025
- ✓ **Current Status and Updates:** Field Turf completed the project on schedule and under budget. The practice field was completed first, with a substantial completion date of May 15, 2025. Upon completion of the practice field, the game field was started and completed with a substantial completion date of July 9, 2025. Field Turf completed all punch list items in August and September. The project is in closeout.



HEPC DEFERRED MAINTENANCE GRANT PROJECTS SUMMARY

PROJECT DESCRIPTION: This grant funds deferred maintenance projects across WVU's Morgantown, WVU Tech (Beckley), and Potomac State (Keyser) campuses. Projects include roof replacements, exterior building repairs, and upgrades to fire alarm and mechanical systems.

- ✓ **Approved by the Board of Governors:** June 2023
- ✓ **Initial Approved Budget:** \$46,567,979 (HEPC Funding)
- ✓ **Expenditures/Encumbrances to Date:** \$36,807,095
- ✓ **Anticipated Substantial Completion Date:** December 31, 2026
- ✓ **Current Status and Updates:** Work across all three campuses is progressing well. Major contracts for HSC elevators, CRB boilers and chillers, and several Potomac State College projects have been awarded. Most WVU Tech projects are complete. HEPC has extended the project completion deadline to December 31, 2026, with invoicing permitted after that date.



JACKSON'S MILL LODGE RENOVATION

PROJECT DESCRIPTION: Built in 1968, Jackson's Lodge serves as Jackson Mill's largest lodging facility at 22 rooms, and has not had significant renovations since its construction. Planned improvements to the facility include a new elevator, ADA improvements, the creation of a dedicated visitor's space, new furniture, electrical, lighting, HVAC systems, fire alarm, interior finishes, doors and windows, decks, and upgrading the main entrance with stone accents. Technology improvements will include card readers, security cameras, building-wide fiber infrastructure, and integrated audio-visual systems.

- ✓ **Approved by the Board of Governors:** September 2025
- ✓ **Initial Approved Budget:** \$4,250,000
- ✓ **Current Anticipated Budget:** \$5,150,000
- ✓ **Anticipated Substantial Completion Date:** Summer 2026
- ✓ **Current Status and Updates:** The project was bid out, and the low bid was over budget. Additional funding was available to cover the shortfall. The project is scheduled to start in November of 2025, pending BOG approval of the budget increase of \$900,000.



SCHOOL OF DENTISTRY RENOVATION PHASE 1

PROJECT DESCRIPTION: This project includes a phased renovation of the School of Dentistry's space at the Health Sciences Center. Phase I, funded by a HRSA grant, covers approximately 53,000 square feet and will be phased over several years to allow clinics to remain open during construction. The renovation includes the Pediatrics, Orthodontics, Dental Group Practice, and Innovation Clinics, creating new clinical spaces with updated finishes and equipment. Upgrades to mechanical, electrical, and plumbing systems on the first and ground floors are also included.

- ✓ **Approved by the Board of Governors:** September 2024
- ✓ **Initial Approved Budget:** \$13,164,000
- ✓ **Current Anticipated Budget:** \$13,164,000
- ✓ **Anticipated Substantial Completion Date:** June 2026
- ✓ **Current Status and Updates:** All construction trade packages have been awarded. Demolition is complete, and new system rough-ins and interior finishes are ongoing. The project remains on schedule and under budget.



UNIVERSITY POLICE DEPARTMENT RELOCATION TO CHESTNUT RIDGE RESEARCH BUILDING

PROJECT DESCRIPTION: The University Police Department (UPD) is relocating to the Chestnut Ridge Research Building (CRB) from its current site, which is being impacted by WVU Medicine's expansion. UPD will occupy five floors of CRB, with the WVU Research Corporation occupying the remaining three. The new UPD space includes offices, Dispatch, conference rooms, training rooms, interview and processing rooms, evidence storage, and a small fitness area. The Dispatch room is classified as an Emergency Communication Center under code, and CRB was selected to meet this requirement.

- ✓ **Approved by the Board of Governors:** June 2024
- ✓ **Initial Approved Budget:** \$6,670,000 (Central Funding) and \$1,730,000 (HEPC Funding)
- ✓ **Current Anticipated Budget:** \$8,400,000
- ✓ **Anticipated Substantial Completion Date:** November 30, 2025
- ✓ **Current Status and Updates:** The UPD space renovation is complete, and the department moved into the new facility in August. The former UPD building has been turned over to WVU Medicine for demolition. Remaining work includes installation of new boilers, chillers, and associated equipment.



WVU PRIDE PRACTICE FACILITY (DON WILCOX FIELD)

PROJECT DESCRIPTION: The first phase of this project constructed a new artificial turf practice field for the WVU Marching Band at the current HSC student recreation field site. The new Pride Practice Facility provides a dedicated rehearsal space and serves as an asset to current and future students. When not in use by the Band, the field can be used for intramural sports. Future phases include a storage building for uniforms and instruments with restroom facilities, as well as a covered pavilion and donor recognition area. The Pride's former practice location in the Coliseum parking lot will be repurposed for Athletics.

✓ **Approved by the Board of Governors:** February 2025

✓ **Initial Approved Budget:** \$1,662,000

✓ **Current Anticipated Budget:** \$1,662,000

✓ **Anticipated Substantial Completion Date:** July 15, 2025

✓ **Current Status and Updates:** The project was completed on schedule and within budget in time for the start of Band Camp. The Board approved the renaming of the field to Don Wilcox Field in September 2025.

