

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2024 AND 2023



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**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	18
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	21
STATEMENTS OF CASH FLOWS	23
COMPONENT UNITS – STATEMENTS OF NET ASSETS	26
COMPONENT UNITS – STATEMENTS OF ACTIVITIES	34
NOTES TO FINANCIAL STATEMENTS	38
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF PROPORTIONATE SHARE OF TRS NET POSITION LIABILITY	136
SCHEDULE OF EMPLOYER CONTRIBUTIONS	136
SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POSTEMPLOYMENT LIABILITY (ASSET)	137
SCHEDULE OF EMPLOYER CONTRIBUTIONS	137
SUPPLEMENTARY INFORMATION	
SCHEDULE OF COMBINING NET POSITION INFORMATION	138
SCHEDULE OF COMBINING REVENUES, EXPENSES, AND CHANGES IN NET POSITION INFORMATION	141
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 <i>GOVERNMENT AUDITING STANDARDS</i>	143
SCHEDULE OF FINDINGS AND RESPONSES	145



INDEPENDENT AUDITORS' REPORT

West Virginia Higher Education Policy Commission
West Virginia Higher Education Fund
Charleston, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the West Virginia Higher Education Fund (the Fund), a component unit of the state of West Virginia, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Fund as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows, thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Fairmont State University, West Virginia Council for Community and Technical College Education, and the West Virginia School of Osteopathic Medicine (collectively, the Other Institutions), which represent 17%, 24%, and 14%, respectively, of total assets, total net position, and total revenues of the Fund as of June 30, 2024. We did not audit the financial statements of the Other Institutions, which represent 16%, 25%, and 13%, respectively, of total assets, total net position and total revenues of the Fund as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Other Institutions, are based solely on the report of the other auditors.

We also did not audit the financial statements of the discretely presented component units defined in Note 2 to the financial statements (collectively, the Other Discretely Presented Component Units), which represent 100% of total assets, total net position, and total revenues of the discretely presented component units as of and for the year ended June 30, 2024. We did not audit the financial statements of the discretely presented component units defined in Note 2 to the financial statements, which statements represent 99.8%, 99.7% and 99.4%, respectively, of total assets, total net position, and total revenues of the discretely presented component units as of and for the year ended June 30, 2023, other than the Blue Ridge Community and Technical College Foundation, Inc. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Other Discretely Presented Component Units, are based solely on the report of the other auditors.

Basis for Opinions

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

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 Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fund'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 Fund'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 audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Proportionate Share of TRS Net Pension Liability and Employer Contributions, and the Schedules of Proportionate Share of Net Other Postemployment Benefit Liability (Asset) and Employer Contributions (the required supplementary information), 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The schedule of combining net position information and schedule of combining revenues, expenses, and changes in net position information (the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, based on our audit and the reports of other auditors, the Schedule of Combining Net Position Information and Schedule of Combining Revenues, Expenses, and Changes in Net Position Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Fund'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 Fund's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 31, 2024

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)**

Overview of the Financial Statements and Financial Analysis

The West Virginia Higher Education Fund (the Fund) is comprised of 20 public colleges and universities and two administrative units. The Fund is a discretely presented component unit of the State of West Virginia (the State). The supervision and management of the affairs of each institution is the responsibility of individual Governing Boards, while the West Virginia Higher Education Policy Commission (the Commission and the West Virginia Council for Community and Technical College Education (the Council) are responsible for the development and implementation of a higher education policy agenda.

Governmental Accounting Standards Board (GASB) standards require the audited financial statements of certain institutions' component units to be separately presented as a discrete component unit in the institution's and Fund's financial statements for the fiscal years ended June 30, 2024 and 2023. These component units are private nonprofit organizations that report under the Financial Accounting Standards Board (FASB). A supplemental information schedule is provided presenting these statements on a consolidated GASB basis to meet the State's reporting requirements.

The following discussion and analysis of the Fund's financial statements provides an overview of its financial activities for Fiscal Years 2024 and 2023 and is required supplementary information. The emphasis of discussions about these statements will focus on current year data in comparison to prior year. There are three financial statements presented: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

Statements of Net Position

The statements of net position present the assets and deferred outflows of resources, liabilities and deferred inflow of resources and net position of the Fund and is a point of time financial statement. The purpose of the statement of net position is to present to the readers of the financial statements a fiscal snapshot of the Fund. The statement of net position presents end-of-year data concerning assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets and deferred outflows minus liabilities and deferred inflows).

From the data presented, readers of the statements of net position are able to determine the assets available to continue the operations of the Fund. They are also able to determine how much the Fund owes vendors, employees, investors and lending institutions. Finally, the statements of net position provides a picture of the net position (assets and deferred outflows minus liabilities and deferred inflows).

Net position is divided into three major categories. The first category, net investment in capital assets, provides the Fund's equity in land, buildings, furniture, and equipment owned by the Fund less related long-term debt issued to finance capital assets. The next net position category is restricted, which is divided into two categories, nonexpendable and expendable. The nonexpendable restricted category is used for an endowment program where funds are invested and the earnings are available for expenditure but the original principal is not. The expendable restricted category reflects amounts that are available for expenditure by the Fund but have a specific purpose. The final category is unrestricted. The unrestricted category is used to record amounts that are available to be used for any lawful purpose of the Fund.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)**

Statements of Net Position (Continued)

**Condensed Schedules of Net Position
(In Thousands of Dollars)**

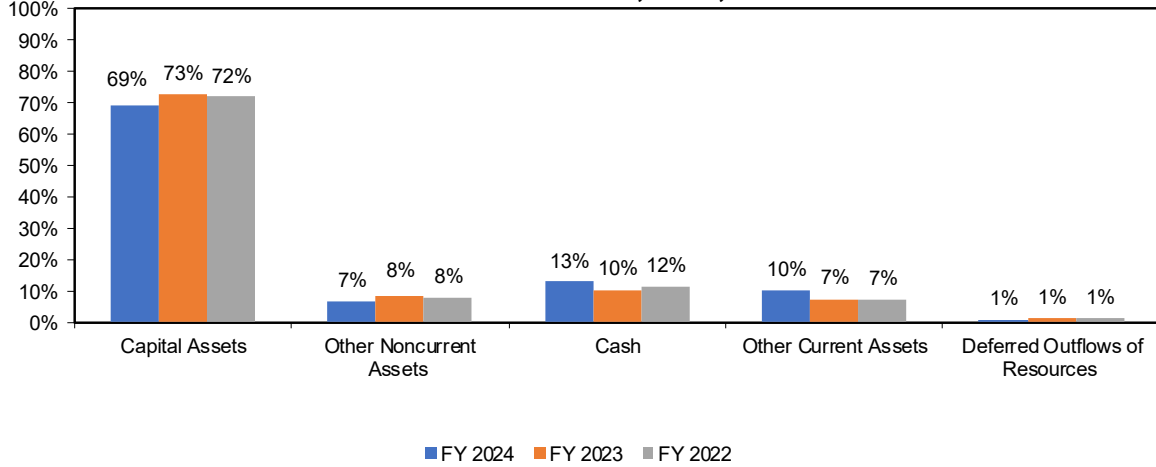
	2024	2023	(As Restated) 2022
ASSETS			
Current Assets	\$ 1,117,466	\$ 830,004	\$ 890,237
Capital Assets, Net	3,347,277	3,381,040	3,385,165
Other Noncurrent Assets	328,794	390,627	379,435
Total Assets	4,793,537	4,601,671	4,654,837
DEFERRED OUTFLOWS OF RESOURCES			
Total	\$ 4,835,334	\$ 4,662,594	\$ 4,714,301
LIABILITIES			
Current Liabilities	\$ 505,060	\$ 454,253	\$ 504,494
Noncurrent Liabilities	1,573,892	1,649,451	1,641,488
Total Liabilities	2,078,952	2,103,704	2,145,982
DEFERRED INFLOWS OF RESOURCES			
Total	79,606	115,668	194,356
NET POSITION			
Net Investment in Capital Assets	2,024,366	2,038,866	2,065,044
Restricted-Expendable	321,516	212,654	202,394
Restricted-Nonexpendable	36,392	34,004	33,337
Unrestricted	294,502	157,698	73,188
Total Net Position	2,676,776	2,443,222	2,373,963
Total	\$ 4,835,334	\$ 4,662,594	\$ 4,714,301

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)**

Statements of Net Position (Continued)

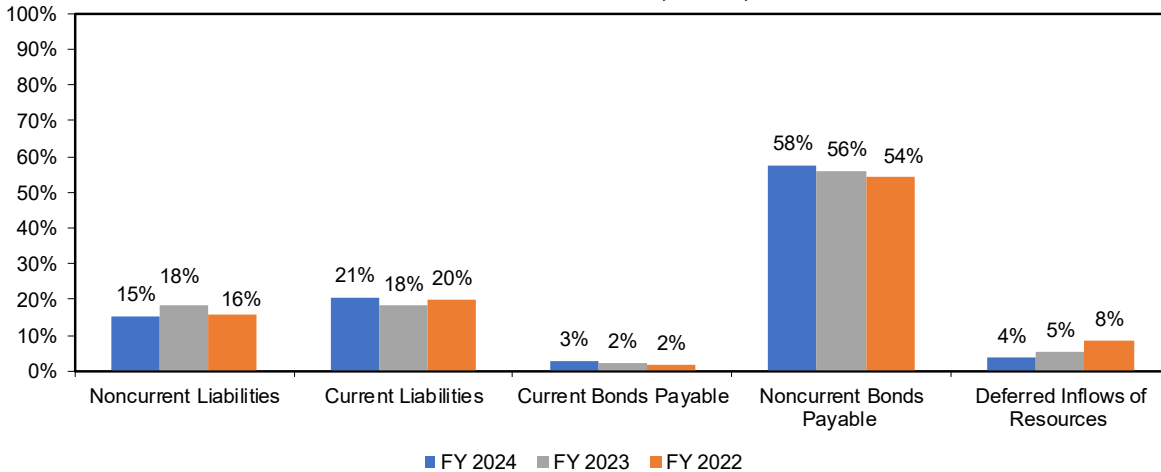
Assets and Deferred Outflows Composition

For the Years Ended June 30, 2024, 2023 and 2022



Liabilities and Deferred Inflows Composition

For the Years Ended June 30, 2024, 2023 and 2022



**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)**

Statements of Net Position (Continued)

Major items of note in the Statement of Net Position included:

- Total current assets of \$1,117.5 million exceeded total current liabilities of \$505.1 million as of June 30, 2024 for net working capital of \$612.4 million as compared to net working capital of \$375.7 million and \$385.7 million as of June 30, 2023 and 2022, respectively. Current assets increased by \$287.5 million from 2023 to 2024 and decreased by \$60.2 million from 2022 to 2023, while current liabilities increased by \$50.8 million from 2023 to 2024 and decreased by \$50.2 million from 2022 to 2023.
 - The major components of current assets include cash and cash equivalents of \$622.3 million, \$481.8 million, and \$546.1 million and net accounts receivable of \$199.5 million, \$196.5 million, and \$176.6 million as of June 30, 2024, 2023, and 2022, respectively. The majority of the cash and cash equivalents represent interest earning assets invested through the office of the West Virginia State Treasurer which invested with Board of Treasury Investments at June 30, 2024, 2023 and 2022.
 - The major components of current liabilities include \$175.9 million, \$134.9 million, and \$162.5 million of unearned revenue, \$84.3 million, \$89.5 million, and \$86.4 million, in accounts payable, \$87.4 million, \$81.5 million, and \$111.1 million of accrued liabilities, \$56.9 million, \$55.3 million, and \$53.5 million in accrued compensated absences, and \$59.4 million, \$51.6 million, and \$51.0 million in current portion of bonds payable as of June 30, 2024, 2023 and 2022, respectively.
 - The changes from last year in the level of most of the current assets and liabilities reflect normal fluctuations in business operations; current construction projects activities and changes in grant activities.
- Noncurrent assets total \$3,676.1 million, \$3,771.7 million, and \$3,764.6 million and noncurrent liabilities total \$1,573.9 million, \$1,649.5 million, and \$1,641.5 million as of June 30, 2024, 2023 and 2022, respectively. Noncurrent assets decreased by \$95.6 million from 2023 to 2024 and increased by \$7.1 million from 2022 to 2023 while noncurrent liabilities decreased by \$75.6 million from 2023 to 2024 and increased by \$8.0 million from 2022 to 2023.
 - The primary noncurrent asset is \$3,347.3 million, \$3,381.0 million, and \$3,385.2 million, of net capital assets as of June 30, 2024, 2023 and 2022, respectively. Also included as noncurrent assets are cash and cash equivalents primarily for capital purposes of \$82.4 million, \$99.0 million, and \$112.7 million, investments for capital purposes totaling \$178.3 million, \$214.5 million, and \$202.4 million, and net loans to students of \$20.4 million, \$23.8 million, and \$25.9 million as of June 30, 2024, 2023 and 2022, respectively.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)

Statements of Net Position (Continued)

- Major components of noncurrent liabilities include long-term bonds payable totaling \$1,181.5 million, \$1,242.9 million, and \$1,241.4 million, lease liabilities of \$96.5 million, \$93.4 million, and \$95.3 million, financed purchases of \$57.0 million, \$57.8 million, and \$56.9 million, advances from federal sponsors of \$14.5 million, \$16.4 million, and \$19.8 million, and notes payable of \$105.3 million, \$110.4 million, and \$115.0 million, as of June 30, 2024, 2023 and 2022, respectively. In addition, the net pension liability recorded was \$4.2 million, \$5.6 million and \$4.5 million, as of June 30, 2024, 2023 and 2022, respectively.
- Other post-employment benefit (OPEB) liability (asset) decreased by \$39.0 million 2023 to 2024. The OPEB liability increased by \$12.7 million from 2022 to 2023. In 2024, the Fund's fiduciary net position exceeded the total OPEB liability resulting in a net OPEB asset based on the actuarial valuation.
- Deferred outflows of resources totaling \$59.4 million as of June 30, 2022 increased to \$60.9 million as of June 30, 2023 and decreased to \$41.8 million as of June 30, 2024. The 2024 decrease is the result of a decrease in OPEB related deferred outflows of \$16.2 million and a decrease in deferred loss on refunding of \$2.4 million. The 2023 increase is the result of a decrease in the deferred loss on refunding of \$2.4 million and an increase in the OPEB of \$4.2 million, offset by a decrease in deferred outflows related to pensions of \$0.5 million.
- Most of the FY 2024 \$36.1 million decrease in deferred inflows was a result of a decrease in the inflows related to OPEB of \$31.5 million, a decrease of inflows related to pensions of \$1.2 million, and a decrease in leases of \$1.4 million. Most of the FY 2023 \$78.7 million decrease in deferred inflows was a result of a decrease in the inflows related to OPEN of \$73.4 million, a decrease in the inflows related to pensions of \$4.7 million and an increase in the leases of \$1.2 million.
- The net position of the Fund totaled \$2,676.8 million, \$2,443.2 million, and \$2,374.0 million as of June 30, 2024, 2023 and 2022, respectively, an increase of \$233.6 million from 2023 to 2024 and \$69.2 million from 2022 to 2023.
 - Net investment in capital assets totaled \$2,024.4 million, \$2,038.9 million, and \$2,065.0 million as of June 30, 2024, 2023 and 2022, respectively.
 - Restricted expendable net position totaled \$321.5 million, \$212.7 million, and \$202.4 million and included \$70.5 million, \$71.1 million, \$67.1 million for sponsored projects, \$19.4 million, \$17.6 million, and \$18.2 million for capital projects, and \$19.6 million, \$19.5 million, and \$18.3 million for loan programs as of June 30, 2024, 2023 and 2022, respectively.
 - Unrestricted net position totaled \$294.5 million, \$157.7 million, and \$73.2 million as of June 30, 2024, 2023 and 2022, respectively, and represents net position available to the Fund for any lawful purpose of the Fund.
 - The increase in net position is more fully explained in the following section.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)**

Statements of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the statements of net position are based on the activity presented in the statements of revenues, expenses, and changes in net position. The purpose of the statement is to present the revenues of the Fund, both operating and nonoperating, and the expenses of the Fund, operating and nonoperating, and any other revenues, expenses, gains or losses of the Fund.

Operating revenues represent the receipts earned from providing goods and service to the various customers and constituencies served by the Fund, including fees from students and revenue in the form of Federal and State grants used to support operations and various initiatives. Operating expenses are those expenses incurred in the form of staff salaries, benefits and various goods and services to carry out the mission of the Fund. Revenues for which goods and services are not provided are reported as nonoperating revenues. For example, State appropriations are nonoperating because they are provided by the West Virginia State Legislature to the Fund without the Legislature directly receiving commensurate goods and services for those revenues. Likewise, Pell grants are reported as nonoperating because of specific guidance in the GASB implementation guide.

**Condensed Schedules of Revenues, Expenses and Changes in Net Position
(In Thousands of Dollars)**

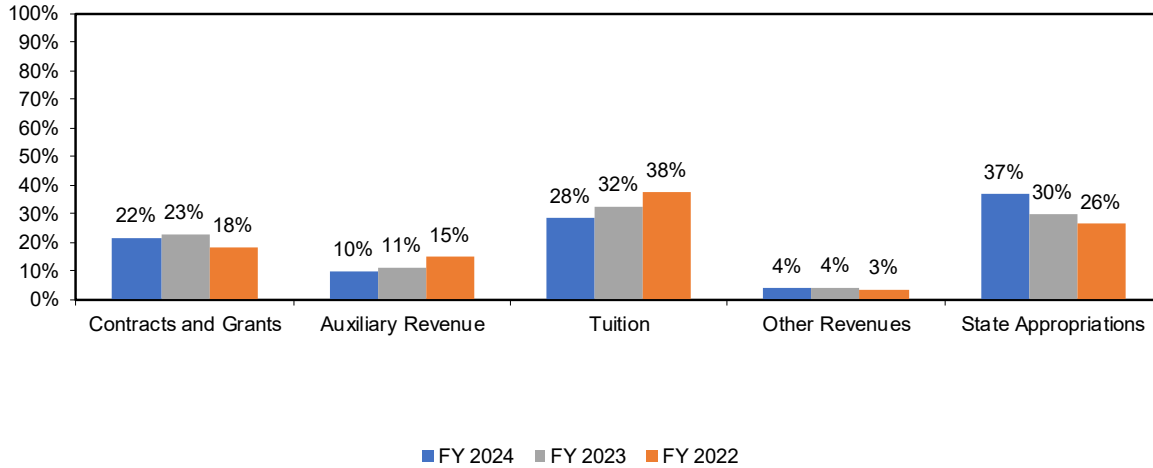
	2024	2023	(As Restated) 2022
OPERATING REVENUES	\$ 1,366,370	\$ 1,308,811	\$ 1,231,779
OPERATING EXPENSES	<u>2,136,854</u>	<u>2,082,680</u>	<u>2,022,994</u>
OPERATING LOSS	(770,484)	(773,869)	(791,215)
NET NONOPERATING REVENUES	<u>978,991</u>	<u>766,117</u>	<u>767,791</u>
INCOME (LOSS) BEFORE OTHER REVENUES EXPENSES, GAINS, AND LOSSES	208,507	(7,752)	(23,424)
CAPITAL GRANTS, APPROPRIATIONS AND GIFTS	24,624	75,297	61,299
CAPITAL PAYMENTS MADE ON BEHALF OF THE FUND	423	1,714	1,135
INCOME (LOSS) ON DISPOSAL OF OPERATIONS	<u>-</u>	<u>-</u>	<u>(2,667)</u>
INCREASE IN NET POSITION	<u><u>\$ 233,554</u></u>	<u><u>\$ 69,259</u></u>	<u><u>\$ 36,343</u></u>

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)**

Statements of Revenues, Expenses and Changes in Net Position (Continued)

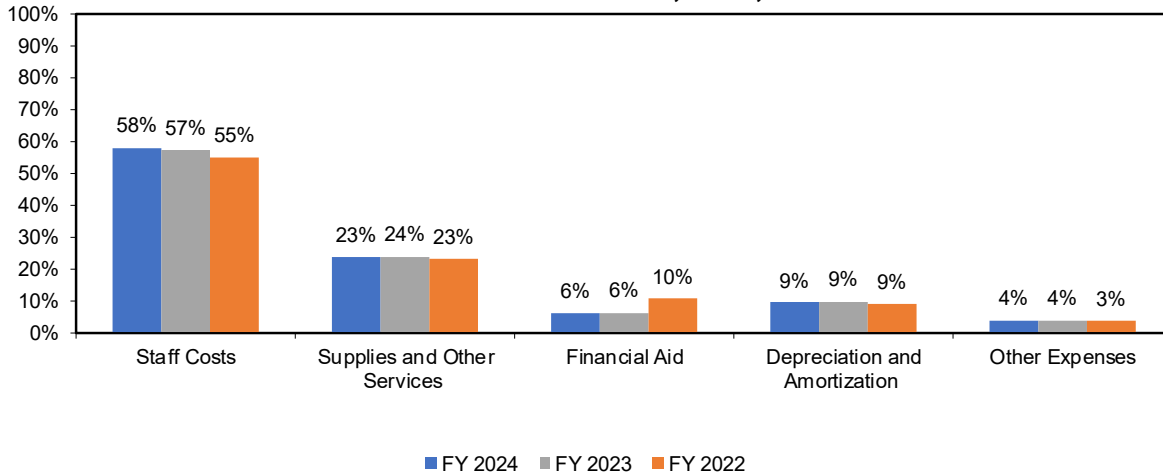
Operating Revenues and State Appropriations

For the Years Ended June 30, 2024 and 2023 and 2022



Total Operating Expenses

For the Years Ended June 30, 2024, 2023 and 2022



**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)**

Statements of Revenues, Expenses and Changes in Net Position (Continued)

Major items of note in the statement of revenues, expenses and changes in net position include:

- Operating Revenues of the Fund totaled \$1,366.4 million, \$1,308.8 million, and \$1,231.7 million for the years ended June 30, 2024, 2023 and 2022, respectively, an increase of \$57.6 million from 2023 to 2024 and an increase of \$77.0 million from 2022 to 2023.
 - Student tuition and fees revenues totaled \$610.4 million in FY 2024, \$602.6 million in FY 2023 and \$620.3 million in FY 2022, an increase of \$7.8 million or 1.3% in FY 2024 and an decrease of \$17.7 million or -3.0% in FY 2023. Tuition is reported net of scholarship allowances totaling \$247.7 million, \$288.7 million, and \$219.5 million for the years ended June 30, 2024, 2023 and 2022, respectively.
 - Federal grant and contracts totaled \$234.7 million, \$206.0 million, and \$174.7 million, for the years ended June 30, 2024, 2023 and 2022, respectively. The increase of \$28.7 million in FY 2024 and the increase of \$31.3 million in FY 2023 mainly represents additional awards received during the years.
 - Auxiliary enterprises generated revenues of \$212.4 million, \$205.1 million, and \$204.6 million, net of \$29.2 million, \$27.2 million, and \$24.2 million, of scholarship allowances for the years ended June 30, 2024, 2023 and 2022, respectively. FY 2024 net auxiliary revenues increased by \$7.3 million or 3.6%. FY 2023 net auxiliary revenues increased by \$.5 million or .25%.
 - State grants and contracts totaled \$66.4 million, \$68.5 million, and \$40.8 million for the years ended June 30, 2024, 2023 and 2022, respectively, a decrease of \$2.1 million from 2023 to 2024 and an increase of \$27.6 million from 2022 to 2023. Private grants and contracts totaled \$161.2 million, \$147.3 million, and \$140.7 million for the years ended June 30, 2024, 2023 and 2022, respectively, an increase of \$13.9 million from 2023 to 2024 and increase of \$6.6 million from 2022 to 2023. These changes represent normal fluctuations in grant activities.
- Operating expenses totaled \$2,136.9 million, \$2,082.7 million, and \$2,023.0 million for the years ended June 30, 2024, 2023 and 2022, respectively, an increase of \$54.2 million from 2023 to 2024 and an increase of \$59.7 million from 2022 to 2023.
 - Staff salary costs totaled \$1,017.5 million, \$1,004.3 million, and \$948.3 million, an increase of \$13.2 million or 1.3% from 2023 to 2024 and an increase of \$55.9 million or 5.8% from 2022 to 2023. The FY 2024 increase is attributed to increases in salaries for faculty and both classified and non-classified staff. Also, benefits expense increased due to a decrease in OPEB credits and increased insurance premiums.
 - Supplies and other services totaled \$499.6 million, \$493.9 million, and \$458.9 million for the years ended June 30, 2024, 2023 and 2022, respectively, an increase of \$5.7 million or 1.2% from 2023 to 2024 and an increase of \$35.0 million or 7.6% from 2022 to 2023.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)

Statements of Revenues, Expenses and Changes in Net Position (Continued)

- Scholarships and fellowships totaled \$126.7 million, \$127.0 million, and \$209.2 million for the years ended June 30, 2024, 2023 and 2022, respectively, a decrease of \$.3 million or .2% from 2023 to 2024 and an increase of \$82.2 million or 39.3% from 2022 to 2023.
- Depreciation and amortization totaled \$195.1 million, \$196.7 million, and \$177.3 million for the years ended June 30, 2024, 2023 and 2022, respectively, a decrease of \$1.6 million from 2023 to 2024 and an increase of \$19.4 million from 2022 to 2023.
- The result from operations was a net operating loss of \$770.0 million, \$773.9 million, and \$791.0 million for the years ended June 30, 2024, 2023 and 2022, respectively, which excludes State appropriations of \$789.4 million, \$555.2 million, and \$520.6 million, and Federal Pell grants of \$103.3 million, \$90.7 million, and \$90.5 million for the years ended June 30, 2024, 2023 and 2022, respectively. The net operating loss decrease of \$3.9 million in FY 2024 and the net operating loss decrease of \$17.3 million in FY 2023 was the outcome of increased grant revenue.
- Net nonoperating revenue totaled \$979.0 million, \$766.1 million, and \$767.8 million for the years ended June 30, 2024, 2023 and 2022, respectively, an increase of \$212.9 million from 2023 to 2024 and an increase of \$1.6 million from 2022 to 2023.
 - State general revenue and lottery appropriations totaled \$789.4 million, \$555.2 million, and \$520.6 million for the years ended June 30, 2024, 2023 and 2022, respectively, an increase of \$234.2 million from 2023 to 2024 and an increase of \$34.6 million from 2022 to 2023.
 - Interest incurred on indebtedness totaled \$58.7 million, \$57.4 million, and \$57.9 million for the years ended June 30, 2024, 2023 and 2022, an increase of \$1.3 million from 2023 to 2024 and a decrease of \$.5 million from 2022 to 2023.
 - Investment income (loss) totaled \$56.3 million, \$41.4 million, and (\$42.7) million for the years ended June 30, 2024, 2023 and 2022, respectively, an increase of \$14.9 million from 2023 to 2024 and an increase of \$84.0 million from 2022 to 2023. The FY 2024 and FY 2023 increases are a result of favorable investment performance in as compared to previous FY's.
- Other revenues consist of capital grants and gifts totaling \$25.0 million, \$75.3 million, \$61.2 million, for the years ended June 30, 2024, 2023 and 2022, respectively, a decrease of \$50.3 million from 2023 to 2024 and an increase of \$14.0 million from 2022 to 2023.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)**

Statements of Revenues, Expenses and Changes in Net Position (Continued)

- The activity for FY 2024 resulted in an increase of net position totaling \$233.6 million as compared to the FY 2023 increase of net position totaling \$69.3 million, and an increase of \$36.3 million FY 2022.
- As reported below on a functional expenditure basis, expenditures for Educational and General Expenses were \$1,577.6 million, \$1,539.6 million, and \$1,441.8 million for the years ended June 30, 2024, 2023 and 2022, respectively, an increase of \$38.0 million or 2.5% from FY 2023 and an increase of \$97.8 million or 6.8% from FY 2022. Cost of instruction constitutes 38.7%, 40.3%, and 40.6% of total educational and general expenses for the years ended June 30, 2024, 2023 and 2022, respectively.

**Functional Expenditures Comparisons
(In Thousands of Dollars)**

	(As Restated)					
	FY 2024		FY 2023		FY 2022	
	Total	% of E&G Total	Total	% of E&G Total	Total	% of E&G Total
Instruction	\$ 610,704	38.7%	\$ 621,235	40.3%	\$ 585,713	40.6%
Research	226,916	14.4%	200,845	13.0%	186,150	12.9%
Public Service	119,244	7.6%	118,457	7.7%	105,662	7.3%
Academic Support	107,497	6.8%	108,045	7.0%	101,680	7.1%
Student Services	99,837	6.3%	92,266	6.0%	87,899	6.1%
Plant Operations	129,109	8.2%	115,043	7.5%	120,198	8.3%
Institutional Support	284,317	18.0%	283,738	18.4%	254,524	17.7%
Total Educational and General Expenses	1,577,624	<u>100.0%</u>	1,539,629	<u>100.0%</u>	1,441,826	<u>100.0%</u>
Financial Aid	127,256		123,426		179,744	
Auxiliary Enterprises	228,144		217,638		186,240	
Depreciation and Amortization	195,082		193,619		177,373	
Other	8,748		8,368		37,811	
Total Operating Expenses	<u>\$ 2,136,854</u>		<u>\$ 2,082,680</u>		<u>\$ 2,022,994</u>	

Statements of Cash Flows

The final statement presented is the statements of cash flows. The statements of cash flows present detailed information about the cash activity of the Fund during the year. The statement is divided into five parts. The first section deals with operating cash flows and shows the net cash used by the operating activities of the Fund. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items and cash provided by sources used to acquire capital. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth part reconciles the net cash used to the operating loss reflected on the statements of revenues, expenses, and changes in net position.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)**

Statements of Cash Flows (Continued)

**Condensed Schedules of Cash Flows
(In Thousands of Dollars)**

	2024	2023	(As Restated) 2022
CASH PROVIDED (USED) BY:			
Operating Activities	\$ (591,245)	\$ (686,429)	\$ (655,718)
Noncapital Financing Activities	853,106	758,441	902,487
Capital Financing Activities	(222,204)	(197,376)	(202,911)
Investing Activities	100,832	61,084	40,171
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	140,489	(64,280)	84,029
Cash and Cash Equivalents - Beginning of Year	481,837	546,117	462,088
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 622,326</u>	<u>\$ 481,837</u>	<u>\$ 546,117</u>

Major items of note in the statement of cash flows includes:

- Cash expended from operating activities was exceeded by cash received for operating activities by \$591.2 million, \$686.4 million, and \$655.7 million for the years ended June 30, 2024, 2023 and 2022, respectively, primarily due to the reporting of State appropriations and Federal Pell grants as noncapital financing activities. Primary sources of cash from operating activities during FY 2024, 2023 and 2022, respectively, were student tuition and fees of \$582.4 million, \$572.1 million, and \$597.8 million; contracts and grants of \$500.7 million, \$400.0 million, and \$359.6 million; and auxiliary enterprise charges of \$224.6 million, \$216.3 million, and \$197.1 million. Primary uses of cash for FY 2024, 2023 and 2022, respectively, included payments to and on behalf of employees of \$1,255.6 million, \$1,244.7 million, and \$1,152.0 million and payments to suppliers of \$479.2 million, \$487.9 million, and \$414.2 million.
- Net cash provided from noncapital financing activities for FY 2024, 2023 and 2022, respectively, totaled \$853.1 million, \$758.4 million, and \$903.0 million, of which \$658.6 million, \$545.1 million, and \$545.8 million was from State General Revenue and Lottery appropriations, \$103.1 million, \$90.6 million, and \$90.5 million was from Federal Pell Grants, and \$(0.4) million, \$26.6 million, and \$218.3 million was from COVID relief grants.
- Net cash used by capital financing activities for FY 2024 totaled \$222.2 million. Other sources include proceeds from capital asset disposal and sale of natural resources of \$0.4 million, offset by purchases of capital assets totaling \$109.2 million, and principal and interest paid on notes, bonds and leases of \$138.9 million.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)**

Statements of Cash Flows (Continued)

- Net cash used by capital financing activities for FY 2023 totaled \$197.4 million. Other sources include proceeds from bond issuances and borrowings of \$57.3 million, proceeds from direct placements of \$1.0 million, offset by purchases of capital assets totaling \$144.9 million, and principal and interest paid on notes, bonds and leases of \$140.3 million.
- Net cash provided by investing activities for FY 2024, 2023 and 2022 totaled \$100.8 million, \$61.1 million and \$40.2 million. The FY 2024 and FY2023 change is a result of an increase in purchases and sales of investments and an increase in investment income due to favorable market conditions.
- Net cash for FY 2024 increased by \$140.5 million compared to a decrease in net cash for FY 2023 of \$64.3 million and an increase for FY 2022 of \$84.0 million, respectively. These changes are the net result of all the previous activity discussed.

Capital Asset and Long-Term Debt Activity

The Fund continued to expand its capital facilities to further its mission of providing quality programs to students and to provide expanded research capabilities. Cash used for capital assets totaled \$109.2 million in FY 2024, as compared to \$144.9 million in FY 2023. Institutional projects at all the institutions are under way due to institutional bond issues in, 2010, 2012, 2014, 2020 and 2021 and 2015 system bond issues in FY 2009, 2010, 2011 and 2012, and a State bond issue in FY 2011. For FY 2024, expenditures at West Virginia University and Marshall University accounted for \$47.0 million and \$20.9 million of the total, respectively. For FY 2023, expenditures at West Virginia University and Marshall University accounted for \$51.6 million and \$50.7 million of the total, respectively.

In May 2021, the West Virginia State University Board entered into a Capital Loan Agreement with Rice Capital Access Program, LLC for a direct placement for up to \$40.5 million. The proceeds were used to repay outstanding balances of the 2012 Bonds, 2013 Bonds and a capital lease.

The Commission made all required debt service payments and repaid principal of \$18.2 million in FY 2024, \$17.4 million in FY 2023 and \$15.8 million in FY 2022, respectively. See Notes 10 and 11 to the financial statements for further detail of long-term debt.

West Virginia University, including the Health Sciences Center and its regional campuses, has a multi-year capital budget including planned capital expenditures of approximately \$183.0 million. The capital plan includes various capital projects to construct, renovate and/or upgrade academic and auxiliary facilities on the University's campuses. These capital projects are being financed through bond proceeds, grants, and other sources of revenues available to the University including internal financing, operational revenue and gifts.

During May 2023, West Virginia University issued \$56.5 million of taxable revenue bonds to finance the design, acquisition, construction, and equipping of certain capital improvements. At June 30, 2024, the University's bonds were rated as Aa3, AA- and A/Stable by Moody's, Fitch and Standard and Poor's, respectively.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2024
(UNAUDITED)**

Other Factors Impacting the Financial Position and Results of Operations of the Fund

The Commission in partnership with the West Virginia Community and Technical College System and the West Virginia Department of Education is sponsoring the West Virginia Climb campaign. The goal of the campaign is to have 60% of the state's workforce with a formal education credential beyond high school by the year 2030. Achievement of the goal would double the percentage of working age West Virginians with a high-quality postsecondary credential. It is estimated that 60% of working West Virginians will need a certificate or degree in order to meet future workforce demands.

Economic Outlook

For FY 2026, the Governor asked state agencies, including public higher education, to submit appropriation requests equal to the fiscal year 2025 amounts. The FY 2025 state appropriations during the 2024 regular legislative session for higher education did not change significantly compared to the previous year.

During the 2023 Regular Session, the Legislature passed and the Governor signed into law, House Bill 2024, which included the appropriation of money into the Governor's Civil Contingent Fund to be used for the purpose of providing grants to address deferred maintenance issues at the State's higher education institutions. The phased funding of deferred maintenance to the Commission began in FY 2024 and was then subsequently disbursed to the State's higher education institutions. As of June 30, 2024, \$170 million in deferred maintenance grant projects have been approved and \$43 million of funds have been received by the Commission and disbursed to the institutions of higher education.

A new funding formula, effective for FY 2024, was developed collaboratively by the West Virginia Legislature, the Higher Education Policy Commission, and the State's institutions of higher education. This model uses data to objectively calculate and propose annual state appropriations for institutions. It aims to reward colleges and universities that emphasize helping students, especially those who are low-income or underprepared, complete their degrees on time. The focus is on degrees that are state priorities for workforce development, such as engineering, health care, social work, education, computer science, and transportation. This model also includes an inflationary adjustment that increases or decreases with the most recent Higher Education Price Index (HEPI). The Commission will recommend funding changes to the Legislature based on performance results within this model, but it is ultimately up to the Legislature to enact any changes.

In April 2024, Governor Jim Justice declared a state of emergency for state colleges and universities due to the federal government's delayed rollout of the Free Application for Federal Student Aid (FAFSA). To help state institutions manage the impact, the Governor proposed Senate Bill 1007, which the Legislature passed during the May 2024 special session. The bill created three one-time appropriations totaling \$83.2 million. From these funds, the Commission will provide \$32 million to support the operations of the State's higher education institutions, \$40 million to increase the needs-based Higher Education Grant Program (HEGP) and \$11.2 million to the newly established College Access Emergency Grant Program.

Request for Information

Requests for information may be directed to the Vice Chancellor for Finance, 1018 Kanawha Boulevard East, Suite 700, Charleston, WV 25301.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

ASSETS	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 622,326	\$ 481,837
Investments	118,421	110,255
Appropriations Due from Primary Government	148,390	15,420
Accounts Receivable, Net	199,484	196,524
Loans Receivable, Current Portion	9,748	9,463
Other Current Assets	15,411	12,562
Inventories	3,686	3,943
Total Current Assets	1,117,466	830,004
NONCURRENT ASSETS		
Cash and Cash Equivalents	82,384	99,031
Investments	178,270	214,520
Loans Receivable, Net of Allowance of \$8,536 and \$6,462 In 2024 and 2023, Respectively	20,384	23,764
Net Other Postemployment Benefit Asset	17,413	-
Other Assets	30,343	53,312
Capital Assets, Net	3,347,277	3,381,040
Total Noncurrent Assets	3,676,071	3,771,667
Total Assets	4,793,537	4,601,671
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding	31,750	34,142
Related to Pensions	1,195	1,669
Related to OPEB	8,852	25,112
Total Deferred Outflows of Resources	41,797	60,923
Total Assets and Deferred Outflows of Resources	\$ 4,835,334	\$ 4,662,594

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

LIABILITIES	2024	2023
CURRENT LIABILITIES		
Accounts Payable	\$ 84,331	\$ 89,494
Due to State of West Virginia	35	39
Accrued Liabilities	87,356	81,538
Unearned Revenue	175,879	134,970
Deposits	3,901	4,322
Real Estate Purchase Agreements Payable, Current Portion	585	295
Other Liabilities, Current Portion	75	329
Compensated Absences, Current Portion	56,919	55,334
Notes Payable, Current Portion	5,388	4,924
Lease Liabilities, Current Portion	6,048	6,219
SBITA Liabilities, Current Portion	14,922	14,409
Financed Purchases Payable, Current Portion	893	1,282
Interest Payable	9,367	9,505
Bonds Payable, Current Portion	59,361	51,593
Total Current Liabilities	505,060	454,253
NONCURRENT LIABILITIES		
Advances from Federal Sponsors	14,509	16,376
Real Estate Purchase Agreement Payable	10,054	10,287
Compensated Absences	5,192	4,901
Notes Payable	105,300	110,354
Lease Liabilities	96,488	93,377
SBITA Liabilities	18,746	16,764
Financed Purchases Payable	57,032	57,834
Future Interest Payable	23,566	26,256
Bonds Payable	1,181,502	1,242,911
Net Other Postemployment Benefit Liability	-	12,745
Net Pension Liability	4,186	5,626
Other Noncurrent Liabilities	57,317	52,020
Total Noncurrent Liabilities	1,573,892	1,649,451
Total Liabilities	2,078,952	2,103,704

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	2024	2023
DEFERRED INFLOWS OF RESOURCES		
Related to Public-Private Partnerships	\$ 37,838	\$ 39,559
Related to Pensions	3,064	4,313
Related to OPEB	27,040	58,504
Related to Leases	11,138	12,510
Other	526	782
Total Deferred Inflows of Resources	79,606	115,668
Total Liabilities and Deferred Inflows of Resources	2,158,558	2,219,372
NET POSITION		
Net Investment in Capital Assets	2,024,366	2,038,866
Restricted for:		
Expendable:		
Scholarships	18,471	14,800
Sponsored Projects	70,475	71,088
Loans	19,576	19,472
Capital Projects	19,405	17,562
Debt Service	57,781	17,208
OPEB	17,413	-
Other	118,395	72,524
Total Restricted Expendable	321,516	212,654
Nonexpendable	36,392	34,004
Unrestricted	294,502	157,698
Total Net Position	2,676,776	2,443,222
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 4,835,334	\$ 4,662,594

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	2024	2023
OPERATING REVENUES		
Student Tuition and Fees, Net of Scholarship Allowance of \$247,667 in 2024 and \$288,657 in 2023, Respectively	\$ 610,389	\$ 602,649
Federal and Local Land Grants	11,458	12,759
Contracts and Grants:		
Federal	234,715	205,907
State	66,429	68,454
Local	1,412	1,384
Private	161,206	147,279
Interest on Student Loans Receivable	689	536
Sales and Services of Educational Activities	21,233	17,894
Auxiliary Enterprise Revenue, Net of Scholarship Allowance of \$29,188 in 2024 and \$27,224 in 2023, Respectively	212,437	205,071
Other Operating Revenues	46,402	46,878
Total Operating Revenues	1,366,370	1,308,811
OPERATING EXPENSES		
Salaries and Wages	1,017,467	1,004,306
Benefits	219,913	183,629
Supplies and Other Services	499,565	493,913
Utilities	73,364	72,952
Student Financial Aid, Scholarships and Fellowships	126,666	127,027
Depreciation and Amortization	195,082	196,730
Other Operating Expenses	4,797	4,123
Total Operating Expenses	2,136,854	2,082,680
OPERATING LOSS	(770,484)	(773,869)

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	2024	2023
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	\$ 732,985	\$ 498,843
State Lottery Appropriations	56,427	56,341
Federal Pell Grants	103,313	90,668
COVID Relief Grants	2,585	39,679
Gifts	106,409	116,512
Investment Income, Including Unrealized Gain of \$7,549 in 2024 and \$12,965 in 2023, Respectively	56,331	41,365
Interest on Indebtedness	(58,722)	(57,389)
Payments Made on Behalf of the Fund	(10,756)	(11,502)
Student Financial Aid and Other Payments to Institutions	(18,362)	(30,780)
Federal Revenue	(275)	16,391
Other Nonoperating Expense, Net	9,056	5,989
Net Nonoperating Revenues	978,991	766,117
 GAIN (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	 208,507	 (7,752)
 CAPITAL GRANTS, APPROPRIATIONS, AND GIFTS	 24,624	 75,297
 CAPITAL PAYMENTS MADE ON BEHALF OF THE FUND	 423	 1,714
 INCREASE IN NET POSITION	 233,554	 69,259
Net Position - Beginning of Year	2,443,222	2,373,963
 NET POSITION - END OF YEAR	 \$ 2,676,776	 \$ 2,443,222

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	\$ 582,436	\$ 572,108
Federal and Local Land Grants	11,457	12,758
Contracts and Grants	500,728	399,909
Payments to and on Behalf of Employees	(1,255,609)	(1,244,745)
Payments to Suppliers	(479,238)	(487,877)
Payments to Utilities	(71,981)	(73,923)
Payments for Scholarships and Fellowships	(138,976)	(137,246)
Loans Issued to Students	(358)	(893)
Collection of Loans to Students	4,461	2,892
Sales and Services of Educational Activities	21,059	18,313
Interest Earned on Loans to Students	481	297
Auxiliary Enterprise Charges	224,606	216,338
Direct Lending Receipts	382,538	379,458
Direct Lending Payments	(382,157)	(379,192)
Other Receipts, Net	9,308	35,374
Net Cash Used by Operating Activities	(591,245)	(686,429)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	658,569	545,123
Federal Pell Grants	103,111	90,646
COVID Relief Grants	(36)	26,603
Payments to Other Institutions	(17,833)	(25,243)
Gift Receipts	99,433	110,599
Other Nonoperating Receipts, Net	9,862	10,713
Net Cash Provided by Noncapital Financing Activities	853,106	758,441
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds from Bond Issuances and Borrowings	-	57,311
Direct Placement Proceeds	-	1,000
Proceeds from Capital Asset Disposals and Sale of Natural Resources	420	111
Issuance Costs on New Debt	-	(188)
Capital Grants and Gifts Received	19,786	25,141
Purchases of Capital Assets	(109,243)	(144,914)
Principal Paid on Notes, Bonds, Leases and SBITAs	(76,657)	(79,703)
Interest Paid on Notes, Bonds, Leases and SBITAs	(62,219)	(60,644)
Other	5,709	4,510
Net Cash Used by Capital Financing Activities	(222,204)	(197,376)

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from Sales/Maturities of Investments	\$ 88,666	\$ 68,992
Purchases of Investments	(39,470)	(38,718)
Withdrawals from Noncurrent Cash and Cash Equivalents	24,025	44,180
Deposits to Noncurrent Cash and Cash Equivalents	(7,378)	(30,486)
Investment Income	34,989	17,116
Net Cash Provided by Investing Activities	100,832	61,084
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	140,489	(64,280)
Cash and Cash Equivalents - Beginning of Year	481,837	546,117
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 622,326	\$ 481,837
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	\$ (770,484)	\$ (773,869)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	195,082	196,932
Donated/Noncapitalized Expense	4,839	4,417
Accretion on Bond Premium/Discount	(2)	(2)
Loan Cancellations and Write-offs	64	121
Expenses Paid on Behalf of the Fund	(10,726)	(11,985)
Changes in Assets and Liabilities:		
Receivables, Net	328	(26,862)
Leases Receivable	(857)	551
Loans Receivable, Net	4,266	1,485
Prepaid Expenses	(1,297)	703
Inventories	257	(214)
Accounts Payable	(17,596)	4,563
Accrued Liabilities	(8,734)	(18,925)
Defined Benefit Pension	(2,633)	(8,444)
Compensated Absences	1,876	2,016
Unearned Revenue	41,694	566
Deposits	(421)	63
Other Postemployment Benefit Liability	(22,898)	(45,622)
Advances from Federal Sponsors	(1,867)	(3,127)
Other	(2,136)	(8,796)
Net Cash Used by Operating Activities	\$ (591,245)	\$ (686,429)

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

	2024	2023
SUPPLEMENTAL DISCLOSURES OF SIGNIFICANT NONCASH TRANSACTIONS		
Construction in Progress and Capital Asset Additions Included in Accounts Payable and Accrued Liabilities	\$ 6,021	\$ 4,793
Donated Capital Assets	\$ 4,655	\$ 43,337
Loss on Disposal of Fixed Assets	\$ (2,314)	\$ (3,559)
Unrealized Gain (Loss) on Investment	\$ 7,549	\$ 12,965
Gift of Noncapital Asset	\$ 8,649	\$ 5,925
Other Non Cash Property Additions	\$ 135	\$ 1,295
Expenses Paid on Behalf	\$ 8,585	\$ 8,099
Deferred Gain on Refunding	\$ 45	\$ 45
Acquisition of Right-of-Use Assets	\$ 9,675	\$ 3,212

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF NET ASSETS
JUNE 30, 2024

ASSETS	Big Green Scholarship Foundation Inc.	Bluefield State University Foundation Inc.	Concord University Foundation Inc.	Fairmont State Foundation Inc.	The Glenville State University Foundation Inc.	The Marshall University Foundation Inc.	New River Community and Technical College Foundation Inc.	Provident Group- Marshall Properties, LLC
Cash and Cash Equivalents	\$ 3,747,529	\$ 1,164,105	\$ 912,340	\$ 1,408,864	\$ 189,784	\$ 35,945,204	\$ 225,620	\$ 1,423,306
Investments	12,729,636	6,394,491	54,908,469	36,741,476	23,951,646	268,223,605	2,265,242	-
Pledges and Contributions Receivable, Net	11,068,841	-	225,000	1,011,722	-	19,886,223	27,500	238,268
Other Assets	77,574	121,953	874,504	19,899	1,455,290	14,763,927	218,717	5,342,707
Beneficial Interests	669,496	-	-	3,590,638	-	10,168,393	1,429,912	-
Property and Equipment, Net	234,453	-	195	341,974	3,674,025	8,617,144	-	41,197,268
Total	<u>\$ 28,527,529</u>	<u>\$ 7,680,549</u>	<u>\$ 56,920,508</u>	<u>\$ 43,114,573</u>	<u>\$ 29,270,745</u>	<u>\$ 357,604,496</u>	<u>\$ 4,166,991</u>	<u>\$ 48,201,549</u>

* December 31 Year-End

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF NET ASSETS (CONTINUED)
JUNE 30, 2024

	The Shepherd University Foundation Inc.	Southern West Virginia Community College Foundation, Inc.*	West Liberty University Foundation Inc.	West Virginia Northern Community College Foundation Inc.	West Virginia School of Osteopathic Medicine Foundation Inc.	West Virginia State University Foundation Inc.	WVU at Parkersburg Foundation Inc.	Blue Ridge Community and Technical College Foundation Inc.	BridgeValley Community and Technical College Foundation Inc.	Total
ASSETS										
Cash and Cash Equivalents	\$ 4,165,167	\$ 412,859	\$ -	\$ 122,045	\$ 356,995	\$ 2,551,046	\$ 2,305,880	\$ 719,484	\$ 228,411	\$ 55,878,639
Investments	40,443,942	4,032,885	25,230,961	7,229,660	58,043,090	15,152,582	14,743,382	1,078,086	2,519,471	573,688,624
Pledges and Contributions Receivable, Net	63,080	210,102	153,043	1,109	300,723	1,211,677	2,630,600	2,500	4,867	37,035,255
Other Assets	98,822	10,789	345,414	23,033	11,087	801,069	2,014	8,163	18,253	24,193,215
Beneficial Interests	-	-	2,295,852	1,276,291	800,000	247,464	-	-	-	20,478,046
Property and Equipment, Net	16,768,138	-	-	-	-	1,819,531	6,898,638	-	-	79,551,366
Total	<u>\$ 61,539,149</u>	<u>\$ 4,666,635</u>	<u>\$ 28,025,270</u>	<u>\$ 8,652,138</u>	<u>\$ 59,511,895</u>	<u>\$ 21,783,369</u>	<u>\$ 26,580,514</u>	<u>\$ 1,808,233</u>	<u>\$ 2,771,002</u>	<u>\$ 790,825,145</u>

* December 31 Year-End

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF NET ASSETS (CONTINUED)
JUNE 30, 2024

LIABILITIES AND NET ASSETS	Big Green Scholarship Foundation Inc.	Bluefield State University Foundation Inc.	Concord University Foundation Inc.	Fairmont State Foundation Inc.	The Glenville State College Foundation Inc.	The Marshall University Foundation Inc.	New River Community and Technical College Foundation Inc.	Provident Group- Marshall Properties, LLC
LIABILITIES								
Accounts Payable	\$ 259,470	\$ -	\$ 41,853	\$ 2,761	\$ 350,539	\$ 1,205,554	\$ 2,500	\$ 363,622
Other Accrued Liabilities	298,423	-	-	284	17,642	918,048	227,500	2,701,634
Amounts Held on Behalf of Others	-	-	6,674,287	2,181	59,535	48,401,515	-	-
Annuity Obligations	-	-	28,679	367,357	-	387,911	-	3,979,509
Bonds and Notes Payable	3,795,396	1,069,335	-	-	2,714,420	12,478,134	-	81,476,119
Total Liabilities	<u>4,353,289</u>	<u>1,069,335</u>	<u>6,744,819</u>	<u>372,583</u>	<u>3,142,136</u>	<u>63,391,162</u>	<u>230,000</u>	<u>88,520,884</u>
NET ASSETS (DEFICIT)								
Without Donor Restrictions	3,339,709	2,027,506	844,963	3,109,003	1,605,615	22,728,898	98,430	(40,319,335)
With Donor Restrictions	20,834,531	4,583,708	49,330,726	39,632,987	24,522,994	271,484,436	3,838,561	-
Total Net Assets (Deficit)	<u>24,174,240</u>	<u>6,611,214</u>	<u>50,175,689</u>	<u>42,741,990</u>	<u>26,128,609</u>	<u>294,213,334</u>	<u>3,936,991</u>	<u>(40,319,335)</u>
Total	<u>\$ 28,527,529</u>	<u>\$ 7,680,549</u>	<u>\$ 56,920,508</u>	<u>\$ 43,114,573</u>	<u>\$ 29,270,745</u>	<u>\$ 357,604,496</u>	<u>\$ 4,166,991</u>	<u>\$ 48,201,549</u>

* December 31 Year-End

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF NET ASSETS (CONTINUED)
JUNE 30, 2024

	The Shepherd University Foundation Inc.	Southern West Virginia Community College Foundation, Inc.*	West Liberty University Foundation Inc.	West Virginia Northern Community College Foundation Inc.	West Virginia School of Osteopathic Medicine Foundation Inc.	West Virginia State University Foundation Inc.	WVU at Parkersburg Foundation Inc.	Blue Ridge Community and Technical College Foundation Inc.	BridgeValley Community and Technical College Foundation Inc.	Total
LIABILITIES AND NET ASSETS										
LIABILITIES										
Accounts Payable	\$ 6,788	\$ 895	\$ -	\$ 32,290	\$ 205	\$ 31,147	\$ 127,131	\$ -	\$ 27,640	\$ 2,452,395
Other Accrued Liabilities	239,823	-	25,212	-	-	-	-	-	-	4,428,566
Amounts Held on Behalf of Others	1,277,433	-	-	-	49,446,952	-	101,865	-	-	105,963,768
Annuity Obligations	48,398	-	54,804	-	-	-	-	-	16,972	4,883,630
Bonds and Notes Payable	20,468,160	-	-	-	-	1,045,651	-	-	-	123,047,215
Total Liabilities	22,040,602	895	80,016	32,290	49,447,157	1,076,798	228,996	-	44,612	240,775,574
NET ASSETS (DEFICIT)										
Without Donor Restrictions	(4,214,323)	807,216	1,968,721	1,124,279	2,453,095	683,326	1,220,721	241,420	192,121	(2,088,635)
With Donor Restrictions	43,712,870	3,858,524	25,976,533	7,495,569	7,611,643	20,023,245	25,130,797	1,566,813	2,534,269	552,138,206
Total Net Assets (Deficit)	39,498,547	4,665,740	27,945,254	8,619,848	10,064,738	20,706,571	26,351,518	1,808,233	2,726,390	550,049,571
Total	\$ 61,539,149	\$ 4,666,635	\$ 28,025,270	\$ 8,652,138	\$ 59,511,895	\$ 21,783,369	\$ 26,580,514	\$ 1,808,233	\$ 2,771,002	\$ 790,825,145

* December 31 Year-End

See accompanying Notes to Financial Statements.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF NET ASSETS
JUNE 30, 2023**

ASSETS	Big Green Scholarship Foundation Inc.	Bluefield State University Foundation Inc.	Concord University Foundation Inc.	Fairmont State Foundation Inc.	The Glenville State University Foundation Inc.	The Marshall University Foundation Inc.	New River Community and Technical College Foundation Inc.	Provident Group- Marshall Properties, LLC
Cash and Cash Equivalents	\$ 4,984,817	\$ 2,453,064	\$ 731,782	\$ 992,848	\$ 249,178	\$ 41,526,318	\$ 440,878	\$ 1,278,682
Investments	11,540,540	8,640,556	49,718,591	33,698,088	19,912,344	282,805,357	1,770,698	-
Pledges and Contributions Receivable, Net	10,210,437	-	251,671	399,160	98,474	22,687,339	25,000	252,785
Other Assets	297,127	1,454,701	774,991	584,102	1,428,590	2,229,368	-	6,578,438
Beneficial Interests	638,629	-	-	3,244,424	-	10,168,393	1,429,912	-
Property and Equipment, Net	327,659	5,003,823	813	340,088	3,041,055	29,343,632	-	44,209,788
Total	<u>\$ 27,999,209</u>	<u>\$ 17,552,144</u>	<u>\$ 51,477,848</u>	<u>\$ 39,258,710</u>	<u>\$ 24,729,641</u>	<u>\$ 388,760,407</u>	<u>\$ 3,666,488</u>	<u>\$ 52,319,693</u>

* December 31 Year-End

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF NET ASSETS (CONTINUED)
JUNE 30, 2023

	The Shepherd University Foundation Inc.	Southern West Virginia Community College Foundation, Inc.*	West Liberty University Foundation Inc.	West Virginia Northern Community College Foundation Inc.	West Virginia School of Osteopathic Medicine Foundation Inc.	West Virginia State University Foundation Inc.	WVU at Parkersburg Foundation Inc.	Blue Ridge Community and Technical College Foundation Inc.	Total
ASSETS	\$ 4,413,792	\$ 324,774	\$ 155,351	\$ 94,110	\$ 390,299	\$ 2,686,208	\$ 608,031	\$ 885,656	\$ 62,215,788
Cash and Cash Equivalents	35,484,474	4,397,995	22,143,601	6,413,684	53,430,295	13,386,759	13,338,679	966,055	557,647,716
Investments									
Pledges and Contributions Receivable, Net	140,222	254,331	217,305	-	246,194	1,319,236	10,050,000	1,000	46,153,154
Other Assets	537,484	14,234	182,369	45,779	11,305	-	2,014	6,858	14,147,360
Beneficial Interests	-	-	2,295,852	1,182,380	450,000	247,464	-	-	19,657,054
Property and Equipment, Net	17,172,905	-	-	-	20,000	1,947,252	934,068	-	102,341,083
Total	\$ 57,748,877	\$ 4,991,334	\$ 24,994,478	\$ 7,735,953	\$ 54,548,093	\$ 19,586,919	\$ 24,932,792	\$ 1,859,569	\$ 802,162,155

* December 31 Year-End

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF NET ASSETS (CONTINUED)
JUNE 30, 2023

LIABILITIES AND NET ASSETS	Big Green Scholarship Foundation Inc.	Bluefield State University Foundation Inc.	Concord University Foundation Inc.	Fairmont State Foundation Inc.	The Glenville State College Foundation Inc.	The Marshall University Foundation Inc.	New River Community and Technical College Foundation Inc.	Provident Group- Marshall Properties, LLC
LIABILITIES								
Accounts Payable	\$ 242,609	\$ -	\$ 125,434	\$ 2,865	\$ 160,707	\$ 2,060,913	\$ 4,152	\$ 879,503
Other Accrued Liabilities	293,283	-	-	283	17,642	326,772	134,500	1,581,657
Amounts Held on Behalf of Others	-	-	28,714	2,465	50,182	78,589,601	-	-
Annuity Obligations	-	-	6,120,741	423,819	-	424,043	-	6,427,602
Bonds and Notes Payable	4,040,000	-	-	-	2,807,629	-	-	82,004,046
Liabilities of Discontinued Operations, Held for Sale	-	1,186,729	-	-	-	-	-	-
Total Liabilities	<u>4,575,892</u>	<u>1,186,729</u>	<u>6,274,889</u>	<u>429,432</u>	<u>3,036,160</u>	<u>81,401,329</u>	<u>138,652</u>	<u>90,892,808</u>
NET ASSETS (DEFICIT)								
Without Donor Restrictions	3,630,230	11,716,431	642,240	3,279,639	1,275,843	21,184,912	67,867	(38,573,115)
With Donor Restrictions	<u>19,793,087</u>	<u>4,648,984</u>	<u>44,560,719</u>	<u>35,549,639</u>	<u>20,417,638</u>	<u>286,174,166</u>	<u>3,459,969</u>	<u>-</u>
Total Net Assets (Deficit)	<u>23,423,317</u>	<u>16,365,415</u>	<u>45,202,959</u>	<u>38,829,278</u>	<u>21,693,481</u>	<u>307,359,078</u>	<u>3,527,836</u>	<u>(38,573,115)</u>
Total	<u>\$ 27,999,209</u>	<u>\$ 17,552,144</u>	<u>\$ 51,477,848</u>	<u>\$ 39,258,710</u>	<u>\$ 24,729,641</u>	<u>\$ 388,760,407</u>	<u>\$ 3,666,488</u>	<u>\$ 52,319,693</u>

* December 31 Year-End

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF NET ASSETS (CONTINUED)
JUNE 30, 2023

	The Shepherd University Foundation Inc.	Southern West Virginia Community College Foundation, Inc.*	West Liberty University Foundation Inc.	West Virginia Northern Community College Foundation Inc.	West Virginia School of Osteopathic Medicine Foundation Inc.	West Virginia State University Foundation Inc.	WVU at Parkersburg Foundation Inc.	Blue Ridge Community and Technical College Foundation Inc.	Total
LIABILITIES AND NET ASSETS									
LIABILITIES									
Accounts Payable	\$ 6,999	\$ 495	\$ -	\$ 2,347	\$ -	\$ 37,726	\$ -	\$ 11,123	\$ 3,534,873
Other Accrued Liabilities	572,766	-	49,987	-	-	-	-	-	2,976,890
Amounts Held on Behalf of Others	1,410,049	-	-	-	47,067,027	-	85,172	-	127,233,210
Annuity Obligations	53,790	-	6,925	-	-	-	-	-	13,456,920
Bonds and Notes Payable	20,830,194	-	-	-	-	334,135	-	-	110,016,004
Liabilities of Discontinued Operations, Held for Sale	-	-	-	-	-	-	-	-	1,186,729
Total Liabilities	<u>22,873,798</u>	<u>495</u>	<u>56,912</u>	<u>2,347</u>	<u>47,067,027</u>	<u>371,861</u>	<u>85,172</u>	<u>11,123</u>	<u>258,404,626</u>
NET ASSETS (DEFICIT)									
Without Donor Restrictions	(4,213,678)	865,070	1,694,408	1,030,193	1,522,441	982,702	1,369,302	204,095	6,678,580
With Donor Restrictions	39,088,757	4,125,769	23,243,158	6,703,413	5,958,625	18,232,356	23,478,318	1,644,351	537,078,949
Total Net Assets (Deficit)	<u>34,875,079</u>	<u>4,990,839</u>	<u>24,937,566</u>	<u>7,733,606</u>	<u>7,481,066</u>	<u>19,215,058</u>	<u>24,847,620</u>	<u>1,848,446</u>	<u>543,757,529</u>
Total	<u>\$ 57,748,877</u>	<u>\$ 4,991,334</u>	<u>\$ 24,994,478</u>	<u>\$ 7,735,953</u>	<u>\$ 54,548,093</u>	<u>\$ 19,586,919</u>	<u>\$ 24,932,792</u>	<u>\$ 1,859,569</u>	<u>\$ 802,162,155</u>

* December 31 Year-End

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF ACTIVITIES
JUNE 30, 2024

	Big Green Scholarship Foundation Inc.	Bluefield State University Foundation Inc.	Concord University Foundation Inc.	Fairmont State Foundation Inc.	The Glenville State University Foundation Inc.	The Marshall University Foundation Inc.	New River Community and Technical College Foundation Inc.	Provident Group- Marshall Properties, LLC
REVENUES, GAINS, AND OTHER SUPPORT								
Without Donor Restrictions:								
Gifts, Contributions, and Other	\$ 5,371,469	\$ 1,569,438	\$ 379,434	\$ 102,410	\$ 528,355	\$ 915,580	\$ 180,733	\$ 10,827,091
Investment Income	428,710	571,138	(120,375)	188,102	703,610	2,034,034	17,363	665,363
Reclassifications	-	802,759	1,930,600	2,254,535	2,356,746	45,116,395	334,656	-
With Donor Restrictions:								
Gifts, Contributions, and Other	4,579,074	251,473	849,648	2,252,064	3,953,297	17,134,154	212,087	-
Investment Income	1,388,667	486,010	5,850,959	4,085,819	2,508,805	16,484,002	501,161	-
Reclassifications	-	(802,759)	(1,930,600)	(2,254,535)	(2,356,746)	(45,116,395)	(334,656)	-
Total Revenues, Gains, and Other Support	11,767,920	2,878,059	6,959,666	6,628,395	7,694,067	36,567,770	911,344	11,492,454
EXPENSES								
Scholarships, Awards, and Grants	-	306,454	947,575	1,161,787	212,697	6,648,643	360,098	-
College Support	8,732,176	12,252,156	580,281	903,920	2,627,087	38,846,893	110,462	-
Management and General	2,284,821	73,650	459,080	649,976	419,155	4,217,978	31,629	13,238,674
Total Expenses	11,016,997	12,632,260	1,986,936	2,715,683	3,258,939	49,713,514	502,189	13,238,674
CHANGE IN NET ASSETS								
Without Donor Restrictions	(5,216,818)	(9,688,925)	202,723	(170,636)	329,772	(1,647,505)	30,563	(1,746,220)
With Donor Restrictions	5,967,741	(65,276)	4,770,007	4,083,348	4,105,356	(11,498,239)	378,592	-
Total Change in Net Assets	750,923	(9,754,201)	4,972,730	3,912,712	4,435,128	(13,145,744)	409,155	(1,746,220)
Net Assets (Deficit) - Beginning of Year	23,423,317	16,365,415	45,202,959	38,829,278	21,693,481	307,359,078	3,527,836	(38,573,115)
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 24,174,240</u>	<u>\$ 6,611,214</u>	<u>\$ 50,175,689</u>	<u>\$ 42,741,990</u>	<u>\$ 26,128,609</u>	<u>\$ 294,213,334</u>	<u>\$ 3,936,991</u>	<u>\$ (40,319,335)</u>

* December 31 Year-End

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF ACTIVITIES (CONTINUED)
JUNE 30, 2024

	The Shepherd University Foundation Inc.	Southern West Virginia Community College Foundation, Inc.*	West Liberty University Foundation Inc.	West Virginia Northern Community College Foundation Inc.	West Virginia School of Osteopathic Medicine Foundation Inc.	West Virginia State University Foundation Inc.	WVU at Parkersburg Foundation Inc.	Blue Ridge Community and Technical College Foundation Inc.	BridgeValley Community and Technical College Foundation Inc.	Total
REVENUES, GAINS, AND OTHER SUPPORT										
Without Donor Restrictions:										
Gifts, Contributions, and Other	\$ 2,745,312	\$ 179,734	\$ 159,108	\$ 46,529	\$ 1,138,385	\$ 632,613	\$ 60,187	\$ 30,065	\$ 161,016	\$ 25,027,459
Investment Income	896	16,665	370,374	89,274	170,658	23,216	45,463	31,938	87,885	5,324,314
Reclassifications	1,732,792	408,739	1,864,225	114,974	382,209	2,567,990	318,263	244,785	32,268	60,461,936
With Donor Restrictions:										
Gifts, Contributions, and Other	2,106,118	193,246	1,927,432	166,931	1,410,233	2,852,868	169,172	54,640	223,837	38,336,274
Investment Income	4,250,787	(51,752)	2,670,168	740,199	624,994	1,609,321	1,801,570	112,607	69,135	43,132,452
Reclassifications	(1,732,792)	(408,739)	(1,864,225)	(114,974)	(382,209)	(2,567,990)	(318,263)	(244,785)	(32,268)	(60,461,936)
Total Revenues, Gains, and Other Support	9,103,113	337,893	5,127,082	1,042,933	3,344,270	5,118,018	2,076,392	229,250	541,873	111,820,499
EXPENSES										
Scholarships, Awards, and Grants	1,783,741	114,859	630,901	29,711	505,294	994,064	148,263	244,785	48,953	14,137,825
College Support	1,999,900	216,622	386,918	86,701	-	1,573,926	36,373	23,907	8,680	68,386,002
Management and General	696,004	331,511	1,101,575	40,279	255,304	1,058,515	387,858	771	38,121	25,284,901
Total Expenses	4,479,645	662,992	2,119,394	156,691	760,598	3,626,505	572,494	269,463	95,754	107,808,728
CHANGE IN NET ASSETS										
Without Donor Restrictions	(645)	(57,854)	274,313	94,086	930,654	(402,686)	(148,581)	37,325	185,415	(16,995,019)
With Donor Restrictions	4,624,113	(267,245)	2,733,375	792,156	1,653,018	1,894,199	1,652,479	(77,538)	260,704	21,006,790
Total Change in Net Assets	4,623,468	(325,099)	3,007,688	886,242	2,583,672	1,491,513	1,503,898	(40,213)	446,119	4,011,771
Net Assets (Deficit) - Beginning of Year	34,875,079	4,990,839	24,937,566	7,733,606	7,481,066	19,215,058	24,847,620	1,848,446	2,280,271	546,037,800
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 39,498,547</u>	<u>\$ 4,665,740</u>	<u>\$ 27,945,254</u>	<u>\$ 8,619,848</u>	<u>\$ 10,064,738</u>	<u>\$ 20,706,571</u>	<u>\$ 26,351,518</u>	<u>\$ 1,808,233</u>	<u>\$ 2,726,390</u>	<u>\$ 550,049,571</u>

* December 31 Year-End

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF ACTIVITIES
JUNE 30, 2023

	Big Green Scholarship Foundation Inc.	Bluefield State University Foundation Inc.	Concord University Foundation Inc.	Fairmont State Foundation Inc.	The Glenville State University Foundation Inc.	The Marshall University Foundation Inc.	New River Community and Technical College Foundation Inc.	Provident Group- Marshall Properties, LLC
REVENUES, GAINS, AND OTHER SUPPORT								
Without Donor Restrictions:								
Gifts, Contributions, and Other	\$ 5,450,420	\$ 77,867	\$ 226,244	\$ 163,708	\$ 1,155,827	\$ 2,224,701	\$ 190,783	\$ 10,212,699
Investment Income	323,432	1,021,854	(106,078)	95,594	339,525	1,177,027	8,379	4,028,768
Reclassifications	-	567,896	1,963,421	(2,746,254)	3,271,650	15,631,371	152,331	-
With Donor Restrictions:								
Gifts, Contributions, and Other	9,752,865	736,503	718,749	1,821,324	3,893,270	38,920,997	337,376	-
Investment Income	1,018,540	380,854	4,263,536	2,290,670	1,744,803	11,184,147	259,321	-
Reclassifications	-	(567,896)	(1,963,421)	2,746,254	(3,271,650)	(15,631,371)	(152,331)	-
Total Revenues, Gains, and Other Support	16,545,257	2,217,078	5,102,451	4,371,296	7,133,425	53,506,872	795,859	14,241,467
EXPENSES								
Scholarships, Awards, and Grants	-	286,313	844,542	1,938,659	726,001	5,991,739	168,690	-
College Support	6,800,772	549,525	702,021	502,777	3,468,596	6,349,333	97,726	-
Management and General	2,686,016	30,832	411,100	643,431	370,227	4,363,367	50,918	12,923,300
Total Expenses	9,486,788	866,670	1,957,663	3,084,867	4,564,824	16,704,439	317,334	12,923,300
CHANGE IN NET ASSETS								
Without Donor Restrictions	(3,712,936)	800,947	125,924	(5,571,819)	202,178	2,328,660	34,159	1,318,167
With Donor Restrictions	10,771,405	549,461	3,018,864	6,858,248	2,366,423	34,473,773	444,366	-
Total Change in Net Assets	7,058,469	1,350,408	3,144,788	1,286,429	2,568,601	36,802,433	478,525	1,318,167
Net Assets (Deficit) - Beginning of Year	16,364,848	15,015,007	42,058,171	37,542,849	19,124,880	270,556,645	3,049,311	(39,891,282)
NET ASSETS (DEFICIT) - END OF YEAR	\$ 23,423,317	\$ 16,365,415	\$ 45,202,959	\$ 38,829,278	\$ 21,693,481	\$ 307,359,078	\$ 3,527,836	\$ (38,573,115)

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
COMPONENT UNITS – STATEMENTS OF ACTIVITIES (CONTINUED)
JUNE 30, 2023

	The Shepherd University Foundation Inc.	Southern West Virginia Community College Foundation, Inc.*	West Liberty University Foundation Inc.	West Virginia Northern Community College Foundation Inc.	West Virginia School of Osteopathic Medicine Foundation Inc.	West Virginia State University Foundation Inc.	WVU at Parkersburg Foundation Inc.	Blue Ridge Community and Technical College Foundation Inc.	Total
REVENUES, GAINS, AND OTHER SUPPORT									
Without Donor Restrictions:									
Gifts, Contributions, and Other	\$ 2,946,446	\$ 482,992	\$ 373,410	\$ 33,956	\$ 439,109	\$ 779,563	\$ 15,102	\$ 7,185	\$ 24,780,012
Investment Income	1,000	(3,418)	134,079	64,064	80,684	6,261	21,721	7,246	7,200,138
Reclassifications	1,684,987	210,754	1,530,188	157,040	266,735	2,740,474	762,658	200,735	26,393,986
With Donor Restrictions:									
Gifts, Contributions, and Other	1,869,667	437,262	1,327,937	174,170	825,224	2,554,547	11,114,992	703,993	75,188,876
Investment Income	2,936,091	21,163	1,902,958	544,429	366,707	1,073,227	1,024,679	79,157	29,090,282
Reclassifications	(1,684,987)	(210,754)	(1,530,188)	(157,040)	(266,735)	(2,740,474)	(762,658)	(200,735)	(26,393,986)
Total Revenues, Gains, and Other Support	7,753,204	937,999	3,738,384	816,619	1,711,724	4,413,598	12,176,494	797,581	136,259,308
EXPENSES									
Scholarships, Awards, and Grants	1,831,038	92,144	759,608	90,530	514,745	822,466	121,050	200,735	14,388,260
College Support	2,272,769	213,036	359,532	83,987		2,035,302	312,727	22,941	23,771,044
Management and General	672,156	432,104	879,116	27,521	274,073	554,733	407,979	2,380	24,729,253
Total Expenses	4,775,963	737,284	1,998,256	202,038	788,818	3,412,501	841,756	226,056	62,888,557
CHANGE IN NET ASSETS									
Without Donor Restrictions									
With Donor Restrictions	(143,530)	(46,956)	39,421	53,022	(2,290)	113,797	(42,275)	(10,890)	(4,514,421)
Total Change in Net Assets	3,120,771	247,671	1,700,707	561,559	925,196	887,300	11,377,013	582,415	77,885,172
Net Assets (Deficit) - Beginning of Year	2,977,241	200,715	1,740,128	614,581	922,906	1,001,097	11,334,738	571,525	73,370,751
NET ASSETS (DEFICIT) - END OF YEAR	31,897,838	4,790,124	23,197,438	7,119,025	6,558,160	18,213,961	13,512,882	1,276,921	470,386,778
* December 31 Year-End	\$ 34,875,079	\$ 4,990,839	\$ 24,937,566	\$ 7,733,606	\$ 7,481,066	\$ 19,215,058	\$ 24,847,620	\$ 1,848,446	\$ 543,757,529

See accompanying Notes to Financial Statements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 1 ORGANIZATION

The West Virginia Higher Education Fund (the Fund) is comprised of the following blended component units:

- Bluefield State University (Bluefield)
- Concord University (Concord)
- Fairmont State University (Fairmont)
- Glenville State University (Glenville)
- Marshall University (Marshall)
- Shepherd University (Shepherd)
- West Liberty University (West Liberty)
- West Virginia Council for Community and Technical College Education
- West Virginia Higher Education Policy Commission (including West Virginia Network for Educational Telecomputing)
- West Virginia State University (WV State)
- West Virginia School of Osteopathic Medicine (WVSOM)
- West Virginia University (including Potomac State College and West Virginia University Institute of Technology) (WVU)

The Fund is a discretely presented component unit of the State of West Virginia (the State). Each college and university (the Institutions) in the Fund is governed by its own Governing Board, which is responsible for the general determination, control, supervision, and management of the financial business and educational policies and affairs of its institution. The West Virginia Higher Education Policy Commission (the Policy Commission), in accordance with Senate Bill No. 653, is responsible for developing, gaining consensus around, and overseeing the implementation and development of a higher education public policy agenda. The Policy Commission is comprised of 10 persons appointed by the Governor with the advice and consent of the Senate. Senate Bill No. 448 gives the West Virginia Council for Community and Technical College Education (the Council) the responsibility of developing, overseeing, and advancing the State's public policy agenda as it relates to community and technical college education. The Council is comprised of 12 persons appointed by the Governor with the advice and consent of the Senate and is comprised of the following Institutions:

- Blue Ridge Community and Technical College
- BridgeValley Community and Technical College
- Eastern West Virginia Community and Technical College
- Mountwest Community and Technical College
- New River Community and Technical College
- Pierpont Community and Technical College (Pierpont)
- Southern West Virginia Community and Technical College
- West Virginia Northern Community College (Northern)
- West Virginia University at Parkersburg Community and Technical College

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The accompanying financial statements present all Institutions under the authority of the Fund, including the Policy Commission and the Council. The basic criteria for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the ability of the Fund to significantly influence operations and accountability for fiscal matters of related entities (see Note 24 for condensed financial statements). These entities are included in the financial statements as blended component units of the Fund.

Complete financial statements for any blended component unit can be obtained by contacting the Business Office of the West Virginia Higher Education Policy Commission, 1018 Kanawha Boulevard East, Suite 700, Charleston, WV 25301.

The Fund applies GASB discretely presented component unit requirements and, as a result, the financial statements of certain component units as first presented in the Component Units – Statement of Net Assets are discretely presented here with the Fund's financial statements. The component units are the separate private nonprofit organizations of each applicable institution that are required to be reported under GASB. These discretely presented component unit organizations report under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The component units consist of foundations and other entities which meet the criteria for inclusion under GASB discretely presented component unit requirements.

Financial Statement Presentation

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

Net Investment in Capital Assets – This represents the Fund's total investment in capital assets, net of accumulated depreciation and 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.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

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

The West Virginia Legislature, as a regulatory body outside the reporting entity, has restricted the use of certain funds by Article 10, *Fees and Other Money Collected at State Institutions of Higher Education*, of the West Virginia State Code. House Bill No. 101 passed in March 2004 simplified the tuition and fees restrictions to auxiliaries and capital items. These activities are fundamental to the normal ongoing operations of the Fund. These restrictions are subject to change by future actions of the West Virginia Legislature.

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

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

Basis of Accounting

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

Cash and Cash Equivalents

For purposes of the statements of net position, the Fund considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

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

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

The BTI was established by the State Legislature and is subject to oversight by the State Legislature. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. The amounts on deposit are available for immediate withdrawal or on the first day of each month for the WV Short Term Bond Pool and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

The BTI maintains the Consolidated Fund investment fund which consists of eight investment pools and participant-directed accounts, three of which the state and local governmental agencies 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 can be obtained from the following address: 1900 Kanawha Boulevard East, Room E-122, Charleston, West Virginia 25305 or <http://www.wvbt.com>.

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 State Treasurer but are obligations of the State.

Investments

Investments measured and reported at fair value are classified according to the following hierarchy. Level 1, investments reflect prices quoted in active markets. Level 2, investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active. Level 3, investments reflect prices based upon unobservable inputs. The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Alternative investments are carried at fair value using the net asset value as a practical expedient. These valuations include assumptions and methods that were reviewed by Fund management and are primarily based on quoted market prices or other readily determinable market values for the underlying investments. The Fund believes that the carrying amount of its alternative investments is a reasonable estimate of fair value. Because a portion of alternative investments is not readily marketable and the estimated value is subject to uncertainty, the reported value may differ from the value that would have been used had a ready market existed.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

Permissible investments for all agencies include those guaranteed by the United States of America, its agencies and instrumentalities (U.S. Government obligation); corporate debt obligations, including commercial paper, which meet certain ratings; certain money market funds; repurchase agreements; reverse repurchase agreements, asset-backed securities; certificates of deposits; state and local government securities (SLGS); and other investments. Other investments consist primarily of investments in accordance with the Linked Deposit Program, a program using financial institutions in West Virginia to obtain certificates of deposit, loans approved by the legislature and any other program investments authorized by the legislature.

The Fund's investments held with the foundations and other agents are governed by investment policies that determine the permissible investments by category. The holdings include appropriately rated U.S. debt and equity securities, foreign debt and equity securities, as well as alternative investments. The respective investment policies outline the acceptable exposure to each category of investment and generally outline a liquidity goal.

Investments are made in accordance with and subject to provisions of the Uniform Prudent Investor Act codified as Chapter 44, Article 6C, of the West Virginia Code.

Lease 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.

Allowance for Doubtful Accounts

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

Inventories

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

Noncurrent Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments that are (1) externally restricted to make debt service payments, long-term loans to students, or to maintain sinking or reserve funds, (2) to purchase capital or other noncurrent assets or settle long-term liabilities, or (3) held for permanently restricted net position, are classified as noncurrent assets in the statements of net position.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets include property, plant, and equipment, Right-to-Use (ROU) assets, books and materials that are part of a catalogued library, and infrastructure assets. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Capital assets under service concession arrangements are recorded at acquisition value at the commencement of the agreement. Intangible ROU assets include software subscriptions and property and equipment. These assets are recorded at the sum of the present value of payments expected to be made during the term of the underlying contract, payments associated with the contract made to the vendor at the commencement of the contractual term, and capitalizable implementation costs, less any vendor incentives received at the commencement of the contractual term. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and infrastructure, 20 years for land improvements, 7 to 20 years for library assets, and 3 to 10 years for furniture and equipment. The estimated useful life of other intangible assets varies. ROU assets are amortized in a systematic and rational manner over the shorter of the contractual term or the useful life of the underlying assets.

Unearned Revenue

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

Compensated Absences and Other Postemployment Benefits

GASB provides standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the State. Effective July 1, 2007, the Fund was required to participate in this multiemployer cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State. Details regarding this plan and its stand-alone financial statements can be obtained by contacting West Virginia Public Employees Insurance Agency (PEIA), State Capitol complex, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, West Virginia 25305-071 or <http://www.wvpeia.com>.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences and Other Postemployment Benefits (Continued)

GASB requires entities to accrue for employees' rights to receive compensation for vacation leave, or payments in lieu of accrued vacation or sick leave, as such benefits are earned and payment becomes probable. The Fund's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn 1-1/2 sick leave days for each month of service and are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extends health insurance for one month of single coverage and three days extends health insurance for one month of family coverage. For employees hired after 1988 or who were hired before 1988 but did not choose such coverage until after 1988 but before July 1, 2001, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired on July 1, 2001, or later will no longer receive sick leave credit toward insurance premiums when they retire. Additionally, all retirees have the option to purchase continued coverage regardless of their eligibility for premium credits. This liability is provided for under the multiemployer cost-sharing plan sponsored by the State.

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 for one year of single coverage and five years extend health insurance for one year of family coverage. The same hire date mentioned above applies to coverage for faculty employees also. Faculty hired after July 1, 2009, will no longer receive years of service credit toward insurance premiums when they retire. Employees hired after July 1, 2010, receive no health insurance premium subsidy from the Fund. Two groups of employees hired after July 1, 2010, will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who retired before July 1, 2010, return to active service after July 1, 2010, and then go back into retirement. In those cases, the original hire date will apply.

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

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, which can be found at <https://www.wvretirement.com/Publications.html#CAFR>. The plan schedules of TRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with 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 15).

Deferred Outflows of Resources

Consumption of net position by the Fund that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statements of net position. As of June 30, 2024 and 2023, the Fund had a deferred loss on refunding of approximately \$31,750 and \$34,142, respectively, deferred outflows of resources related to pensions of approximately \$1,195 and \$1,669, respectively (see Note 15), and deferred outflows of resources related to other postemployment benefits of \$8,852 and \$25,112, respectively (see Note 8). Deferred outflows are either accreted over the periods of the refinancing bond issue related to the deferred loss on refinancing or the remaining service lives for employees for the pension and other postemployment benefits plans.

Deferred Inflows of Resources

An acquisition of net position by the Fund that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statements of net position. Deferred inflows related to service concession arrangements are accreted over the periods of the service concession arrangements. As of June 30, 2024 and 2023, the Fund had total deferred inflows of resources of approximately \$37,838 and \$39,559, respectively, related to public-private partnerships. As of June 30, 2024 and 2023, the deferred inflows related to pensions were approximately \$3,064 and \$4,313, respectively (see Note 15). As of June 30, 2024 and 2023, the deferred inflows related to other postemployment benefits were approximately \$27,040 and \$58,504, respectively (see Note 8). As of June 30, 2024 and 2023, the Fund had deferred inflows of resources related to leases of \$11,138 and \$12,510, respectively. Other deferred inflows of resources include deferred gains on refunding of \$526 and \$782 as of June 30, 2024 and 2023, respectively.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management

The State's Board of Risk and Insurance Management (BRIM) provides general liability, medical malpractice liability, property, and auto insurance coverage to the Fund and its employees. Such coverage is provided to the Fund through a self-insurance program maintained by BRIM for general liability, medical malpractice liability, and auto insurance coverage. BRIM maintains a self-insurance program to pay the first \$1 million of each property insurance claim and purchases excess property insurance from the commercial insurance market to cover individual claims that exceed \$1 million. 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 so as to minimize the likelihood of premium adjustments to the Fund or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums the Fund is currently charged by BRIM and the ultimate cost of that insurance based on the Fund's actual loss experience. In the event such differences arise between estimated premiums charged by BRIM to the Fund and the Fund's ultimate actual loss experience, the difference will be recorded as the change in estimate became known.

The WVU and Marshall Schools of Medicine (SOMs) have established a \$250 deductible program under BRIM's professional liability coverage for the SOMs effective July 1, 2005. Starting July 1, 2005, the SOMs assumed the risk and responsibility for any and all indemnity amounts up to \$250 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 2024, BRIM will provide coverage for indemnity amounts between \$250 and \$1,897 per occurrence. For fiscal year 2023, BRIM will provide coverage for indemnity amounts between \$250 and \$1,781 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 per occurrence. Prior to July 1, 2005, the SOMs were totally covered by BRIM at a limit of \$1,000 per occurrence.

Under the program, the SOMs entered into an agreement with BRIM whereby the SOMs have on deposit \$3,900 and \$3,700 as of June 30, 2024 and 2023, respectively, in escrow accounts 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 SOMs. Additionally, the WVU Health Sciences Center also has on deposit \$47,900 and \$47,000 as of June 30, 2024 and 2023, respectively, in an investment account with the West Virginia University Foundation to cover the liabilities under this program. Marshall has a receivable from the University Physicians & Surgeons, Inc. for the funding it has agreed to provide for the self-insurance liability of \$11,300 and \$11,800 as of June 30, 2024 and 2023, respectively. Based on actuarial valuations of this self-insurance program, the Fund has recorded a liability of \$50,500 and \$45,900 to reflect projected claim payments at June 30, 2024 and 2023, respectively, for both WVU's and Marshall's SOMs.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management (Continued)

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

Classification of Revenues

The Fund 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 appropriations for land grant institutions, (5) sales and services of educational activities, and (6) revenue from leasing.

Nonoperating Revenues

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB, such as state appropriations, federal Pell grants, COVID relief grants, investment income, and sale of capital assets (including natural resources).

Other Revenues

Other revenues consist primarily of capital grants and gifts.

Use of Restricted Net Position

The Fund has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Generally, the Fund attempts to utilize restricted net position first when practicable. Certain Institutions have adopted a policy to utilize restricted net position first.

Federal Financial Assistance Programs

The Fund 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 the institutions within the Fund. Direct student loan receivables are not included in the Fund's statements of net position. In 2024 and 2023, the Fund received and disbursed, or awarded, approximately \$382,500 and \$379,500, respectively, under the Direct Loan Program, which is not included as revenue and expense in the statements of revenues, expenses, and changes in net position.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Financial Assistance Programs (Continued)

The Fund also distributes other student financial assistance funds on behalf of the federal government to students under the Federal Pell Grant, Supplemental Educational Opportunity Grant, and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2024 and 2023, the Fund received and disbursed approximately \$112,900 and \$102,300, respectively, under these federal student aid programs.

Scholarship Allowances

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

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid such as loans, funds provided to students as awarded by third parties, and Federal Direct Lending is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash.

Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on an institution 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.

Government Grants and Contracts

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

Income Taxes

The Fund 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.

Cash Flows

Any cash and cash equivalents escrowed, restricted for noncurrent assets, or in funded reserves have not been included as cash and cash equivalents for the purpose of the statements of cash flows.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Risk and Uncertainties

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

NOTE 3 CASH AND CASH EQUIVALENTS

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

	2024		
	Current	Noncurrent	Total
State Treasurer	\$ 548,034	\$ 10,322	\$ 558,356
Municipal Bond Commission	1,805	-	1,805
Trustee	1	68,184	68,185
Bank	55,241	-	55,241
Cash Equivalents	17,195	-	17,195
Escrowed Cash	-	3,878	3,878
On Hand	50	-	50
Total	<u>\$ 622,326</u>	<u>\$ 82,384</u>	<u>\$ 704,710</u>
	2023		
	Current	Noncurrent	Total
State Treasurer	\$ 413,077	\$ 9,279	\$ 422,356
Municipal Bond Commission	1,681	-	1,681
Trustee	7	86,040	86,047
Bank	59,624	-	59,624
Cash Equivalents	7,393	-	7,393
Escrowed Cash	-	3,712	3,712
On Hand	55	-	55
Total	<u>\$ 481,837</u>	<u>\$ 99,031</u>	<u>\$ 580,868</u>

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Amounts held by the Municipal Bond Commission or trustee represent various project revenue, debt service, and other repair and replacement reserve funds required to be escrowed by various bond trust indentures. Other amounts held by the State Treasurer include \$38,800 and \$29,600 of restricted cash at June 30, 2024 and 2023, respectively. Cash equivalents are primarily related to amounts held in money markets, repurchase agreements, and savings accounts.

The combined carrying amounts of cash in the bank at June 30, 2024 and 2023 were \$55,800 and \$59,600, as compared with the combined bank balance of \$64,300 and \$63,600, respectively. The difference is primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance as noted below or were secured by financial instruments held as collateral by the State’s agent. Regarding federal depository insurance, interest bearing accounts are insured by the Federal Deposit Insurance Company (FDIC) up to \$250.

Amounts with the State Treasurer as of June 30, 2024 and 2023 are comprised of approximately \$261,200 and \$141,100, respectively, held by the State Treasury Fund and not invested, and three investment pools, the WV Money Market Pool, the WV Government Money Market Pool and the WV Short Term Bond Pool.

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

	2024		2023	
	Carrying Value (in Thousands)	S & P Rating	Carrying Value (in Thousands)	S & P Rating
External Pool				
WV Money Market Pool	\$ 288,681	AAAm	\$ 273,180	AAAm
WV Government Money Market Pool	1,805	AAAm	1,680	AAAm
WV Short-Term Bond Pool	6,694	Not Rated	6,339	Not Rated

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 S&P.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

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

	2024		2023	
	Carrying Value (in Thousands)	WAM (Days)	Carrying Value (in Thousands)	WAM (Days)
External Pool				
WV Money Market Pool	\$ 288,681	36	\$ 273,180	29
WV Government Money Market Pool	1,805	44	1,680	17

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

	2024		2023	
	Carrying Value (in Thousands)	Effective Duration (Days)	Carrying Value (in Thousands)	Effective Duration (Days)
External Pool				
WV Short-Term Bond Pool	\$ 6,694	645	\$ 6,339	609

Cash in Bank with Trustee

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

Investment Type	Carrying Value (in Thousands)	
	2024	2023
Money Market Fund	\$ 68,185	\$ 86,047

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

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund's investment policy limits investment maturities from potential fair value losses due to increasing interest rates. No more than 5% of the money market fund's total market value may be invested in the obligations of a single issuer, with the exception of the U.S. government and its agencies.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 4 INVESTMENTS

The Fund categorizes its fair value measurements within the fair value hierarchy established by GAAP. The Fund had the following recurring fair value measurements comprised of investments as of June 30 (dollars in thousands):

	2024			
	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
U.S. Government Investments:				
Cash	\$ 12,916	\$ 12,916	\$ -	\$ -
Agency Obligations	-	-	-	-
Treasury Obligations	49,845	9,368	40,477	-
Mutual Money Market Funds	26	26	-	-
Corporate Bonds	7,588	7,588	-	-
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	-	-
Fixed Income Funds:				
IR&M Core Bond	10,168	74	10,094	-
Other	1,149	1,149	-	-
Mutual Stock Funds:				
Allspring Opportunity - A	828	828	-	-
Artisan International Small Cap	2,496	905	1,591	-
Cohen Steers Ins Rty	1,387	1,354	23	10
Eaton Vance	1,483	1,483	-	-
Equity Mutual Funds	38,750	38,750	-	-
Maingate MLP Fund	4,291	4,291	-	-
MFS International Value Fund	7,755	7,755	-	-
MFS Investment Management	12,849	12,849	-	-
Oppenheimer Int SMID	7,053	767	6,286	-
REMS RE	1,253	744	509	-
Vanguard INT Growth	665	665	-	-
Vanguard S&P 500ETF	23,279	23,279	-	-
Vanguard Total Stock Market	17,919	17,919	-	-
Vanguard FTSE	1,421	778	643	-
Hedge Funds:				
Capstone Convex PF	2,085	207	1,878	-
Penso Neg Cor Alpha	2,941	344	2,597	-
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 VI LP II	1,105	-	-	1,105
747 Stuyvesant VI LP III	302	-	-	302
CC&L Q Emerging Markets	3,900	3,900	-	-

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 4 INVESTMENTS (CONTINUED)

	2024			
	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level (Continued):				
Investments Held by Marshall University Foundation	\$ 48,429	\$ -	\$ 48,429	\$ -
Other	919	-	-	-
Total	<u>284,956</u>	<u>\$ 144,269</u>	<u>\$ 125,953</u>	<u>\$ 9,915</u>
Investments Measured at Net Asset Value (NAV):				
Morgan Stanley	11,735			
Total Investments	<u>\$ 296,691</u>			
	2023			
	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
U.S. Government Investments:				
Cash	\$ 10,113	\$ 10,113	\$ -	\$ -
Agency Obligations	435	-	435	-
Treasury Obligations	55,204	10,962	44,242	-
Mutual Money Market Funds	15	15	-	-
Corporate Bonds	8,320	5,251	3,069	-
Mutual Bond Funds:				
Guggenheim TR Bond	6,851	130	6,228	493
Muzinich Credit Opportunities Fund	6,495	-	6,495	-
Allspring High Yield Bond - A	6	6	-	-
Fixed Income Funds:				
IR&M Core Bond	9,875	99	9,776	-
Other	1,803	1,803	-	-
Mutual Stock Funds:				
Allspring Opportunity - A	725	725	-	-
Artisan International Small Cap	2,435	1,096	1,339	-
Cohen Steers Ins Rty	1,485	1,455	15	15
Eaton Vance	1,250	1,250	-	-
Equity Mutual Funds	37,263	37,263	-	-
Invesco	7,552	2,228	5,324	-
Jensen Quality Growth	6,650	6,650	-	-
Maingate MLP Fund	3,513	3,513	-	-
MFS International Value Fund	8,611	7,741	870	-
MFS Investment Management	10,591	10,591	-	-
REMS RE	1,404	1,404	-	-
Vanguard S&P 500ETF	13,352	13,352	-	-
Vanguard Total Stock Market	19,350	19,350	-	-
Vanguard FTSE	4,066	2,460	1,606	-
Wellington EM	3,218	3,177	35	6

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 4 INVESTMENTS (CONTINUED)

	2023			
	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level (Continued):				
Hedge Funds:				
Capstone Convex PF	\$ 2,594	\$ -	\$ 2,594	\$ -
Penso Neg Cor Alpha	2,214	598	1,616	-
Limited Partnership Equity:				
TI Platform Fund I	4,068	-	-	4,068
TI Platform Fund II	2,245	-	-	2,245
TI Platform Fund III	593	-	-	593
747 Stuyvesant VI LP	1,310	-	-	1,310
747 Stuyvesant VI LP II	649	-	-	649
747 Stuyvesant VI LP III	75	-	-	75
Investments Held by Marshall				
University Foundation	78,904	-	78,904	-
Other	944	-	-	944
Total	<u>314,178</u>	<u>\$ 141,232</u>	<u>\$ 162,548</u>	<u>\$ 10,398</u>
Investments Measured at Net Asset Value (NAV):				
Morgan Stanley	10,597			
Total Investments	<u>\$ 324,775</u>			

Historically, the Fund was unable to invest excess operating funds outside of the State Treasurer. In 2005, the West Virginia State Legislature passed Senate Bill No. 603 (S.B. 603). S.B. 603 granted certain institutions the ability to invest a limited amount of funds with their foundations. In 2015, the Legislature passed Senate Bill 425 which allowed all monies of certain institutions to be invested with their foundations except for General Revenue funds.

As of June 30, 2024 and 2023, WVU's investments held with the Foundation were \$163,600 and \$157,300, respectively. WVU's investments held with the Foundation are governed by investment policies 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 (EFT), mutual bond funds, mutual stock funds, fixed income commingled funds, and limited partnership and hedge fund investments. 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.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 4 INVESTMENTS (CONTINUED)

During 2016, Marshall and its Foundation executed an Investment Management Agency Agreement (the Agreement) in which the Foundation was appointed as Marshall's investment agent. Under the Agreement, the Foundation has full power and authority to make purchases and sales of securities on behalf of Marshall. Other responsibilities of the Foundation, in part, are to account for Marshall assets separately from Foundation assets, provide monthly investment reports to Marshall and engage third-party investment managers to invest Marshall assets in accordance with the asset allocation provisions established by Marshall's Investment Committee. Marshall's investments are held in the name of the Foundation. In return for the above noted services, Marshall pays the Foundation investment advisory fees as defined in the Agreement.

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified in Level 2 of the fair value hierarchy are valued based on the securities' relationship to benchmark quoted prices. Level 3 represents investments with no observable market.

Marshall's investments held by the foundation are classified in Level 2 of the fair value hierarchy are valued at quoted prices for the underlying assets which are considered to be similar assets in active markets.

The valuation method for investments measured at the NAV per share (or its equivalent) is presented as follows at June 30 (dollars in thousands):

	2024			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Morgan Stanley Private:				
Renaissance Institutional Equities	\$ 2,893	None	Monthly	60 Days
HP Millennium International	760	None	Quarterly	30 Days
Mudrick Distressed Opportunity Fund	6,055	None	Quarterly	90 Days
Owl Rock Tech FC II	669	\$ 1,514	n/a	n/a
KKR Dislocation Fund	1,358	403	n/a	n/a
Total Investments Measured at the NAV	<u>\$ 11,735</u>			
	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Morgan Stanley Private:				
Renaissance Institutional Equities	\$ 2,504	None	Monthly	60 Days
HP Millennium International	677	None	Quarterly	30 Days
Mudrick Distressed Opportunity Fund	5,535	None	Quarterly	90 Days
Owl Rock Tech FC II	270	\$ 188	n/a	n/a
KKR Dislocation Fund	1,611	525	n/a	n/a
Total Investments Measured at the NAV	<u>\$ 10,597</u>			

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 4 INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

WVU, Marshall and WVSOM investment policies generally adhere to fiduciary responsibilities in accordance with the provisions of the Uniform Prudent Investor Act (WV State Code 44-6C-1 Prudent Investor Rule). Oversight will occur with care, skill, prudence, and diligence.

At June 30, S&P credit ratings were as follows:

<u>Investment Type</u>	<u>2024</u>	<u>2023</u>
Air Lease Corp	BBB	-
ARES Capital Corp	BBB-	-
Bank of America Corp	A-	-
Charles Schwab Corp	A-	-
Cheniere Corpus Christi Holdings LLC	BBB-	BBB-
Discovery Communications	-	BBB-
Energy Transfer	BBB-	BBB-
Goldman Sachs Group	BBB+	BBB+
Guggenheim TR Bond	-	Aa3
IR&M Core Bond	-	Aa2
IR Short US Treasury Funds	-	Aaa
iShares Barclays 1-3 Year Treasury	-	Aaa
JP Morgan Chase & Co	A-	A-
Meta Platforms Inc	AA-	AA-
M&T Bank Corp	BBB+	-
Muzinich Credit Opportunities Fund	-	BBB
Pfizer Investment Enterprises PTE LTD	-	A+
RTX Corp	BBB+	-
TransCanada Pipelines LTD	BBB+	BBB+
Utah Acquisition Corp.	BBB-	BBB-
Wells Fargo & Co	BBB+	-

Remaining investments have not been rated.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The following tables show the maturities for other investments for WVU at June 30 (dollars in thousands):

<u>Investment Type</u>	<u>2024</u>				
	<u>Investment Maturities</u>				
	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More Than 10 Years</u>
Fixed Income Commingled	\$ 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
Total	<u>\$ 64,694</u>	<u>\$ 23,775</u>	<u>\$ 28,241</u>	<u>\$ 8,735</u>	<u>\$ 3,943</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 4 INVESTMENTS (CONTINUED)

<u>Investment Type</u>	2023				
	Investment Maturities				
	Fair Value	Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Fixed Income Commingled	\$ 9,875	\$ 356	\$ 3,664	\$ 3,811	\$ 2,044
Fixed Income ETF	38,596	15,400	23,196	-	-
Mutual Bond Funds	13,346	534	5,093	4,281	3,438
Total	<u>\$ 61,817</u>	<u>\$ 16,290</u>	<u>\$ 31,953</u>	<u>\$ 8,092</u>	<u>\$ 5,482</u>

For WVU, interest rate risk is managed by limiting the time period or duration of the specific investment. The following tables show the maturities for WVSOM at June 30 (dollars in thousands):

<u>Bond Maturity</u>	2024		2023	
	Market Value	% of Bond Market Value	Market Value	% of Bond Market Value
Less than 1 Year	\$ 1,288	7.6 %	\$ -	- %
1 to 5 Years	14,372	84.8	15,018	92.6
6 to 10 Years	1,296	7.6	1,196	7.4
Total	<u>\$ 16,956</u>	<u>100.0 %</u>	<u>\$ 16,214</u>	<u>100.0 %</u>

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, 2024 and 2023, WVU's investments were not subject to concentration of credit risk.

Marshall's investment portfolio strategy includes three investment pools, the Long-Term Investment Pool, the Mid Term Investment Pool, and the Operating Investment Pool. The objective of Marshall's portfolio strategy is to enhance the Investment Pool's long-term viability by maximizing the value with a prudent, balanced level of risk.

To minimize risk, WVSOM's investment policy allows for no more than 5% of available assets to be invested with any one issuer, except U.S. government securities.

Custodial Credit Risk

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

For Fund investments at June 30, 2024 and 2023, there was no custodial credit risk.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 4 INVESTMENTS (CONTINUED)

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.

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

<u>Currency</u>	<u>2024</u>	<u>2023</u>
Australian Dollar	\$ 535	\$ 557
Brazilian Real	316	361
British Pence	3,249	3,443
British Pound	314	128
Canadian Dollar	986	986
Czech Koruna	6	7
Chilean Peso	26	25
China Renminbi	331	285
Columbian Peso	4	4
Danish Krone	761	634
Egyptian Pound	4	4
Euro	7,658	8,209
Hong Kong Dollar	1,275	1,208
Hungarian Forint	11	9
Indian Rupee	1,565	1,049
Indonesian Rupiah	99	92
Iceland Krona	1	4
Israeli Arorot	23	18
Japanese Yen	2,104	2,156
Korean Won	523	-
Kuwaiti Fil	11	37
Malaysian Ringgit	92	69
Mexican Peso	219	217
Norwegian Krone	101	16
Pakistani Rupee	1	-
Philippine Peso	26	32
Polish Zloty	33	-
Qatari Riyal	22	38
Romanian Leu	2	3
Russian Ruble	29	79

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 4 INVESTMENTS (CONTINUED)

Foreign Currency Risk (Continued)

<u>Currency (Continued)</u>	<u>2024</u>	<u>2023</u>
Saudi Arabia Riyal	\$ 200	\$ 181
Singapore Dollar	13	48
South African Rand	105	1
South African Cent	42	136
South Korean Won	194	203
Swedish Krona	710	536
Swiss Franc	917	1,588
Taiwanese Dollar	1,192	779
Thai Baht	83	106
Turkish Lira	65	35
UAE Dirham	50	62
U.S. Dollar	155,247	147,485
Total	<u>\$ 179,145</u>	<u>\$ 170,830</u>

NOTE 5 ACCOUNTS RECEIVABLE

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

	<u>2024</u>	<u>2023</u>
Students, Net of Allowance of \$31,454 and \$25,597 in 2024 and 2023, Respectively	\$ 23,275	\$ 20,574
Grants and Contracts, Net of Allowance of \$5,251 and \$4,751 in 2024 and 2023, Respectively	109,472	109,637
Auxiliary Services, Net of Allowance of \$618 and \$861 in 2024 and 2023, Respectively	3,016	3,075
Due from State and State Agencies	11,125	4,342
Other, Net of Allowance of \$1,000 and \$1,000 in 2024 and 2023, Respectively	52,596	58,896
Total	<u>\$ 199,484</u>	<u>\$ 196,524</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 6 CAPITAL ASSETS

The following, for the years ended June 30, is a summary of capital assets transactions for the Fund (dollars in thousands):

	2024			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets Not Being Depreciated or Amortized:				
Land	\$ 176,495	\$ 119	\$ 81	\$ 176,533
Construction in Progress	70,025	58,278	72,438	55,865
Other	67	-	-	67
Total Capital Assets Not Being Depreciated or Amortized	246,587	58,397	72,519	232,465
Other Capital Assets:				
Land Improvements	110,598	1,515	(1,691)	113,804
Infrastructure	489,048	11,834	(350)	501,232
Buildings	4,040,015	36,631	204	4,076,442
Equipment	496,456	40,443	21,556	515,343
Software	65,841	90	(27)	65,958
Library Books	218,767	3,331	1,011	221,087
Intangibles and Others	288,930	810	979	288,761
Right-to-Use Asset Building	48,887	30,379	(16,159)	95,425
Right-to-Use Asset Equipment	4,592	1,968	1,114	5,446
Right-to-Use Asset Software	67	-	67	-
Subscription Assets	61,733	17,796	5,635	73,894
Total Other Capital Assets	5,824,934	144,797	12,339	5,957,392
Less: Accumulated Depreciation and Amortization for:				
Land Improvements	81,642	4,295	25	85,912
Infrastructure	353,555	9,586	(14)	363,155
Buildings	1,367,265	82,816	8,024	1,442,057
Equipment	354,002	31,099	18,294	366,807
Software	64,839	684	-	65,523
Library Books	203,035	4,696	949	206,782
Intangibles and Others	224,680	34,952	899	258,733
Right-to-Use Asset Building	12,843	6,250	3,675	15,418
Right-to-Use Asset Equipment	1,349	665	1,082	932
Right-to-Use Asset Software	46	20	66	-
Subscription Assets	27,225	20,069	10,033	37,261
Total Accumulated Depreciation and Amortization	2,690,481	195,132	43,033	2,842,580
Other Capital Assets, Net	<u>\$ 3,134,453</u>	<u>\$ (50,335)</u>	<u>\$ (30,694)</u>	<u>\$ 3,114,812</u>
Capital Asset Summary:				
Capital Assets Not Being Depreciated or Amortized:	\$ 246,587	\$ 58,397	\$ 72,519	\$ 232,465
Other Capital Assets	5,824,934	144,797	12,339	5,957,392
Total Cost of Capital Assets	6,071,521	203,194	84,858	6,189,857
Less: Accumulated Depreciation and Amortization	2,690,481	195,132	43,033	2,842,580
Capital Assets, Net	<u>\$ 3,381,040</u>	<u>\$ 8,062</u>	<u>\$ 41,825</u>	<u>\$ 3,347,277</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 6 CAPITAL ASSETS (CONTINUED)

	2023			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets Not Being Depreciated or Amortized:				
Land	\$ 173,306	\$ 5,182	\$ 1,993	\$ 176,495
Construction in Progress	140,371	77,671	148,017	70,025
Other	122	-	55	67
Total Capital Assets Not Being Depreciated or Amortized	313,799	82,853	150,065	246,587
Other Capital Assets:				
Land Improvements	109,593	1,005	-	110,598
Infrastructure	482,102	7,972	1,026	489,048
Buildings	3,894,548	144,054	(1,413)	4,040,015
Equipment	484,832	36,483	24,859	496,456
Software	67,010	111	1,280	65,841
Library Books	215,808	3,176	217	218,767
Intangibles and Others	249,584	39,346	-	288,930
Right-to-Use Asset Building	46,083	7,562	4,758	48,887
Right-to-Use Asset Equipment	4,893	76	377	4,592
Right-to-Use Asset Software	67	-	-	67
Subscription Assets	42,648	22,789	3,704	61,733
Total Other Capital Assets	5,597,168	262,574	34,808	5,824,934
Less: Accumulated Depreciation and Amortization for:				
Land Improvements	76,956	4,686	-	81,642
Infrastructure	344,745	9,779	969	353,555
Buildings	1,286,818	80,897	450	1,367,265
Equipment	349,234	29,211	24,443	354,002
Software	64,206	652	19	64,839
Library Books	198,426	4,772	163	203,035
Intangibles and Others	181,539	43,138	(3)	224,680
Right-to-Use Asset Building	10,206	5,267	2,630	12,843
Right-to-Use Asset Equipment	996	403	50	1,349
Right-to-Use Asset Software	24	22	-	46
Subscription Assets	12,652	17,903	3,330	27,225
Total Accumulated Depreciation and Amortization	2,525,802	196,730	32,051	2,690,481
Other Capital Assets, Net	<u>\$ 3,071,366</u>	<u>\$ 65,844</u>	<u>\$ 2,757</u>	<u>\$ 3,134,453</u>
Capital Asset Summary:				
Capital Assets Not Being Depreciated or Amortized:	\$ 313,799	\$ 82,853	\$ 150,065	\$ 246,587
Other Capital Assets	5,597,168	262,574	34,808	5,824,934
Total Cost of Capital Assets	5,910,967	345,427	184,873	6,071,521
Less: Accumulated Depreciation and Amortization	2,525,802	196,730	32,051	2,690,481
Capital Assets, Net	<u>\$ 3,385,165</u>	<u>\$ 148,697</u>	<u>\$ 152,822</u>	<u>\$ 3,381,040</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 6 CAPITAL ASSETS (CONTINUED)

The Fund maintains certain collections of inexhaustible assets to which no value can be practically determined. Accordingly, such collections are not capitalized or recognized for financial statement purposes. 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.

The Fund has construction commitments at June 30, 2024 of approximately the following (dollars in thousands):

Fairmont	\$	437
Marshall		15,332
West Liberty		2,400
Policy Commission		386
WVSOM		1
WVU		2,800
Total		<u><u>\$ 21,356</u></u>

NOTE 7 LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the Fund for the years ended June 30 (dollars in thousands):

	2024				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds, Leases, and Notes Payable:					
Notes Payable -					
Direct Placement	\$ 115,278	\$ -	\$ (4,590)	\$ 110,688	\$ 5,388
Lease Liabilities	99,596	11,739	(8,799)	102,536	6,048
SBITA Liabilities	31,173	20,206	(17,711)	33,668	14,922
Financed Purchases Payable	59,116	-	(1,191)	57,925	893
Bonds Payable	1,294,504	-	(53,641)	1,240,863	59,361
Total Bonds, Leases, and Notes Payable	1,599,667	31,945	(85,932)	1,545,680	
Advances from Federal Sponsors	16,376	115	(1,982)	14,509	-
Real Estate Purchase Agreements Payable	10,582	381	(324)	10,639	585
Accrued Compensated Absences	60,235	4,000	(2,124)	62,111	56,919
Future Interest Payable	31,472	-	(2,592)	28,880	5,314 *
Other Noncurrent Liabilities	52,349	15,278	(10,235)	57,392	75
Total Long-Term Liabilities	<u><u>\$ 1,770,681</u></u>	<u><u>\$ 51,719</u></u>	<u><u>\$ (103,189)</u></u>	<u><u>\$ 1,719,211</u></u>	

* The current portion of future interest payable is included in interest payable on the statement of net position.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

	2023				
	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Current Portion
Bonds, Leases, and Notes Payable:					
Notes Payable -					
Direct Placement	\$ 120,348	\$ 1,811	\$ (6,881)	\$ 115,278	\$ 4,924
Lease Liabilities	101,441	7,260	(9,105)	99,596	6,219
SBITA Liabilities	27,022	19,198	(15,047)	31,173	14,409
Financed Purchases Payable	57,711	2,675	(1,270)	59,116	1,282
Bonds Payable	1,292,472	56,500	(54,468)	1,294,504	51,593
Total Bonds, Leases, and Notes Payable	1,598,994	87,444	(86,771)	1,599,667	-
Advances from Federal Sponsors	19,778	90	(3,492)	16,376	-
Real Estate Purchase Agreements Payable	10,895	-	(313)	10,582	295
Accrued Compensated Absences	58,166	4,192	(2,123)	60,235	55,334
Future Interest Payable	33,716	-	(2,244)	31,472	5,216 *
Other Noncurrent Liabilities	51,279	8,219	(7,149)	52,349	329
Total Long-Term Liabilities	<u>\$ 1,772,828</u>	<u>\$ 99,945</u>	<u>\$ (102,092)</u>	<u>\$ 1,770,681</u>	

* The current portion of future interest payable is included in interest payable on the statement of net position.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS

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

	2024	2023
Net OPEB Liability (Asset)	\$ (17,413)	\$ 12,745
Deferred Outflows of Resources	8,852	25,112
Deferred Inflows of Resources	27,040	58,504
Revenues	(12,048)	(14,185)
OPEB Expense	(56,239)	(63,333)
Contributions Made by the Fund	2,723	10,916

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description

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

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement is a participating employer under the Consolidated Public Retirement Board (CPRB) and, as of July 1, 2008 forward, is a participating employer with PEIA. Active employees who, as of July 1, 2008, have 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 nonparticipating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Employees who participate in non-State retirement systems but that are CPRB system affiliated, contracted, or approved (such as TIAA-CREF and Empower Retirement), or are approved, in writing, by the PEIA Director must, in the case of education employees, meet the minimum eligibility requirements of the State Teachers Retirement System (STRS), and in all other cases meet the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

The financial activities of the OPEB plan are accounted for in the RHBT, a fiduciary fund of the State of West Virginia. 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.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Contributions

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

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

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

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

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

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

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 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.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 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

The net OPEB liability as of June 30, 2024 and 2023 for financial reporting purposes was determined by an actuarial valuation as of June 30, 2022 and 2021, rolled forward to June 30, 2023 and 2022, respectively. The following actuarial assumptions were used and applied in the measurement:

- Actuarial cost method: Entry age normal cost method.
- Amortization method and period: Level percentage of payroll over 20 years.
- Investment rate of return: 7.40%, net of OPEB Plan investment expense, including inflation.
- Rates based on 2015-2020 OPEB experience study and dependent on plan participation and attained age, and range from 2.75% to 5.18%, including inflation.
- Trend rate for pre-Medicare per capita costs of 7.0% for plan year-end 2024, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
- Inflation rate: 2.75%.
- Discount Rate: 7.40%
- Mortality rates: Postretirement, Pub-2010 general Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2019. Pre-retirement, Pub-2010 general Healthy Retiree Mortality Tables (100% males, 100% females) projected with MP-2019.

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 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the BTI.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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 for each major asset class are summarized below.

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

<u>Asset Class</u>	2024	
	Long- Term Expected Real Rate of Return	Target Target Allocation
Equity	7.4%	45.0%
Fixed Income	3.9%	15.0%
Real Estate	7.2%	12.0%
Hedge Fund	4.5%	10.0%
Private Credit and Income	7.4%	6.0%
Private Equity	10.0%	12.0%

<u>Asset Class</u>	2023	
	Long- Term Expected Real Rate of Return	Target Target Allocation
Global Equity	4.8%	55.0%
Core Plus Fixed Income	2.1%	15.0%
Core Real Estate	4.1%	10.0%
Private Equity	2.4%	10.0%
Hedge Funds	6.8%	10.0%

Discount rate. The single discount rate of 7.40% was used to measure the OPEB (asset) liability. 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 the 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.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

Sensitivity of the net pension (asset) liability to changes in the discount rate. The following presents the Fund's proportionate share of the net OPEB (asset) liability as of June 30, 2024 and 2023, calculated using the discount rate of 7.40%, as of June 30, 2024 and June 30, 2023, respectively, as well as what the Fund'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 (dollars in thousands).

	1% Decrease	Current Discount Rate	1% Increase
2024	(6.40%)	(7.40%)	(8.40%)
2023	(5.65%)	(6.65%)	(7.65%)
Net OPEB Liability (Asset) 2024	\$ (3,016)	\$ (17,413)	\$ (33,278)
Net OPEB (Asset) Liability 2023	\$ 32,234	\$ 12,745	\$ (3,819)

Sensitivity of the net OPEB (asset) liability to changes in healthcare cost trend rates. The following presents the Fund's proportionate share of the net OPEB (asset) liability as of June 30, 2024 and 2023, respectively, calculated using the current healthcare cost trend rates, as well as what the Fund'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):

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Asset) 2024	\$ (43,999)	\$ (17,413)	\$ 14,263
Net OPEB (Asset) Liability 2023	\$ (8,050)	\$ 12,745	\$ 35,425

OPEB (Asset) Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. The net OPEB (assets) liabilities at June 30, 2024 and 2023 were measured as of June 30, 2023 and 2022. The total OPEB (assets) liabilities at June 30, 2023 and 2022 were determined by actuarial valuations as of June 30, 2022, with the 2021 valuation rolled forward to the measurement dates.

At June 30, 2024 and 2023, the amount recognized as the Fund's proportionate share of the net OPEB (asset) liability was (\$17,413) and \$12,745, respectively. At June 30, 2024 and 2023, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB asset (liability) was (\$7,347) and \$4,412, respectively. At June 30, 2024 and 2023, the total net OPEB (asset) liability attributable to the Fund is (\$24,759) and \$17,157, respectively.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

OPEB (Asset) Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. (Continued) 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, 2023 and June 30, 2022. Employer contributions are recognized when due. At June 30, 2023, the Fund's proportion was 11.0111339%, a decrease of 0.5468523% from its proportion of 11.5579862% calculated as of June 30, 2022. At June 30, 2022, the Fund's proportion was 11.5579862%, a decrease of 0.7864121% from its proportion of 12.3443983% calculated as of June 30, 2021.

For the years ended June 30, 2024 and 2023, the Fund recognized OPEB expense of \$(55,900) and \$(63,300), respectively. Of this amount, \$(43,800) and \$(49,900) was recognized as the Fund's proportionate share of the OPEB expense, and \$(12,000) and \$(14,200) as the amount of OPEB expense attributed to special funding. The Fund also recognized revenue of \$(12,000) and \$(14,200), respectively, for support provided by the State.

At June 30, 2024 and 2023, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in Expected and Actual Experience	\$ -	\$ 10,136	\$ 1,472	\$ 4,395
Changes in Proportion and Difference Between Employer Contributions an Proportionate Share of Contributions	1,607	6,899	4,038	9,255
Net Difference Between Projected and Actual Investment Earnings	-	277	551	12,096
Changes in Assumptions	4,802	9,715	8,135	32,686
Contributions After Measurement Date	2,443	-	10,916	-
Reallocation After Opt-Out	-	13	-	72
Total	<u>\$ 8,852</u>	<u>\$ 27,040</u>	<u>\$ 25,112</u>	<u>\$ 58,504</u>

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

The Fund will recognize the \$2,443 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability in the year ended June 30, 2024. 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):

<u>Year Ending June 30.</u>	<u>Amortization</u>
2025	\$ (10,774)
2026	(9,591)
2027	332
2028	(598)
Total	<u>\$ (20,631)</u>

NOTE 9 LEASES

Lease Obligations

The Fund leases certain property and equipment for various terms under long-term, noncancelable lease agreements. Total future minimum lease payments under lease agreements are as follows (dollars in thousands):

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Amount</u>
2025	\$ 6,048	\$ 3,124	\$ 9,172
2026	5,946	3,086	9,032
2027	5,439	2,884	8,323
2028	4,949	2,691	7,640
2029	4,348	2,510	6,858
2030-2034	16,007	10,404	26,411
2035-2039	5,925	8,372	14,297
2040-2044	5,912	7,492	13,404
2045-2049	6,462	6,608	13,070
2050-2054	6,211	5,687	11,898
2055-2059	6,381	4,769	11,150
2060-2064	7,372	3,755	11,127
2065-2069	8,546	2,581	11,127
2070-2074	9,907	1,220	11,127
2075-2076	3,083	69	3,152
Total	<u>\$ 102,536</u>	<u>\$ 65,252</u>	<u>\$ 167,788</u>

Marshall University has a building lease with the Marshall University Foundation, Inc. with an outstanding lease liability of \$754 and a corresponding asset and accumulated amortization of \$22,055 and \$220, respectively, as of June 30, 2024. The asset includes amounts paid for the construction of the building prior to start of the lease agreement.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 9 LEASES (CONTINUED)

Lease Receivables

The Fund leases various facilities as a lessor. Rental rates, terms, cancellations, and other provisions vary based on the agreement, but generally lease payments are at a monthly fixed rate operating lease agreement. As of June 30, 2024 and 2023, lease receivables are included in other assets on the statements of net position. The following is a schedule by year of minimum future rental payments (dollars in thousands):

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Amount</u>
2025	\$ 2,050	\$ 356	\$ 2,406
2026	1,755	209	1,964
2027	915	90	1,005
2028	421	66	487
2029	462	51	513
2030-2034	590	153	743
2035-2039	599	54	653
Total	<u>\$ 6,792</u>	<u>\$ 979</u>	<u>\$ 7,771</u>

WVU leases an office building from the West Virginia University Foundation, Incorporated. Rental expense under the lease is \$1,975 per year through 2031. West Virginia University retains the right to cancel the lease upon giving 30 days' written notice.

WVU leases certain real estate to external parties. During the years ended June 30, 2024 and 2023, the University recognized revenue related to these lease arrangements of \$1,161 and \$1,041, respectively. This includes amortization of deferred inflows and interest income. The general terms of these lease agreements are as follows:

<u>Lease Type</u>	<u>Description</u>	<u>Rate</u>	<u>Lease Term</u>	<u>Payment Frequency</u>	<u>Payment Amount</u>	<u>Other Terms</u>
Real Estate	Boreman RFL House	3.03%	7/1/2022 to 5/15/2035	Annually	\$ 82,500	Prepaid through 2027
Real Estate	Medical Education Building / Charleston	3.23	10/1/2022 to 6/30/2025	Monthly	13,338	Escalating 3% Annually
Real Estate	Cell Tower - Arnold Apartments	3.23	7/25/2012 to 4/30/2027	Monthly	4,346	Escalating 3% Annually
Real Estate	Land - Research Park	2.96	3/4/2016 to 3/3/2056	Annually	42,500	
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 - Braxton Tower	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	Office Space - Morgantown, WV	3.03	10/1/2022 to 9/30/2031	Monthly	750	
Real Estate	Cell Tower - Engineering PRT	3.03	5/1/2022 to 4/30/2027 with 5 Year assumed renewal	Monthly	3,579	Escalating 3% Annually
Real Estate	Cell Tower - Arnold Hall	3.03	5/1/2022 to 4/30/2027 with 5 years assumed renewal	Monthly	3,073	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	Laboratory Space at HSC	3.03	1/1/2023 to 12/31/2024	Monthly	1,652	
Real Estate	Aquaculture Facility - Wardensville	2.96	2/1/2020 to 1/31/2025	Monthly	700	
Real Estate	Cell Tower - Carter Hall - Beckley, WV	2.96	5/1/2020 to 4/30/2025 With 5 Year Assumed Renewal	Monthly	1,800	
Real Estate	Land - Montgomery, WV	3.03	3/28/2023 to 3/27/2028 With Assumed 5 Year Extension	Monthly	214	
Equipment	Equipment and Facilities at HSC	3.23	Rolling 15 Month Notice Period	Monthly	41,223	

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 10 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

The Fund has operating and higher education consortium SBITA arrangements purchased from external vendors. The subscription terms of these contracts vary and range from FY2024 through FY2029. Most payments are annual. The Fund determined the net present value of the SBITAs based on an estimated incremental borrowing rate of ranging from 4.75% to 9.15% for years ended June 30, 2024 and 2023.

See Note 6 for balances and changes in subscription assets at June 30, 2024 and 2023.

Future annual minimum subscription payments for years subsequent to June 30 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 14,922	\$ 1,255	\$ 16,177
2026	9,758	689	10,447
2027	6,227	311	6,538
2028	2,113	94	2,207
2029	648	15	663
Total	<u>\$ 33,668</u>	<u>\$ 2,364</u>	<u>\$ 36,032</u>

NOTE 11 NOTES PAYABLE – DIRECT PLACEMENTS

During February 2014, WV State signed a promissory note with Capital One Equipment Finance Corp borrowing \$2,700 at an interest rate of 6.65% to be used to partially finance the construction of a new athletic complex. The note matures in 2033, with principal payments due annually on October 1 starting in 2014. Interest payments are due annually on April 1 and October 1 starting in April 2014. The note balance at June 30, 2024 and 2023 was approximately \$1,729 and \$1,852, respectively.

On December 10, 2020, WV State signed a promissory note with the WVSU Foundation borrowing \$1,000 at an interest rate of 1.50% calculated annually. The note matures on April 10, 2025, with principal and interest payments due quarterly beginning on July 10, 2021. On August 12, 2022, the University paid the note in full.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 11 NOTES PAYABLE – DIRECT PLACEMENTS (CONTINUED)

In May 2021, the West Virginia State University Board of Governors entered into a Capital Project Loan Agreement with Rice Capital Access Program, LLC for up to \$40,500 for the purpose of financing or refinancing the costs of capital projects. The proceeds from the direct placement were used to repay the outstanding balances of the 2012 Bonds, the 2013 Bonds, and the capital lease. The direct placement matures on August 1, 2045 with debt service payments due starting February 1, 2022. Interest on the direct placement will be equal to and payable at the same time as interest due on the Series A 2021-1 Bonds. The University will need to make monthly deposits for principal and interest as well as pro rate fees starting July 2021. The full amount of the principal and interest due on for each payment must be on hand with the Trustee two months before the payment is due. The direct placement requires the University to expend not less than the annual Replacement Fund Reserve Requirement on capital improvements. The initial Replacement Fund Reserve Requirement is \$550 and will increase on July 1st each year by 3%. The University has a rate covenant that pledged revenues (auxiliary capital fees and gross operating revenues) will be equal to 120% of the maximum annual debt services on the 2021 loan and any additional long-term debt. Failure to meet this rate covenant during any fiscal year, will cause the University to immediately fund a separate and dedicated West Virginia State University Liquidity Reserve Account maintained and held by the Trustee. As of June 30, 2024, the University was in compliance with the rate covenants.

A loss on refinancing was recorded as a deferred outflow in the amount of \$6,121 and \$6,579 at June 30, 2024 and 2023, respectively. The principal on the direct placement that was outstanding at June 30, 2024 and 2023 was \$33,755 and \$35,016, respectively.

In December 2012, WVU refinanced various Health Sciences Center (HSC) construction loans with United Bank, Inc. in the principal amount of \$22,100 at an interest rate, initially of 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. The loan is pledged by facilities and administrative revenue received by the University under any grants, contracts, and other agreements on behalf of the HSC. Total principal to be paid at June 30, 2024 and 2023 was approximately \$14,100 and \$14,800, respectively.

On December 15, 2016, WVU closed on a note with United Bank for \$36,100. The proceeds of the loan were used to pay the 90 day note in full and to reimburse WVU for the purchase of the Beckley campus as well as for capital improvements to the campus. The proceeds include capital interest of \$3,000 as the loan will have capitalized interest period of three years. The amortization term was 30 years. The interest rate is set for five year increments beginning with a rate of 3.11% fixed for the first five years and a spread to the five year constant U.S. Treasury Maturity rate thereafter. The spread is based on the University’s rating with Moody’s.

On December 22, 2017, WVU closed on a new note with Wells Fargo for \$42,000. 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%.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 11 NOTES PAYABLE – DIRECT PLACEMENTS (CONTINUED)

During fiscal year 2008, Marshall University Research Corporation (MURC), (a blended component unit of Marshall), borrowed the proceeds of a bond issuance by the Cabell County Commission for the construction of an addition to the Marshall University Forensic Science Center. MURC's repayment terms are the same as the bond repayment term.

MURC is obligated to make interest payments commencing on October 10, 2008, for the interest due on the loan semiannually and to make annual principal payments starting on April 1, 2009, based on a hypothetical amortization of the then-remaining principal balance at the then-applicable interest rate for the then-remaining years of the original 20-year amortization period ending April 10, 2028. However, any unspent mortgage proceeds would go to pay the first amounts due for interest and principal. The interest rate for the period of April 10, 2018 through April 1, 2022 is 2.854%. The interest rate is subject to change each subsequent five-year period to the rate per annum equal to 67% of the five-year Treasury Constant Maturity in effect on that date, plus 1.67% per annum.

On April 10, 2020, MURC was granted a loan from JPMorgan Chase Bank, N.A. in the aggregate amount of \$3,115, pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated April 9, 2020 issued by the Borrower, matures on April 9, 2022 and bears interest at a rate of 0.98% per annum, payable monthly, commencing on November 6, 2020. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. The Corporation repaid \$560 of the Loan on May 13, 2020.

Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rents, utilities, and interest on other debt obligations incurred before February 15, 2020. MURC intends to use the entire Loan balance for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. In September 2021, MURC received forgiveness for the entire amount outstanding on the PPP Loan from the Small business Administration.

During fiscal year 2013, Glenville entered into a \$3,145 note collateralized by a first lien on equipment installed in various buildings on campus. Interest is 3.10% with semiannual principal payments of \$132. The note matures June 2028. The note balance at June 30, 2024 and 2023 was approximately \$985 and \$1,213, respectively.

During fiscal year 2020, Glenville entered into a \$1,000 line of credit with the Glenville State University Foundation, bearing interest at 4%. The balance was paid in full October 2020 and no amounts were borrowed in 2024 or 2023.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 11 NOTES PAYABLE – DIRECT PLACEMENTS (CONTINUED)

On November 7, 2013, the Commission executed a note payable to the West Virginia Economic Development Authority to finance a new boiler system for the property in the amount of \$1,485. The note payable bears interest at 3.42% per annum and is collateralized by lease and rental revenues. Payments are due monthly in installments of \$15. The note matured in November 2023.

On October 20, 2020, the Commission executed a note payable to the West Virginia Infrastructure and Jobs Development Council in the amount of \$2,217. The loan was to finance construction and building improvements related to Building 2000 that the Corporation had paid for using operational funds in prior years. The note payable bears interest at 0% per annum and is collateralized by lease rental revenues. Payments are due monthly beginning November 1, 2023 in installments of \$19. The note matures in October 2033.

On May 7, 2021, the Commission executed a construction loan agreement to Summit Community Bank to fund construction and permanent financing in the amount of \$7,500. The note payable bears a variable interest rate at 3.25% per annum and is subject to repricing May 27, 2027, and every five years thereafter. The note payable is collateralized by lease rental revenues. Interest only payments are due for 12 consecutive payments beginning June 27, 2021. Payments of principal and interest are due monthly beginning June 27, 2022, in installments of \$53. As of June 30, 2024 and 2023, the balance on the note was \$6,061 and \$6,487, respectively. The note matures in May 2037.

On September 25, 2018, West Liberty University purchased two pieces of property adjacent to West Liberty University for \$624. To fund the purchase of this property, West Liberty mortgaged the property with a bank with two loans totaling \$474. The loans are interest free and matured on September 1, 2022.

Annual minimum payments for the years ending after June 30, 2024, are as follows (dollars in thousands):

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,388	\$ 3,735	\$ 9,123
2026	5,190	3,678	8,868
2027	4,886	3,507	8,393
2028	4,638	3,352	7,990
2029	6,239	3,189	9,428
2030-2034	26,480	13,535	40,015
2035-2039	17,304	9,058	26,362
2040-2044	14,496	6,570	21,066
2045-2049	9,861	4,484	14,345
2050-2054	8,785	2,680	11,465
2055-2059	7,421	606	8,027
Total	<u>\$ 110,688</u>	<u>\$ 54,394</u>	<u>\$ 165,082</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 12 INSTITUTION BONDS PAYABLE

The Institutions within the Fund, at June 30, 2024 and 2023, have the following outstanding bonds payable (dollars in thousands):

	Maximum Interest Rate	Annual Installments	Principal Outstanding	
			2024	2023
Concord University - Revenue Bonds 2014 Series, due through 2044	2.25-5%	\$320-\$950	\$ 13,396	\$ 13,836
Fairmont State University - Revenue Refunding Bonds, 2015, Series A, due through 2045	1.75-5.00	580-1,665	24,920	25,685
Fairmont State University - Revenue Refunding Bonds, 2021, Series A, due through 2032	5.00	1,930-2,995	20,315	22,340
Glenville State University - Improvement and Refunding Revenue Bonds, Series 2017, due in 2047	3.25-5.25	735-850	32,600	33,390
Marshall University - University Bonds 2020A, due through 2050	3.00-5.00	2,260-5,330	56,035	56,035
Marshall University - University Bonds 2020B, due through 2039	2.26-3.67	1,935-3,595	37,475	39,710
Shepherd University - Refinance Revenue Bonds, due through 2033	3.00-4.375	435-460	2,495	2,955
Shepherd University - Refunding Revenue Bond, due through 2037	3.65	1,427-1,649	24,687	26,218

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 12 INSTITUTION BONDS PAYABLE (CONTINUED)

	Maximum Interest Rate	Annual Installments	Principal Outstanding	
			2024	2023
West Liberty University - Revenue Refunding Bonds 2013, due through 2028	1.30-2.68	\$580-\$765	2,795	\$ 3,505
West Liberty University - Revenue Bonds 2012, due through 2027	2.0-3.25	565-785	2,845	3,560
West Liberty University - Revenue Bonds 2018, due through 2038	3.65	192-366	3,875	4,321
West Liberty University - Revenue Bonds 2021, due through 2036	2.174	70-365	3,020	3,020
West Virginia University - Revenue Improvement Bonds 2011, Series A, due through 2026	3.87	35-62	5,749	6,242
West Virginia University - Revenue Bonds (Taxable) 2012 Series A, due through 2042	4.50	174-394	9,977	10,330
West Virginia University - Revenue Bonds (Taxable) 2012 Series A, due through 2032	Variable	0-284	2,378	2,581
West Virginia University - Revenue Refunding and Improvement Bonds (Taxable) 2013, Series B, due through 2043	3.24	890-995	11,420	15,630
West Virginia University - Improvement Revenue Bonds (Taxable) 2014, Series B, due through 2043	4.50	10,075-24,105	79,050	79,050
West Virginia University - Improvement Revenue Bonds 2016, Series A, due through 2046	5.63	0-678	14,859	15,536

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 12 INSTITUTION BONDS PAYABLE (CONTINUED)

	Maximum Interest Rate	Annual Installments	Principal Outstanding	
			2024	2023
West Virginia University - Revenue Bonds, 2019 Series A, due through 2050	3.11	\$0-\$5,095	\$ 81,370	\$ 82,935
West Virginia University - Revenue Bonds, 2019 Series B, due through 2042	1.89	0-8,345	39,125	39,125
West Virginia University - Revenue Bonds, 2020 Series A, due through 2045	2.46	0-30,565	356,860	367,430
West Virginia University - Revenue Bonds, 2020 Series B, due through 2036	2.20	595-163	9,620	10,378
West Virginia University - Revenue Bonds, 2020 Series A, due through 2045	3.11	0-7,430	25,670	25,670
West Virginia University - Revenue Bonds, 2020 Series B, due through 2042	3.06	0-7,125	45,005	45,005
West Virginia University - Revenue Bonds, 2022 Series A, due through 2036	2.6	575-1,630	18,253	23,187
West Virginia University - Revenue Bonds, 2023 Series A, due through 2036	4.95	43-445	54,057	56,500
Total			977,851	1,014,174
Add: Unamortized Bond Premium			31,707	30,815
Less: Unamortized Bond Discount			(81)	(90)
Total			<u>\$ 1,009,477</u>	<u>\$ 1,044,899</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 12 INSTITUTION BONDS PAYABLE (CONTINUED)

In April 2020, the Marshall University Board sold \$56,035 of 2020A series bonds. The proceeds of the 2020A Bonds will be used to (1) finance a portion of the costs of the construction, equipping and furnishing of a new building for the University's Lewis College of Business along with other capital improvements approved by the issuer and (2) refunding and redeeming all or a portion of the 2010 and 2011 Bonds and (3) paying bond insurance premiums or other credit enhancement and (4) to pay the costs of issuance of the 2020A Bonds.

In April 2020, the Marshall University Board sold \$45,960 of 2020B series bonds. The 2020B Bonds are secured by and payable from certain revenues as defined in the Trust Indenture. The proceeds of the 2020B Bonds will be used to (1) refund and redeem all or a portion of the 2011 Bonds, (2) paying bond insurance premiums or other credit enhancement and (3) to pay the costs of issuance of the 2020B Bonds.

The net proceeds of the 2020A and 2020B Bonds of \$77,480 (after payment of \$1,109 of costs of issuance and \$27,950 deposited with Marshall University for use for construction of a new building) plus an additional \$3,470 equity contribution from the University were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 2010 and 2011 Bonds. As a result, the 2010 and 2011 Bonds are considered to be defeased and the liability for those bonds has been removed from the statement of net position.

The current and advance refundings resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,122. This difference, reported in the accompanying statement of net position as a deferred outflow of resources, will be amortized to interest expense through the year 2050 using the effective-interest method. The primary purpose of the 2020A current refunding and 2020B advanced refunding was to restructure the existing outstanding bonds, effectively creating short-term cash flow savings through a level debt service structure. This new level debt service structure will strengthen Marshall University's strategic positioning and allow immediate growth of Marshall University reserves. The debt restructure provides a net economic gain (difference between the present value of the old and new debt service payments) of \$2,747. Total gross debt service over the next 30 years will increase by \$11,761 as a result of the strategic level debt service restructure.

In May 2021, the West Virginia State University Board entered into a Capital Loan Agreement with Rice Capital Access Program, LLC for a direct placement for up to \$40,500. As described in Note 11, the proceeds were used to repay outstanding balances of the 2012 Bonds, 2013 Bonds and a capital lease.

On September 25, 2019, the West Virginia University Board issued \$124,695 in revenue bonds. The 2019 Series A bonds (tax exempt) were issued in the amount of \$85,840. The actual proceeds equaled \$101,315 of which \$95,000 was designated for projects for Athletics, Hodges Hall, and Reynolds Hall. The remaining proceeds of \$5,826 were for capitalized interest; \$489 was for cost of issuance.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 12 INSTITUTION BONDS PAYABLE (CONTINUED)

The 2019 Series B bonds (tax exempt) were issued in the amount of \$39,125. The actual proceeds received equaled \$50,534. These bonds were issued to refund the 2014 Series C Bonds in the amount of \$50,190. The refunding and redemption of the 2014 Series C Bonds was deemed more advantageous to the West Virginia University Board, West Virginia University and the State, considering the financial effect, the implementation and other relevant factors, than remarketing them. The remaining proceeds of \$5,826 were for capitalized interest; \$489 was for cost of issuance.

On March 10, 2020, the WVU Board issued \$377,785 in revenue bonds. The 2020 Series A bonds (taxable) in the amount of \$376,443 refinanced the 2011 Series B bonds in the amount of \$154,744, the 2013 Series A bonds in the amount of \$150,694, and the 2014 Series A bonds in the amount of \$71,005. The remaining funds were used for the cost of issuance and other fees.

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

On May 27, 2021, the WVU Board issued the 2021 Series A bonds (tax exempt) in the amount of \$25,670. The actual proceeds received was \$33,616 of which \$32,297 was designated for Hodges Hall and the HSC Infrastructure Phase II projects, \$1,084 was for capitalized interest and \$234 was for cost of issuance and underwriter's discount. The Board also issued the 2021 Series B bonds (taxable) in the amount of \$45,005. The actual proceeds equaled \$45,005 of which \$43,530 was designated for projects related to Athletics and Reynolds Hall, \$1,144 was for capitalized interest, and \$330 was for cost of issuance and underwriter's discount.

On May 23, 2023, the WVU Board issued the 2023 Series A bonds (taxable) in the amount of \$56,500 to (a) finance the design, acquisition, construction, and equipping of certain capital improvements as part of the University annual capital improvements program, \$25,000 (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, \$31,000 and (c) pay the costs of issuance, \$500.

For the years ended June 30, 2024 and 2023, WVU recorded a deferred loss on refunding of \$12,458 and \$13,141, respectively, on the statement of net position.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 12 INSTITUTION BONDS PAYABLE (CONTINUED)

A summary of the annual aggregate principal payments for years subsequent to June 30, 2024, is as follows (dollars in thousands):

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 39,493	\$ 33,464	\$ 72,957
2026	40,810	32,400	73,210
2027	44,641	31,141	75,782
2028	40,988	29,956	70,944
2029	44,171	110,853	155,024
2030-2034	215,486	102,507	317,993
2035-2039	221,068	58,687	279,755
2040-2044	233,583	18,033	251,616
2045-2049	87,186	4,423	91,609
2050-2054	10,425	213	10,638
Total	<u>\$ 977,851</u>	<u>\$ 421,677</u>	<u>\$ 1,399,528</u>

NOTE 13 SYSTEM BONDS PAYABLE

The Fund receives State appropriations to finance its operations. In addition, it is subject to the legislative and administrative mandates of State government. Those mandates affect various aspects of the Fund's operations, its tuition and fee structure, its personnel policies, and its administrative practices.

The State has chartered the Fund 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 within the Fund. Financing for these facilities was provided through revenue bonds issued by various former governing boards which are now administered by the Policy Commission.

The Policy Commission has the authority to assess each institution of the Fund for payment of debt service on these system bonds. The tuition and registration fees of the Institutions are generally pledged as collateral for the Fund's bond indebtedness. Student fees collected by an institution in excess of the debt service allocation are retained by the institution for internal funding of capital projects and maintenance. The bonds remain a capital obligation of the Fund.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 13 SYSTEM BONDS PAYABLE (CONTINUED)

The Commission, at June 30, 2024 and 2023, has the following outstanding bonds payable (dollars in thousands):

	Maximum Interest Rate	Original Range of Annual Installments	Principal Outstanding	
			2024	2023
Series 2017 - Community and Technical College Capital Improvement Revenue Refunding Bonds	5.00%	\$3-\$4,760	\$ 54,140	\$ 56,315
Series 2017 - Revenue Refunding Bonds Higher Education Facilities	5.00	1,205-3,885	8,495	12,195
Series 2012A - Revenue Refunding Bonds, due through 2034	5.00	1,425-42,100	76,390	81,880
Series 2012B - Revenue Bonds, due through 2034	5.00	200-2,400	3,750	4,420
Series 2010B - Revenue Bonds, due through 2040	7.65	10,800-39,465	50,265	50,265
Series 2000A - University System Bonds, due through 2031	6.26	0-3,264	8,678	10,261
Series 1998 - University System Bonds, due through 2028	5.25	1,065-3,625	13,455	16,410
Total			215,173	231,746
Add: Bond Premium			16,213	17,859
Total			<u>\$ 231,386</u>	<u>\$ 249,605</u>

A summary of the annual aggregate principal and interest payments for years subsequent to June 30, 2024 is as follows (dollars in thousands):

Year Ending June 30,	Principal	Interest	Total
2025	\$ 17,231	\$ 16,453	\$ 33,684
2026	17,257	15,750	33,007
2027	18,106	15,038	33,144
2028	17,594	14,212	31,806
2029	14,523	13,398	27,921
2030-2034	78,708	39,285	117,993
2035-2039	40,960	10,997	51,957
2040-2043	10,794	581	11,375
Total	<u>\$ 215,173</u>	<u>\$ 125,714</u>	<u>\$ 340,887</u>

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 13 SYSTEM BONDS PAYABLE (CONTINUED)

The higher education institutions' tuition, registration, and other specified fees generally are pledged as collateral for the Commission's bond indebtedness, as well as any monies held by the trustees.

The 2017 advance refundings created irrevocable trust funds, the securities and earnings therein are considered sufficient to fully service the bonds until they are called or mature. For financial reporting purposes the bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. At June 30, 2024, the amount of defeased bonds outstanding was \$58,705 related to the 2009 Series A Bonds.

NOTE 14 UNRESTRICTED NET POSITION

The Fund's unrestricted net position at June 30, 2024 and 2023 includes certain designated net position as follows (dollars in thousands):

	2024	2023
Designated for Auxiliaries	\$ 16,017	\$ 17,429
Designated for Repair, Replacement, and New Property	6,498	6,622
Other	6,615	5,475
Undesignated	265,372	128,172
Total Unrestricted Net Assets	\$ 294,502	\$ 157,698

NOTE 15 RETIREMENT PLANS

Substantially all full-time employees of the Fund participate in either the TRS or the Teachers' Insurance and Annuities Association — College Retirement Equities Fund (TIAA-CREF). Previously, upon full-time employment, all employees were required to make an irrevocable selection between the TRS and TIAA-CREF. Effective July 1, 1991, the TRS was closed to new participants. Current participants in the TRS are permitted to make a one-time election to cease their participation in that plan and commence contributions to the West Virginia Teachers' Defined Contribution Plan (TDC). Contributions to and participation in the TDC by Fund employees have not been significant to date. Effective January 1, 2003, higher education employees enrolled in the basic 401(a) retirement plan with TIAA-CREF have an option to switch to the New Educators Money 401(a) basic retirement plan (Educators Money). New hires have the choice of either plan. Educators Money was a brand utilized by Great West Financial; this has since transitioned to Empower Retirement.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 15 RETIREMENT PLANS (CONTINUED)

Defined Contribution Benefit Plans

The TIAA-CREF and Empower Retirement are defined contribution plans in which benefits are based solely upon amounts contributed plus investment earnings. Employees who elect to participate in these plan are 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 total annual compensation. The Fund matches the employees' 3% or 6% contribution. Contributions are immediately and fully vested.

Total contributions to Empower Retirement for the years ended June 30, 2024, 2023 and 2022 were approximately \$143, \$174, and \$204, respectively, which consisted of approximately \$71, \$87, and \$102, respectively, from the covered employees in 2024, 2023 and 2022, respectively.

Total contributions to the TIAA-CREF for the years ended June 30, 2024, 2023 and 2022, were approximately \$112,100, \$106,600, and \$103,100, respectively, which consisted of approximately \$56,000, \$53,200, and \$51,500, from the Fund in 2024, 2023 and 2022, respectively, and approximately \$56,100, \$53,300, and \$51,600, from the covered employees in 2024, 2023 and 2022, respectively.

The Fund's total payroll for the years ended June 30, 2024, 2023 and 2022 was approximately \$1,015,300, \$1,006,900, and \$946,100, respectively, and total covered employees' salaries in the TIAA-CREF and Empower Retirement were approximately \$897,000 and \$1,200, respectively, for the year ended June 30, 2024; \$855,800 and \$1,500, respectively, for the year ended June 30, 2023; \$833,300 and \$2,000, respectively, for the year ended June 30, 2022.

Defined Benefit Plan

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

Following is the Fund'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):

	2024	2023
Net Pension Liability	\$ 4,186	\$ 5,626
Deferred Outflows of Resources	1,195	1,669
Deferred Inflows of Resources	3,064	4,313
Revenues	1,055	972
Pension Expense	(627)	(1,557)
Contributions Made by the Fund	484	566

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 15 RETIREMENT PLANS (CONTINUED)

Defined Benefit Plan (Continued)

Plan Description

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

TRS is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the State of West Virginia's Comprehensive Annual 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/Publications.html#CAFR>.

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 30 years of credited service at any age with the pension reduced actuarially if the member retires before age 55. Terminated members with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62. Retirement benefits are equivalent to 2% of average annual salary multiplied by years of service. Average salary is the average of the 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 State 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 payrolls for members and employers are established by State law and are not actuarially determined.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 15 RETIREMENT PLANS (CONTINUED)

Defined Benefit Plan (Continued)

Employer Contributions

Employers make the following contributions:

The State (including institutions of higher education) contributes:

1. 15% of gross salary of their State-employed members hired prior to July 1, 1991;
2. 15% of School Aid Formula (SAF) covered payroll of county-employed members;
3. 7.5% of SAF-covered payroll of members of the TDCRS;
4. a certain percentage of fire insurance premiums paid by State residents, and
5. under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the TRS unfunded liability within 40 years of June 30, 1994. As of June 30, 2023 and 2022, respectively, the Fund's proportionate share attributable to this special funding subsidy was \$(228) and \$(1,005).

The Fund's contributions to TRS for the years ended June 30, 2024, 2023, and 2022 were approximately \$600, \$600, and \$900, respectively.

Assumptions

The total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2022 and 2021, respectively, and rolled forward to the measurement dates of June 30, 2023 and 2022 respectively.

The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll
- Asset valuation method: Investments are reported at fair value
- Amortization method and period: Level dollar, fixed period through fiscal year 2034
- Investment rate of return of 7.25%, as of July 1, 2023 and 2022, respectively, net of investment expenses
- Projected salary increases: Teachers 2.75% - 5.90% as of June 30, 2023 and 2022, and nonteachers 2.75% - 6.50% as of June 30, 2023 and 2022
- Inflation rate of 2.75% as of June 30, 2023 and 2022
- Discount rate of 7.25% as of June 30, 2023 and 2022
- Mortality rates based on RP-2000 Mortality Tables
- Withdrawal rates: Teachers 7.00% - 35% and nonteachers 2.30% - 18.00%
- Disability rates: 0.004% - 0.563%
- Retirement age: An age-related assumption is used for participants not yet receiving payments

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 15 RETIREMENT PLANS (CONTINUED)

Defined Benefit Plan (Continued)

Assumptions (Continued)

- Retirement rates: 15% - 100%
- Ad hoc cost-of-living increases in pensions are periodically granted by the State Legislature. However, the retirement system makes no automatic provision for such increases.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 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 percentage and by adding expected inflation.

Best estimates of the long-term arithmetic real rates of return for each major asset class included in TRS' target asset allocation as of June 30 are summarized below.

	2024	
<u>Asset Class</u>	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity	6.5%	27.5%
International Equity	9.1%	27.5%
Core Fixed Income	4.3%	15.0%
Real Estate	5.8%	10.0%
Private Equity	9.2%	10.0%
Hedge Funds	4.6%	10.0%

	2023	
<u>Asset Class</u>	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity	5.3%	27.5%
International Equity	6.1%	27.5%
Fixed Income	2.2%	15.0%
Real Estate	6.5%	10.0%
Private Equity	9.5%	10.0%
Hedge Funds	3.8%	10.0%

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 15 RETIREMENT PLANS (CONTINUED)

Defined Benefit Plan (Continued)

Discount Rate

The discount rate used to measure the total TRS pension liability was 7.25% as of June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, TRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on TRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Fund's proportionate share of the TRS net pension liability as of June 30, 2024 and 2023 calculated using the discount rate of 7.25%, as well as what the Fund'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).

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability 2024	\$ 6,423	\$ 4,186	\$ 2,281
Net Pension Liability 2023	\$ 8,269	\$ 5,626	\$ 3,374

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

The TRS net pension liability was measured as of June 30, 2023 and 2022, respectively. The total pension liability was determined by an actuarial valuation as of July 1, 2022 and 2021, respectively, and rolled forward to the measurement dates.

At June 30, 2024 and 2023, the Fund's proportionate share of the TRS net pension liability was \$12,800 and \$16,800, respectively. Of this amount, the Fund recognized approximately \$4,100 and \$5,600, respectively, as its proportionate share on the statements of net position. The remainder of \$8,600 and \$11,200, respectively, denotes the Fund's proportionate share of net pension liability attributable to the special funding.

The allocation percentage assigned to each participating employer and nonemployer-contributing entity is based on their proportionate share of employer and nonemployer contributions to TRS for each of the fiscal years ended June 30, 2023 and 2022. Employer contributions are recognized when due. At June 30, 2023, the Fund's proportion was 0.1826980%, a decrease of 0.360280% from its proportion of 0.2187260% calculated as of June 30, 2022. At June 30, 2022, the Fund's proportion was 0.2187260%, a decrease of 0.0662040% from its proportion of 0.2917080% calculated as of June 30, 2021.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 15 RETIREMENT PLANS (CONTINUED)

Defined Benefit Plan (Continued)

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

For the years ended June 30, 2024 and 2023, the Fund recognized TRS pension expense of \$(500) and \$(1,600), respectively. Of this amount, \$(200) and \$(600), respectively, was recognized as the Fund's proportionate share of the TRS expense, \$(300) and \$(1,000), respectively, as the amount of pension expense attributable to special funding from a nonemployer contributing entity and \$1,000 and \$500, respectively as the amount of pension expense from a nonemployer contributing entity not attributable to a special funding situation. The Fund also recognized revenue of \$(1,000) and \$(600), respectively, for support provided by the State.

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

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	\$ 178	\$ 3,054	\$ 176	\$ 4,172
Net Difference Between Projected and Actual Experience	150	10	232	139
Net Difference Between Projected and Actual Investment Earnings	80	-	229	2
Change in Assumptions	320	-	466	-
Contributions after the Measurement Date	467	-	566	-
Total	<u>\$ 1,195</u>	<u>\$ 3,064</u>	<u>\$ 1,669</u>	<u>\$ 4,313</u>

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 15 RETIREMENT PLANS (CONTINUED)

Defined Benefit Plan (Continued)

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

The Fund will recognize the \$467 on 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, 2024. 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 (dollars in thousands).

<u>Fiscal Year Ending June 30,</u>	<u>Amortization</u>
2025	\$ (1,135)
2026	(1,240)
2027	190
2028	(298)
2029	148
Total	<u>\$ (2,335)</u>

Payables to the Pension Plan

The Fund did not report any amounts payable for normal contributions to the TRS as of June 30, 2024 and 2023.

NOTE 16 FOUNDATIONS

Various foundations have been established as separate nonprofit organizations incorporated in the state of West Virginia having as their purpose "...to aid, strengthen, and further in every proper and useful way, the work and services of the (individual institutions within the Fund), and their affiliated nonprofit organizations..." Oversight of each of the foundations is the responsibility of separate and independently elected boards of directors, not otherwise affiliated with the Fund. In carrying out its responsibilities, the boards of directors of the foundations employ management, form policy, and maintain fiscal accountability over funds administered by the foundations. Although the individual institutions within the Fund do not control the timing or amount of receipts from the foundations, the majority of resources, or income thereon, that the foundations hold and invest are restricted to the activities of the individual institutions within the Fund by donors. Because these restricted resources held by the foundations as detailed in the financial statements can only be used by, or for the benefit of, the individual institutions within the Fund, the foundations are considered component units of the individual Institutions and are, therefore, discretely presented with the Institution's financial statements and the Fund's financial statements in accordance with GASB discretely presented component unit requirements.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 16 FOUNDATIONS (CONTINUED)

The West Virginia University Foundation, Inc. is appropriately not included as a discretely presented component unit of West Virginia University as the economic resources held do not entirely or almost entirely benefit the West Virginia University, and its net assets (including unrealized gains) totaled \$1.3 billion and \$1.2 billion at June 30, 2024 and 2023, respectively. The Bridgemont Community and Technical College Foundation, Inc., The Eastern West Virginia Community and Technical College Foundation, Inc., The Kanawha Valley Community and Technical College Foundation, Inc., Mountwest Foundation, Inc., and Tech Foundation, Inc. are not included for the years ended June 30, 2024 and 2023 within the individual Institution's financial statements, because they were not significant to their Institutions. The Higher Education Foundation is not included for the years ended June 30, 2024 and 2023, because it was not significant to the Fund.

Complete financial statements for any discretely presented component unit foundation can be obtained by contacting the Business Office of the West Virginia Higher Education Policy Commission, 1018 Kanawha Boulevard East, Suite 700, Charleston, West Virginia 25301.

NOTE 17 OTHER DISCRETE COMPONENT UNITS

In addition to the Foundations included as discretely presented component units, the Fund has two other component units, Provident Group-Marshall Properties, LLC and Big Green Scholarship Foundation, Inc., which are material to their institutions and entirely or almost entirely for the benefit of the Fund's individual institutions as of each year-end. Oversight of the other entities is the responsibility of separate and independently elected boards of directors, not otherwise affiliated with the Fund.

NOTE 18 AFFILIATED ORGANIZATIONS

The Institutions have various separately incorporated affiliated organizations, including alumni and other associations. Oversight responsibility for these organizations rests with independent boards and management not otherwise affiliated with the Fund. Accordingly, the financial statements of these organizations are not included in the Fund's accompanying financial statements under the blended component unit requirements. They are not included in the Fund's accompanying financial statements as discretely presented component units as they are (1) not significant or (2) have dual purpose (i.e., not entirely or almost entirely for the benefit of the Fund).

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 19 SERVICE CONCESSION ARRANGEMENTS

West Virginia University (WVU) 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*. SCAs 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 ACC OP (College Park, WV) LLC. Per the contract, ACC OP finance, designed, constructed, furnished, and equipped a student housing facility. 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 WVU. Per the operating agreement, WVU 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, WVU recorded a capital asset with a fair market value of \$34,952 and a deferred inflow of resources. This deferred inflow is being amortized to auxiliary revenue over the term of the agreement (40 years). WVU has recorded an accounts receivable of \$99 and \$126 at June 30, 2024 and 2023, respectively. At June 30, 2024, WVU recognized management fee revenue and its share of the net revenue of \$38 and \$787, respectively. At June 30, 2023, WVU recognized management fee revenue and its share of the net revenue of \$96 and \$68, respectively. This revenue is included in revenue from auxiliary enterprises on the statement of revenues, expense and changes in net position.

NOTE 20 CONTINGENCIES AND COMMITMENTS

Contingencies

The nature of the educational industry is such that, from time to time, claims will be presented against colleges and 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 Fund would not impact seriously on the financial status of the Fund.

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. Management believes disallowances, if any, would not have a significant financial impact on the Fund's financial position.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 20 CONTINGENCIES AND COMMITMENTS (CONTINUED)

Contingencies (Continued)

The IRC of 1986 establishes rules and regulations for arbitrage rebates. There are no arbitrage rebate liabilities that have been recorded in the financial statements at June 30, 2024 and 2023.

The Fund and Institutions within the Fund own various buildings that are known to contain asbestos. The Fund is not required by federal, state, or local law to remove the asbestos from the buildings. The Fund is required by federal environmental, health, and safety regulations to manage the presence of asbestos in the buildings in a safe condition. Significant problems of dangerous asbestos conditions are abated as the condition becomes known. The Fund 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.

Commitments

WVU 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, WVU has an annual minimum steam purchase requirement, purchased at an operating rate calculated in accordance with the agreement. This operating rate is adjusted quarterly based on actual production costs and other cost indices. Management believes that the rate is comparable to market rates. At June 30, 2024, WVU was committed to an additional purchase of \$658 to meet the minimum steam purchase requirement for the contract year ended September 30, 2024. WVU anticipates substantially meeting the minimum steam purchase requirement for the remaining term of its commitment; however, payment in future years will be dependent on actual operating costs and other cost indices in those years.

During August 2022, West Virginia State University received a proposed penalty letter from the IRS regarding the late filing of certain 2020 information return. The returns were due March 31, 2021. The University filed the returns in September 2021 at the time the oversight was noted. A letter of abatement has been sent to the IRS and the University has contacted its attorney and contracted with a third party to handle the riling of these returns going forward. The University does not anticipate having to pay any penalty for the oversight.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 21 COMPONENT UNITS' DISCLOSURES

The following is an aggregation of the significant notes for the financial statements of the discretely presented component units:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

The foundations are nonprofit organizations incorporated in the State of West Virginia. The primary purpose of the foundations is to provide assistance and support for the students, facilities, and programs of their respective institution. The other two component units are also nonprofit organizations – incorporated in the State of West Virginia. Their primary purpose is also to support their respective institutions.

Basis of Presentation

Financial statement presentation follows the requirements of the FASB. In accordance with such requirements, the component units are required to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The financial statements of the component units are presented on the accrual basis of accounting, in accordance with GAAP. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets of the component units and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objective of the Foundation. These net assets may be used at the discretion of the Foundation's management and Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the component units and/or the passage of time. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Basis of Presentation (Continued)

Custodial accounts representing funds held by the component units on behalf of an Institution and/or departments of the Institution are reported as custodial liabilities. The component units are responsible for the management and administration of these funds.

Investments

The component units account for their investments in accordance with GAAP. Under GAAP, investments are valued at their fair values in the statement of net assets. Unrealized gains and losses are included in the change in net assets. See separately issued component units financial statements for fair value disclosures.

Property and Equipment

Purchased assets are recorded at cost. Donated assets are recorded at their fair value at the date they are donated. Expenditures for replaced items are capitalized and the replaced items are retired. Maintenance and repairs are expensed as incurred. Depreciation is calculated primarily by the straight-line method over the estimated useful lives of the assets.

Gift Annuities

The assets received are recognized at fair value when received, and the gift annuity liabilities are recorded using the present value of future cash flows expected to be paid to the donors and are being amortized over the expected lives of the donors.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. All contributions are available for unrestricted use unless specifically restricted by the donor. Bequests are recorded as revenue at the time an unassailable right to the gift has been established and the proceeds are measurable.

Endowments

See separately issued component unit financial statements for endowment related disclosures. For the years ended June 30, 2024 and 2023, there were no material reclasses among net asset classes nor were there material changes in the endowments.

Pledges Receivable

Pledges receivable represent amounts due to the foundations at their present value less allowance for uncollectible amounts.

Funds Held in Custody for Others

The Marshall University Foundation, Inc. holds and invests funds for Marshall under an agency agreement. The investments and other funds are reported as assets, while the corresponding liability is reported as funds held in custody for others.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Student Housing Facility Project and Construction in Progress

Shepherd University Foundation Supporting Organization designed and constructed Potomac Place, a 298 bed student housing facility on the Shepherd University campus. As disclosed in Note 9, the Supporting Organization permanently financed the construction costs of Potomac Place with a 40-year rural development loan from the United States Department of Agriculture. The Supporting Organization owns the building and associated equipment and furnishings and has entered into a ground lease with Shepherd University. The ground lease will expire upon repayment of all associated outstanding debt borrowed by the Supporting Organization. Upon the expiration of the lease, the buildings and associated equipment and furnishings will be transferred to Shepherd University. The ground lease agreement requires annual rental payments due 30 days after the receipt of the Supporting Organization's audited financial statements. Due to the variable nature of the ground lease payments, a right-of-use asset and lease obligation is not recognized under Topic 842, *Leases*.

Lease payments are equal to the net available cash flow generated from the operations of Potomac Place. Variable lease expense due to Shepherd University for the ground lease amounted to \$157 and \$514 for the years ended June 30, 2024 and 2023, respectively. Cumulative cash payments made to Shepherd University for ground lease rental payments since the residence hall became operational amounted to \$2,555 as of June 30, 2024.

The Supporting Organization has entered into a management agreement with Shepherd University. The management agreement appointed Shepherd University as the Supporting Organization's exclusive agent for construction, operation, management and maintenance of Potomac Place. No additional fees, outside of the ground lease payments, are payable to Shepherd University for these series.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Investments

The components units' investment securities at June 30 are composed of the following:

	2024							
	Big Green Scholarship Foundation Inc.	Bluefield State University Foundation Inc.	Concord University Foundation, Inc.	Fairmont State University Foundation Inc.	The Glennville State University Foundation, Inc.	The Marshall University Foundation, Inc.	New River Community and Technical College Foundation, Inc.	The Shepherd University Foundation, Inc.
Cash and Temporary Investments	\$ 392	\$ -	\$ -	\$ 2,287	\$ 2,489	\$ -	\$ 123	\$ 706
U.S. Government Securities	-	-	14,523	-	-	-	-	4,071
Corporate and Municipal Bonds and Notes	-	998	3	7,166	3,493	-	643	2,802
Mutual Funds	11,285	3,468	35,324	22,442	6,095	39,151	-	26,431
Equity Investments	1,052	1,823	2,144	79	10,780	135,280	1,499	3,060
Other	-	106	2,914	4,767	1,094	93,795	-	3,374
Total	\$ 12,729	\$ 6,395	\$ 54,908	\$ 36,741	\$ 23,951	\$ 268,226	\$ 2,265	\$ 40,444

* December 31 Year-End

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Investments (Continued)

	2024								
	Southern West Virginia Community College Foundation, Inc. *	West Liberty University Foundation, Inc.	West Virginia Northern Community College Foundation, Inc.	West Virginia School of Osteopathic Medicine Foundation, Inc.	West Virginia State University Foundation, Inc.	WVU at Parkersburg Foundation, Inc.	Blue Ridge Community and Technical College Foundation, Inc.	Bridge Valley Community and Technical College Foundation, Inc.	Total
Cash and Temporary Investments	\$ 57	\$ 2,418	\$ 515	\$ 3,008	\$ 382	\$ -	\$ -	\$ 269	\$ 12,646
U.S. Government Securities	-	-	49	9,368	-	-	-	745	28,756
Corporate and Municipal Bonds and Notes	-	4,790	528	11,323	4,442	2,128	59	694	39,069
Mutual Funds	-	2,708	3,684	-	9,280	6,878	1,019	208	167,973
Equity Investments	3,976	15,304	2,446	22,016	-	5,652	-	604	205,715
Other	-	11	8	12,327	1,049	85	-	-	119,530
Total	\$ 4,033	\$ 25,231	\$ 7,230	\$ 58,042	\$ 15,153	\$ 14,743	\$ 1,078	\$ 2,520	\$ 573,689

* December 31 Year-End

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Investments (Continued)

	2023							
	Big Green Scholarship Foundation Inc.	Bluefield State University Foundation Inc.	Concord University Foundation, Inc.	Fairmont State Foundation Inc.	The Glennville State University Foundation, Inc.	The Marshall University Foundation, Inc.	New River Community and Technical College Foundation, Inc.	The Shepherd University Foundation, Inc.
Cash and Temporary Investments	\$ 112	\$ -	\$ -	\$ 2,475	\$ 1,370	\$ -	\$ 81	\$ 701
U.S. Government Securities	-	-	9,828	-	-	-	29	3,153
Corporate and Municipal Bonds and Notes	-	1,622	4	6,670	3,086	-	479	2,299
Mutual Funds	10,431	4,239	35,045	20,061	4,364	43,405	182	23,232
Equity Investments	979	2,677	2,229	73	10,244	143,697	970	2,495
Other	18	103	2,613	4,418	848	95,703	30	3,605
Total	<u>\$ 11,540</u>	<u>\$ 8,641</u>	<u>\$ 49,719</u>	<u>\$ 33,697</u>	<u>\$ 19,912</u>	<u>\$ 282,805</u>	<u>\$ 1,771</u>	<u>\$ 35,485</u>

* December 31 Year-End

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Investments (Continued)

	2023							
	Southern West Virginia Community College Foundation, Inc. *	West Liberty University Foundation, Inc.	West Virginia Northern Community College Foundation, Inc.	West Virginia School of Osteopathic Medicine Foundation, Inc.	West Virginia State University Foundation, Inc.	WVU at Parkersburg Foundation, Inc.	Blue Ridge Community and Technical College Foundation, Inc.	Total
Cash and Temporary Investments	\$ 56	\$ 722	\$ 823	\$ 2,031	\$ 472	\$ -	\$ -	\$ 8,843
U.S. Government Securities	-	-	48	10,961	-	-	-	24,019
Corporate and Municipal Bonds and Notes	-	3,064	351	8,328	3,828	996	48	30,775
Mutual Funds	-	4,157	3,067	-	9,086	7,386	918	165,573
Equity Investments	4,342	13,145	2,114	20,144	-	4,864	-	207,973
Other	-	1,056	11	11,966	-	92	-	120,463
Total	\$ 4,398	\$ 22,144	\$ 6,414	\$ 53,430	\$ 13,386	\$ 13,338	\$ 966	\$ 557,646

* December 31 Year-End

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Fair Value Measurement

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Fair Value Measurement (Continued)

The following is a summary of the inputs used in determining fair values of financial assets and liabilities measured at fair value on a recurring basis as of June 30:

	2024			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
U.S. Government Investments:				
Cash	\$ 11,685	\$ 11,685	\$ -	\$ -
Mortgage Pools	456	-	456	-
Bonds	4,109	3,789	318	-
Agency Obligations	9,440	-	9,440	-
Treasury Obligations	5,007	5,007	-	-
Other	15,573	15,573	-	-
Mutual Money Market Funds	2,209	2,209	-	-
Certificates of Deposit	960	763	197	-
Corporate Equities	3	3	-	-
Corporate Bonds	19,622	3,092	16,530	-
Real Estate Securities	1,287	1,287	-	-
Debt Securities	5,377	-	5,377	-
Equity Securities	31,820	31,820	-	-
Bonds:				
Communication Services	135	-	135	-
Consumer Cyclical	286	-	286	-
Consumer Defensive	142	-	142	-
Consumer Discretionary	182	-	182	-
Energy	48	-	48	-
Financials	448	-	448	-
Healthcare	175	-	175	-
Industrials	187	-	187	-
Miscellaneous	525	-	525	-
Mutual Bond Funds:				
Diversifying Asset	-	-	-	-
Other	8,756	6,913	1,843	-

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Fair Value Measurement (Continued)

	2024			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level (Continued):				
Mutual Funds:				
US large Cap	\$ -	\$ -	\$ -	\$ -
US Small and Mid Cap	-	-	-	-
US Short Term Bond Fund	-	-	-	-
International Equity	416	416	-	-
Inflations Protected Bond	-	-	-	-
Relative Value Arbitrage	721	721	-	-
International Large Growth	-	-	-	-
Large Blend	6,957	6,957	-	-
Large Growth	2,846	2,846	-	-
Large Value	3,279	3,279	-	-
International Fixed Income	-	-	-	-
Multi Sector Bond	327	327	-	-
High Yield Bond	2,430	2,430	-	-
Long-Short Equity	-	-	-	-
Balanced	-	-	-	-
Energy Limited Partnership	1,004	1,004	-	-
Foreign Large Blend	2,490	2,490	-	-
Option Based Equity	1,455	1,455	-	-
S&P 500 index	-	-	-	-
S&P midcap 400 index	-	-	-	-
S&P smallcap 600 index	-	-	-	-
Intermediate Term Bond	-	-	-	-
Diversified Alternatives	-	-	-	-
Other	85,646	85,646	-	-
Mutual Stock Funds:				
Publicly Traded	25,755	25,755	-	-
Domestic Mutual Fund	625	625	-	-
International Mutual Fund	2,307	2,307	-	-
Other	8	8	-	-

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Fair Value Measurement (Continued)

	2024			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level (Continued):				
Stocks:				
Consumer Goods	\$ 552	\$ 552	\$ -	\$ -
Consumer Discretionary	536	536	-	-
Consumer Staples	406	406	-	-
Energy	299	299	-	-
Financials	848	681	167	-
Healthcare	729	729	-	-
Industrial goods	397	397	-	-
IT	1,582	1,582	-	-
Materials	108	108	-	-
Real estate	55	55	-	-
Services	-	-	-	-
Technology	28	28	-	-
Utilities	149	149	-	-
US Small and Mid Cap	781	781	-	-
US large Cap	452	452	-	-
International Equity	1,909	1,909	-	-
Domestic Large Cap	420	420	-	-
Domestic Mid Cap	42	42	-	-
Domestic Small Cap	29	29	-	-
Index Funds	146	146	-	-
Other	14,885	14,677	-	-
Fixed Income:				
Domestic Mutual Funds	13,962	13,962	-	-
International Mutual Fund	14,548	14,548	-	-
US Gov Bonds	-	-	-	-
Other	-	-	-	-
Public Real Asset	10	10	-	-
Other	16,092	114	15,978	-
Total	<u>323,663</u>	<u>\$ 271,019</u>	<u>\$ 52,434</u>	<u>\$ -</u>

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Fair Value Measurement (Continued)

	2024			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Net Asset Value (NAV):				
Comingled Domestic Fund	\$ 8,441			
Comingled Global Fund	15,445			
Global Equity	133,380			
Commingled Hedge Fund	23,847			
Real Asset Fund	6,503			
Private Capital Fund	16,286			
Private Equity	10,290			
Private Infrastructure	6,109			
Private Real Estate	11,165			
Natural Resources	13,854			
Venture	1,405			
Distressed Debt	11			
Multi Strategy	3,290			
Nonrecurring FMV	-			
Total Investments	<u>\$ 573,689</u>			

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Fair Value Measurement (Continued)

	2023			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
U.S. Government Investments:				
Cash	\$ 8,177	\$ 6,807	\$ 1,370	\$ -
Mortgage Pools	323	-	323	-
Bonds	3,537	3,237	300	-
Agency Obligations	11,048	-	11,048	-
Treasury Obligations	4,231	2,443	1,788	-
Other	9,828	9,828	-	-
Mutual Money Market Funds	2,476	2,476	-	-
Certificates of Deposit	757	757	-	-
Corporate Equities	4	4	-	-
Corporate Bonds	14,803	2,879	11,924	-
Real Estate Securities	1,418	1,418	-	-
Debt Securities	3,474	-	3,474	-
Equity Securities	28,938	28,938	-	-
Bonds:				
Communication Services	40	-	40	-
Consumer Cyclical	45	-	45	-
Consumer Defensive	141	-	141	-
Consumer Discretionary	178	-	178	-
Energy	47	-	47	-
Financials	203	-	203	-
Healthcare	90	-	90	-
Industrials	45	-	45	-
Miscellaneous	207	-	207	-
Mutual Bond Funds:				
Diversifying Asset	35,045	35,045	-	-
Other	8,306	7,031	1,275	-

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Fair Value Measurement (Continued)

	2023			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level (Continued):				
Mutual Funds:				
US large Cap	\$ 12,037	\$ 12,037	\$ -	\$ -
US Small and Mid Cap	3,749	3,749	-	-
US Short Term Bond Fund	-	-	-	-
International Equity	2,663	2,663	-	-
Inflations Protected Bond	-	-	-	-
Relative Value Arbitrage	-	-	-	-
International Large Growth	-	-	-	-
Large Blend	-	-	-	-
Large Growth	-	-	-	-
Large Value	-	-	-	-
International Fixed Income	-	-	-	-
Multi Sector Bond	316	316	-	-
High Yield Bond	2,213	2,213	-	-
Long-Short Equity	-	-	-	-
Balanced	-	-	-	-
Energy Limited Partnership	-	-	-	-
Foreign Large Blend	-	-	-	-
Option Based Equity	1,895	1,895	-	-
S&P 500 index	-	-	-	-
S&P midcap 400 index	-	-	-	-
S&P smallcap 600 index	-	-	-	-
Intermediate Term Bond	-	-	-	-
Diversified Alternatives	-	-	-	-
Other	43,334	43,334	-	-
Mutual Stock Funds:				
Publicly Traded	23,258	23,258	-	-
Domestic Mutual Fund	511	511	-	-
International Mutual Fund	4,190	4,190	-	-
Other	8	8	-	-

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Fair Value Measurement (Continued)

	2023			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level (Continued):				
Stocks:				
Consumer Goods	\$ 363	\$ 363	\$ -	\$ -
Consumer Discretionary	545	545	-	-
Consumer Supplies	374	374	-	-
Energy	237	237	-	-
Financials	798	625	173	-
Healthcare	658	658	-	-
Industrial goods	366	366	-	-
IT	1,065	1,065	-	-
Materials	172	172	-	-
Real estate	131	131	-	-
Services	-	-	-	-
Technology	-	-	-	-
Utilities	156	156	-	-
US Small and Mid Cap	759	759	-	-
US large Cap	408	408	-	-
International Equity	1,749	1,749	-	-
Domestic Large Cap	366	366	-	-
Domestic Mid Cap	44	44	-	-
Domestic Small Cap	54	54	-	-
Index Funds	176	176	-	-
Other	14,321	14,321	-	-
Fixed Income:				
Domestic Mutual Funds	18,063	18,063	-	-
International Mutual Fund	14,242	14,242	-	-
US Gov Bonds	-	-	-	-
Other	-	-	-	-
Public Real Asset	30	30	-	-
Other	16,216	1,157	15,059	-
Total	<u>298,828</u>	<u>\$ 251,098</u>	<u>\$ 47,730</u>	<u>\$ -</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Fair Value Measurement (Continued)

	2023			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Net Asset Value (NAV):				
Comingled Domestic Fund	\$ 8,977			
Comingled Global Fund	14,817			
Global Equity	139,788			
Commingled Hedge Fund	29,790			
Real Asset Fund	8,870			
Private Capital Fund	17,664			
Private Equity	6,387			
Private Infrastructure	5,771			
Private Real Estate	11,407			
Natural Resources	10,643			
Venture	1,517			
Distressed Debt	40			
Multi Strategy	3,144			
Nonrecurring FMV	3			
Total Investments	<u>\$ 557,646</u>			

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Property and Equipment

The components units' property and equipment at June 30 are composed of the following:

	2024					
	Big Green Scholarship Foundation, Inc.	Bluefield State University Foundation, Inc.	Concord University Foundation, Inc.	Fairmont State Foundation, Inc.	The Glenville State University Foundation, Inc.	The Marshall University Foundation, Inc.
Land and Land Improvements	\$ -	\$ -	\$ -	\$ 68,000	\$ 580,553	\$ 1,642,000
Buildings	-	-	-	272,000	3,328,357	10,867,584
Equipment	-	-	8,631	69,724	38,790	1,199,589
Furniture	-	-	-	-	-	-
Other	312,957	-	-	-	1,062,324	-
Accumulated Depreciation	(78,504)	-	(8,436)	(67,750)	(1,335,999)	(5,092,029)
Property and Equipment, Net	<u>\$ 234,453</u>	<u>\$ -</u>	<u>\$ 195</u>	<u>\$ 341,974</u>	<u>\$ 3,674,025</u>	<u>\$ 8,617,144</u>

	2024					
	Provident Group-Marshall Properties, LLC	The Shepherd University Foundation, Inc.	West Virginia School of Osteopathic Foundation, Inc.	West Virginia State University Foundation, Inc.	WVU at Parkersburg Foundation, Inc.	Total
Land and Land Improvements	\$ -	\$ -	\$ -	\$ -	\$ 1,340,539	\$ 3,631,092
Buildings	77,628,519	20,264,976	-	2,877,149	3,968,619	119,207,204
Equipment	7,924,641	12,749	-	17,015	19,781	9,290,920
Furniture	-	990,291	-	-	96,565	1,086,856
Other	73,676	-	-	-	1,958,539	3,407,496
Accumulated Depreciation	(44,429,568)	(4,499,878)	-	(1,074,633)	(485,405)	(57,072,202)
Property and Equipment, Net	<u>\$ 41,197,268</u>	<u>\$ 16,768,138</u>	<u>\$ -</u>	<u>\$ 1,819,531</u>	<u>\$ 6,898,638</u>	<u>\$ 79,551,366</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 21 COMPONENT UNITS' DISCLOSURES (CONTINUED)

Property and Equipment (Continued)

	2023					
	Big Green Scholarship Foundation, Inc.	Bluefield State University Foundation, Inc.	Concord University Foundation, Inc.	Fairmont State Foundation, Inc.	The Glenville State University Foundation, Inc.	The Marshall University Foundation, Inc.
Land and Land Improvements	\$ -	\$ -	\$ -	\$ 68,000	\$ 580,903	\$ 1,642,000
Buildings	-	-	-	272,000	3,328,357	10,858,897
Equipment	-	313,211	8,631	57,295	38,790	1,197,778
Furniture	-	326,408	-	-	-	-
Other	386,960	4,647,841	-	-	269,657	20,456,630
Accumulated Depreciation	(59,301)	(283,637)	(7,818)	(57,207)	(1,176,652)	(4,811,673)
	<u>\$ 327,659</u>	<u>\$ 5,003,823</u>	<u>\$ 813</u>	<u>\$ 340,088</u>	<u>\$ 3,041,055</u>	<u>\$ 29,343,632</u>

	2023					
	Provident Group-Marshall Properties, LLC	The Shepherd University Foundation, Inc.	West Virginia School of Osteopathic Foundation, Inc.	West Virginia State University Foundation, Inc.	WVU at Parkersburg Foundation, Inc.	Total
Land and Land Improvements	\$ -	\$ -	\$ -	\$ -	\$ 36,092	\$ 2,326,995
Buildings	77,641,675	20,146,309	-	2,877,149	1,224,930	116,349,317
Equipment	7,903,520	12,749	-	17,015	3,900	9,552,889
Furniture	-	1,006,723	-	-	77,065	1,410,196
Other	110,978	-	100,000	-	-	25,972,066
Accumulated Depreciation	(41,446,385)	(3,992,876)	(80,000)	(946,912)	(407,919)	(53,270,380)
	<u>\$ 44,209,788</u>	<u>\$ 17,172,905</u>	<u>\$ 20,000</u>	<u>\$ 1,947,252</u>	<u>\$ 934,068</u>	<u>\$ 102,341,083</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 22 SEGMENT INFORMATION

Under the auspices of the state of West Virginia and former governing boards, the Fund issued revenue bonds to finance certain of its auxiliary enterprise activities. Investors in those bonds rely solely on the revenues generated by the activities of the auxiliaries for repayment.

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

West Virginia University Board of Governors Revenue Bonds 2023 Series A (Taxable) (2023 Bonds)

On May 23, 2023, the WVU Board issued the 2023 Series A bonds (taxable) in the amount of \$56,500 to (a) finance the design, acquisition, construction, and equipping of certain capital improvements as part of the University annual capital improvements program, \$25,000 (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, \$31,000 and (c) pay the costs of issuance, \$500.

West Virginia University Board of Governors Revenue Bonds 2022 Series A (Taxable) (2022 Bonds)

On April 14, 2022, the West Virginia Board issued \$20,000 in revenue bonds to finance the design, acquisition, construction, and equipping of certain capital improvements as part of the University's annual capital improvements program and to pay the costs of issuance.

West Virginia University Board of Governors Revenue Bonds 2021 Series A (Tax Exempt); 2021 Series B (Taxable) (Collectively the 2021 Bonds)

On May 27, 2021, the West Virginia Board issued \$70,675 in revenue bonds. The 2021 Series A (tax exempt) were issued in the amount of \$25,670. The actual proceeds received was \$33,616 of which \$32,297 was designated for Hodges Hall and the HSC Infrastructure Phase II projects, \$1,084 was for capitalized interest, and \$234 was for cost of issuance and underwriter's discount.

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

West Virginia University Board of Governors Revenue Bonds 2020 Series A (Taxable) (2020 Bonds)

On March 10, 2020, the West Virginia University Board issued \$377,785 in revenue bonds. The 2020 Series A bonds (taxable) in the amount of \$376,443 refinanced the 2011 Series B bonds in the amount of \$154,744, the 2013 Series A bonds in the amount of \$150,694, and the 2014 Series A bonds in the amount of \$71,005. The remaining funds were used for the cost of issuance and other fees.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 22 SEGMENT INFORMATION (CONTINUED)

West Virginia University Board of Governors Revenue Bonds 2020 Series B (Tax Exempt) (2020 Bonds)

On August 6, 2020, The West Virginia Board issued \$12,500 in revenue bonds. These were used to finance costs of improvements to Milan Puskar Stadium and Coliseum.

West Virginia University Board of Governors Revenue Bonds 2019 Series A; 2019 Series B (Tax Exempt) (2019 Bonds)

On September 25, 2019, the West Virginia University Board issued \$124,695 in revenue bonds. The 2019 Series A bonds (tax exempt) were issued in the amount of \$85,840. The actual proceeds equaled \$101,315 of which \$95,000 was designated for projects for Athletics, Hodges Hall, and Reynolds Hall. The remaining proceeds of \$5,826 were for capitalized interest; \$489 was for cost of issuance.

The 2019 Series B bonds (tax exempt) were issued in the amount of \$39,125. The actual proceeds received equaled \$50,534. These bonds were issued to refund the 2014 Series C Bonds in the amount of \$50,190. The refunding and redemption of the 2014 Series C Bonds was deemed more advantageous to the WVU Board, WVU and the State, considering the financial effect, the implementation and other relevant factors, than remarketing them. The remaining proceeds of \$5,826 were for capitalized interest; \$489 was for cost of issuance.

West Virginia University Board of Governors Revenue Bonds 2016 Series A (Tax Exempt) (2016 Bonds)

The 2016 Bonds were issued in the amount of \$20,000 to finance Phase 1 of the Health Science Center infrastructure plan and to pay costs of issuance.

West Virginia University Board of Governors Improvement Revenue Bonds 2014 Series A; 2014 Series B (Taxable); Series C (Collectively the 2014 Bonds)

On October 1, 2014, the West Virginia University Board of Governors (the Board) issued the 2014 Series A bonds in the amount of \$60,000, the 2014 Series B bonds in the amount of \$79,050, and the 2014 Series C bonds in the amount of \$50,190.

The 2014 Series A 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.

The 2014 Series B bonds (taxable) were issued 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.

The 2014 Series C bonds (tax exempt) were issued to (a) refund the 2011 Series C bonds, dated October 5, 2011 and (b) pay the costs of issuance of the 2014 C bonds.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 22 SEGMENT INFORMATION (CONTINUED)

West Virginia University Board of Governors Refunding and Improvement Revenue Bonds 2013 Series A; 2013 Series B (Taxable) (Collectively the 2013 Bonds)

On February 13, 2013, the West Virginia University Board of Governors (the Board) issued the 2013 Series A bonds in the amount of \$138,325 and the 2013 Series B bonds in the amount of \$72,180. The bonds were issued pursuant to a Resolution adopted by the Board on December 13, 2012, and pursuant to a resolution of the Commission adopted on December 7, 2012, approving the issuance of such bonds. The bonds were issued under a Bond Trust Indenture dated as of November 1, 2004, as supplemental and amended by a First Supplemental Indenture dated August 1, 2011, a Second Supplemental Indenture dated as of October 1, 2011, a Third Supplemental Indenture dated as of June 1, 2012, a Fourth Supplemental Indenture dated as of December 1, 2012, and a Fifth Supplemental Indenture dated as of February 1, 2013.

The 2013 Series A 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, (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, (c) finance a portion of the costs of the 2013 A project 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 for costs of issuance of the 2013 Series A bonds.

The 2013 Series B bonds were issued 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 West Virginia University for certain capital expenditures made on the 2013 Series B projects prior to the issuance of the 2013 Series B bonds, and (c) pay the costs of issuance of the 2013 Series B bonds.

The 2013 bonds are secured by and payable from pledged revenues which have been pledged to the payment of such bonds and certain funds held by the bond trustee under the indenture. The 2013 bond are also payable from (but not secured by) other monies legally available to be used for such purposes.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 22 SEGMENT INFORMATION (CONTINUED)

West Virginia University Board of Governors Revenue Bonds 2012, Series A and B (Taxable) (Collectively the 2012 Bonds)

During fiscal year 2013, the Board issued revenue bonds to finance the acquisition of the Suncrest Plaza and the Loop. The 2012 Series A (taxable) bonds were issued on July 26, 2012 in the amount of \$13,271 to finance the acquisition of the Suncrest Plaza. These bonds were a private placement bond issue with the Huntington Investment Company. The 2012 Series B (taxable) bonds were issued on December 13, 2012 in the amount of \$4,800 to finance the acquisition of the Loop. These bonds were a private placement bond issue with First United Bank & Trust. The bonds were issued pursuant to a Resolution adopted by the Board on June 7, 2012 and September 28, 2012. The bonds were issued under a Bond Trust Indenture dated as of November 1, 2004, as supplemented and amended by a First Supplemental Indenture dated as of August 1, 2011, a Second Supplemental Indenture dated as of October 1, 2011, a Third Supplemental Indenture dated as of June 1, 2012, and a Fourth Supplemental Indenture dated as of December 1, 2012.

The 2012 bonds are secured by and payable from pledged revenues which have been pledged to the payment of such bonds and certain funds held by the bond trustee under the indenture. The 2012 bonds are also payable from (but not by) secured other monies legally available to be used for such purposes.

West Virginia University Board of Governors University Improvement Revenue Bonds 2011 Series A; University Improvement Revenue Bonds 2011 Series B (Collectively the 2011 Bonds)

During fiscal year 2012, the Board issued revenue improvement bonds to finance the acquisition of 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 1, 2011 in the amount of \$12,710. The bonds were issued as the First Supplemental Indenture, supplementing and amending the Bond Trust Indenture, dated November 1, 2004.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 22 SEGMENT INFORMATION (CONTINUED)

West Virginia University Board of Governors University Improvement Revenue Bonds 2011 Series A; University Improvement Revenue Bonds 2011 Series B (Collectively the 2011 Bonds) (Continued)

Also during fiscal year 2012, the Board issued revenue improvement bonds (a) University Improvement Revenue Bonds (West Virginia University Projects) 2011 Series B, in the aggregate principal amount of \$187,605 (the 2011 B Bonds). The 2011 Bonds were issued pursuant to a Resolution adopted by the Board on June 3, 2011, and pursuant to a resolution of the Commission adopted on August 5, 2011, approving the issuance of such Bonds. The 2011 Bonds were issued under and secured by a Bond Trust Indenture dated as of November 1, 2004 between the Issuer and United Bank, Inc., as Bond Trustee (the Bond Trustee), as supplemented by a First Supplemental Bond Indenture dated as of August 1, 2011 and Second Supplemental Bond Indenture dated as of October 1, 2011. The proceeds of the 2011 Bonds were used to (a) finance a portion of the costs of certain capital projects at the University, including reimbursement to the University for certain capital expenditures related thereto made prior to the issuance of the 2011 Bonds (the 2011 Projects), (b) refinance certain tax-exempt lease-purchase agreements entered into by the University (the Refinancing) and (c) pay the costs of issuance of the 2011 Bonds.

The 2011 Series A and B 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 2011 Series A, and B Bonds are also payable from (but not secured by) other monies legally available to be used for such purposes.

Marshall University Board of Governors, Improvement and Refunding Revenue Bonds, Series 2020A

In April 2020, the Marshall University Board sold \$ 56,035 of 2020A series bonds. The 2020 Bonds were issued under the authority contained in Chapter 18, Article 18B of the Code of West Virginia, 1931, as amended, and the 2020 Bonds are secured pursuant to a Trust Indenture dated as of April 1, 2020, between the University and United Bank, Inc., Charleston, West Virginia, as the Trustee. The 2020A Bonds are secured by and payable from certain revenues as defined in the Trust Indenture. The proceeds of the 2020A Bonds will be used to (1) finance a portion of the costs of the construction, equipping and furnishing of a new building for the University's Lewis College of Business along with other capital improvements approved by the issuer and (2) refund and redeem all or a portion of the 2010 and 2011 Bonds and (3) paying bond insurance premiums or other credit enhancement and (4) to pay the costs of issuance of the 2020A Bonds.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 22 SEGMENT INFORMATION (CONTINUED)

Marshall University Board of Governors, Refunding Revenue Bonds, Series 2020B

In April 2020, the Marshall University Board sold \$45,960 of 2020B series bonds. The 2020B Bonds were issued under the authority contained in Chapter 18, Article 18B of the Code of West Virginia, 1931, as amended, and the 2020 Bonds are secured pursuant to a Trust Indenture dated as of April 1, 2020, between the University and United Bank, Inc., Charleston, West Virginia, as the Trustee. The 2020B Bonds are secured by and payable from certain revenues as defined in the Trust Indenture. The proceeds of the 2020B Bonds will be used to (1) refund and redeem all or a portion of the 2011 Bonds, (2) pay bond insurance premiums or other credit enhancement and (3) to pay the costs of issuance of the 2020B Bonds.

Fairmont State University Facilities Construction Bonds 2015, Series A

On April 7, 2015, Fairmont State issued Revenue Bonds Series A amounting to \$30,200. The 2015A bonds were issued to (1) finance the costs of planning, designing, constructing, acquiring and equipping new student housing facilities, (2) provide payment of capitalized interest on the Series 2015A bonds, (3) reimburse certain previously incurred expenditures related to the 2015 project, and (4) pay the costs of issuance of the Series 2015 bonds and related costs.

Fairmont State Facilities Improvement Revenue Bonds, 2006 Series

On May 9, 2006, Fairmont State issued Facilities Improvement Revenue Bonds (the 2006 Bonds) amounting to \$8,500. The 2006 Bonds were issued to (1) finance the design, acquisition, construction, and equipping of certain necessary improvements in the facilities of the main campus of Fairmont State University, including, but not limited to, a technology wing addition/renovation and elevator/HVAC improvements to infrastructure improvements, all of which will be owned by the Board and (2) pay the costs of issuance of the 2006 Bonds and related costs.

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 22 SEGMENT INFORMATION (CONTINUED)

Fairmont State Refunding Bonds, 2021 Series A

On July 27, 2021, Fairmont State issued revenue bonds Series A (the 2021 Bonds) amounting to \$26,305. The 2021 Series A Bonds were issued to (1) currently refund in full the outstanding 2012A and 2012B Bonds and (2) pay the costs of issuance of the 2021 Series A Bonds and related costs.

Shepherd University, Refunding Revenue Bonds 2013

On December 2, 2013, Shepherd University issued \$6,700 in General Obligation Bonds with an average interest rate of 3.69% to advance refund \$7,100 of outstanding 2003 and 2004 series bonds with an average interest rate of 4.27%. As a result, both 2003 series bonds and 2004 series bonds are considered to be defeased and the liability for both of those bonds has been removed from the statement of net position.

State of West Virginia, Shepherd University, General Obligation Bond, Series 2017

On March 8, 2017, the University issued \$35,300 in General Obligation Bonds with a fixed interest rate of 3.65% to advance refund \$35,300 of outstanding 2005 and 2007 revenue bonds with an average interest rate of 4.5% and to pay the cost of issuance. As a result both 2005 and 2007 revenue bonds are considered to be defeased and the liability for both of those bonds has been removed from the statement of net position. As a result, a gain between the reacquisition price and the net carrying amount of old debt is \$82. The difference, reported in the accompanying financial statement as a deduction of bonds payable, is being charged to operations during 2017. The University completed the refunding to reduce its total debt service payments over the next 20 years by \$4,200 and to obtain an economic gain of \$3,300.

Board of Governors of West Liberty University, Capital Improvement Revenue Bonds 2018 Series

On September 20, 2018, West Liberty University issued Capital Improvement Revenue Bonds, Series 2018 for \$5,132. The proceeds of the bonds were issued to finance certain capital improvements to the University. The bond proceeds are being expensed from the trustee as funds are requested for payment on capital projects that were preapproved by the Board of Governors of the University.

Board of Governors of West Liberty University, Revenue Refunding Bonds 2013 Series

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

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 22 SEGMENT INFORMATION (CONTINUED)

Board of Governors of West Liberty University, Capital Improvement Revenue Bonds, 2012 Series

On May 1, 2012, West Liberty University (formerly West Liberty State College) issued Capital Improvement Revenue Bonds 2012, amounting to \$10,000 to finance certain capital improvements and pay costs of issuance.

Board of Governors of West Liberty University, Capital Improvement Revenue Bonds, 2021 Series

On May 20, 2021, West Liberty University issued Revenue Bonds, Series 2021, amounting to \$3,020 to finance certain capital improvements and pay costs of issuance.

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 22 SEGMENT INFORMATION (CONTINUED)

	2024							
	WVU Auxiliaries	Marshall Revenue Series 2020A and 2020B	Fairmont Revenue Refunding Bonds 2021 and Housing Construction Series 2015	Shepherd Revenue Refunding 2013	Shepherd Revenue Refunding 2017	West Liberty Revenue Refunding 2018	West Liberty Revenue Refunding 2013	West Liberty Capital Improvement 2012
CONDENSED STATEMENT OF NET POSITION								
ASSETS								
Current Assets	\$ 72,724	\$ 15,662	\$ 26,220	\$ 4,743	\$ -	\$ 374	\$ 4,639	\$ 1,351
Noncurrent Assets	1,237,303	158,791	66,987	9,369	33,653	5,046	8,195	7,366
Total Assets	<u>1,310,027</u>	<u>174,453</u>	<u>93,207</u>	<u>14,112</u>	<u>33,653</u>	<u>5,420</u>	<u>12,834</u>	<u>8,717</u>
DEFERRED OUTFLOWS OF RESOURCES								
	12,722	2,730	-	-	-	-	26	-
Total	<u>\$ 1,322,749</u>	<u>\$ 177,183</u>	<u>\$ 93,207</u>	<u>\$ 14,112</u>	<u>\$ 33,653</u>	<u>\$ 5,420</u>	<u>\$ 12,860</u>	<u>\$ 8,717</u>
LIABILITIES								
Current Liabilities	\$ 72,647	\$ 7,979	\$ 3,965	\$ 318	\$ 3,845	\$ 235	\$ 737	\$ 822
Noncurrent Liabilities	846,832	129,369	46,339	2,276	23,096	3,646	2,070	2,110
Total Liabilities	<u>919,479</u>	<u>137,348</u>	<u>50,304</u>	<u>2,594</u>	<u>26,941</u>	<u>3,881</u>	<u>2,807</u>	<u>2,932</u>
DEFERRED INFLOWS OF RESOURCES								
	37,982	-	93	-	-	-	-	-
Total	<u>957,461</u>	<u>137,348</u>	<u>50,397</u>	<u>2,594</u>	<u>26,941</u>	<u>3,881</u>	<u>2,807</u>	<u>2,932</u>
NET POSITION								
Net Investment in Capital Assets	407,555	30,017	16,861	6,853	8,961	130	5,806	7,344
Restricted/Designated	54,183	1	25,949	-	-	-	-	-
Unrestricted	(96,450)	9,817	-	4,665	(2,249)	1,409	4,247	(1,559)
Total Net Position	<u>365,288</u>	<u>39,835</u>	<u>42,810</u>	<u>11,518</u>	<u>6,712</u>	<u>1,539</u>	<u>10,053</u>	<u>5,785</u>
Total	<u>\$ 1,322,749</u>	<u>\$ 177,183</u>	<u>\$ 93,207</u>	<u>\$ 14,112</u>	<u>\$ 33,653</u>	<u>\$ 5,420</u>	<u>\$ 12,860</u>	<u>\$ 8,717</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 22 SEGMENT INFORMATION (CONTINUED)

	2024							
	WVU Auxiliaries	Marshall Revenue Series 2020A and 2020B	Fairmont Revenue Refunding Bonds 2021 and Housing Construction Series 2015	Shepherd Revenue Refunding 2013	Shepherd Revenue Refunding 2017	West Liberty Revenue Refunding 2018	West Liberty Revenue Refunding 2013	West Liberty Capital Improvement 2012
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION								
OPERATING								
Operating Revenues	\$ 115,456	\$ 24,950	\$ 9,110	\$ 1,282	\$ 12,158	\$ -	\$ 1,753	\$ 965
Operating Expenses	(172,849)	(21,911)	(5,068)	(374)	(10,950)	-	-	-
Other	27,436	-	-	-	-	-	-	-
Net Operating Income (Loss)	(29,957)	3,039	4,042	908	1,208	-	1,753	965
NONOPERATING								
Transfers from Institution	30,109	2,373	-	-	-	-	-	-
Nonoperating Revenues	33,237	236	(1,024)	200	571	598	-	1
Nonoperating Expenses	(27,483)	(4,992)	(2,063)	(268)	(944)	(468)	(1,675)	(402)
Increase (Decrease) NET POSITION	5,906	656	955	840	835	130	78	564
Net Position - Beginning of Year	359,382	39,179	41,855	10,678	5,877	1,409	9,975	5,221
NET POSITION - END OF YEAR	<u>\$ 365,288</u>	<u>\$ 39,835</u>	<u>\$ 42,810</u>	<u>\$ 11,518</u>	<u>\$ 6,712</u>	<u>\$ 1,539</u>	<u>\$ 10,053</u>	<u>\$ 5,785</u>
CONDENSED STATEMENT OF CASH FLOWS								
Net Cash Provided (Used) by								
Operating Activities	\$ (38,911)	\$ 16,650	\$ 5,071	\$ 1,450	\$ 2,079	\$ 379	\$ 1,753	\$ 965
Noncapital Financing Activities	21,725	-	-	-	-	-	-	-
Capital Financing Activities	16,695	(15,682)	(3,952)	(1,331)	(2,210)	(373)	(2,041)	-
Investing Activities	3,090	-	(616)	-	-	-	-	-
Increase (Decrease) CASH	2,599	968	503	119	(131)	6	(288)	965
Cash - Beginning of Year	112,084	14,558	12,099	4,369	(1,438)	380	5,011	1,204
CASH - END OF YEAR	<u>\$ 114,683</u>	<u>\$ 15,526</u>	<u>\$ 12,602</u>	<u>\$ 4,488</u>	<u>\$ (1,569)</u>	<u>\$ 386</u>	<u>\$ 4,723</u>	<u>\$ 2,169</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 22 SEGMENT INFORMATION (CONTINUED)

	2023								
	WVU Auxiliaries	Marshall Revenue Series 2020A and 2020B	Fairmont Improvement Series 2006	Fairmont Revenue Refunding Bonds 2021 and Housing Construction Series 2015	Shepherd Revenue Refunding 2013	Shepherd Revenue Refunding 2017	West Liberty Revenue Refunding 2018	West Liberty Revenue Refunding 2013	West Liberty Capital Improvement 2012
CONDENSED STATEMENT OF NET POSITION									
ASSETS									
Current Assets	\$ 56,059	\$ 14,668	\$ 19	\$ 26,752	\$ 4,633	\$ -	\$ 379	\$ 5,012	\$ 1,204
Noncurrent Assets	1,269,978	162,721	4,942	69,050	9,162	34,370	5,357	8,451	7,649
Total Assets	<u>1,326,037</u>	<u>177,389</u>	<u>4,961</u>	<u>95,802</u>	<u>13,795</u>	<u>34,370</u>	<u>5,736</u>	<u>13,463</u>	<u>8,853</u>
DEFERRED OUTFLOWS OF RESOURCES									
	13,902	-	-	-	-	-	-	32	-
Total	<u>\$ 1,339,939</u>	<u>\$ 177,389</u>	<u>\$ 4,961</u>	<u>\$ 95,802</u>	<u>\$ 13,795</u>	<u>\$ 34,370</u>	<u>\$ 5,736</u>	<u>\$ 13,495</u>	<u>\$ 8,853</u>
LIABILITIES									
Current Liabilities	\$ 58,029	\$ 6,174	\$ -	\$ 3,936	\$ 599	\$ 3,806	\$ 227	\$ 725	\$ 787
Noncurrent Liabilities	881,890	129,705	-	49,905	2,518	24,687	4,100	2,795	2,845
Total Liabilities	<u>939,919</u>	<u>135,879</u>	<u>-</u>	<u>53,841</u>	<u>3,117</u>	<u>28,493</u>	<u>4,327</u>	<u>3,520</u>	<u>3,632</u>
DEFERRED INFLOWS OF RESOURCES									
	40,638	2,331	-	106	-	-	-	-	-
Total	<u>980,557</u>	<u>138,210</u>	<u>-</u>	<u>53,947</u>	<u>3,117</u>	<u>28,493</u>	<u>4,327</u>	<u>3,520</u>	<u>3,632</u>
NET POSITION									
Net Investment in Capital Assets	415,547	8,228	4,961	15,474	6,184	8,145	103	5,359	6,913
Restricted/Designated	70,435	7	-	26,381	-	-	-	-	-
Unrestricted	(126,600)	30,944	-	-	4,494	(2,268)	1,306	4,616	(1,692)
Total Net Position	<u>359,382</u>	<u>39,179</u>	<u>4,961</u>	<u>41,855</u>	<u>10,678</u>	<u>5,877</u>	<u>1,409</u>	<u>9,975</u>	<u>5,221</u>
Total	<u>\$ 1,339,939</u>	<u>\$ 177,389</u>	<u>\$ 4,961</u>	<u>\$ 95,802</u>	<u>\$ 13,795</u>	<u>\$ 34,370</u>	<u>\$ 5,736</u>	<u>\$ 13,495</u>	<u>\$ 8,853</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 22 SEGMENT INFORMATION (CONTINUED)

	2023									
	WVU Auxiliaries	Marshall Revenue Series 2020A and 2020B	Fairmont Improvement Series 2006	Fairmont Revenue Refunding Bonds 2021 and Housing Construction Series 2015	Shepherd Revenue Refunding 2013	Shepherd Revenue Refunding 2017	West Liberty Revenue Refunding 2018	West Liberty Revenue Refunding 2013	West Liberty Capital Improvement 2012	
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION										
OPERATING										
Operating Revenues	\$ 112,357	\$ 22,578	\$ -	\$ 8,525	\$ 389	\$ 11,709	\$ -	\$ 1,702	\$ 994	
Operating Expenses	(175,657)	(19,816)	-	(4,907)	(244)	(10,714)	-	-	-	
Other	25,985	-	-	-	-	-	-	-	-	
Net Operating Income (Loss)	(37,315)	2,762	-	3,618	145	995	-	1,702	994	
NONOPERATING										
Transfers from Institution	6,668	(17,767)	-	-	-	-	-	-	-	
Nonoperating Revenues	26,555	591	2,175	380	250	304	-	-	-	
Nonoperating Expenses	(26,557)	(4,814)	(249)	(2,003)	(284)	(999)	(83)	(1,647)	(425)	
INCREASE (DECREASE) IN NET POSITION	(30,649)	(19,228)	1,926	1,995	111	300	(83)	55	569	
Net Position - Beginning of Year	390,031	58,407	3,035	39,860	10,567	5,577	1,492	9,920	4,652	
NET POSITION - END OF YEAR	<u>\$ 359,382</u>	<u>\$ 39,179</u>	<u>\$ 4,961</u>	<u>\$ 41,855</u>	<u>\$ 10,678</u>	<u>\$ 5,877</u>	<u>\$ 1,409</u>	<u>\$ 9,975</u>	<u>\$ 5,221</u>	
CONDENSED STATEMENT OF CASH FLOWS										
Net Cash Provided (Used) by										
Operating Activities	\$ (34,058)	\$ 12,856	\$ 2,194	\$ 5,710	\$ 1,578	\$ 1,791	\$ 379	\$ 1,702	\$ 994	
Noncapital Financing Activities	21,046	-	-	-	-	-	-	-	-	
Capital Financing Activities	13,672	(9,437)	(2,194)	(4,413)	(2,085)	(2,612)	(379)	(2,081)	(817)	
Investing Activities	1,444	-	-	376	-	-	-	-	-	
INCREASE (DECREASE) IN CASH	2,104	3,419	-	1,673	(507)	(821)	-	(379)	177	
Cash - Beginning of Year	109,980	11,139	-	10,426	4,876	(617)	380	5,390	1,027	
CASH - END OF YEAR	<u>\$ 112,084</u>	<u>\$ 14,558</u>	<u>\$ -</u>	<u>\$ 12,099</u>	<u>\$ 4,369</u>	<u>\$ (1,438)</u>	<u>\$ 380</u>	<u>\$ 5,011</u>	<u>\$ 1,204</u>	

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 23 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

The following tables represent operating expenses within both natural and functional classifications for the years ended June 30 (dollars in thousands):

	2024							Total
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation/ Amortization	Other	
Instruction	\$ 457,256	\$ 86,395	\$ 63,563	\$ 798	\$ 23	\$ -	\$ 2,669	\$ 610,704
Research	105,802	41,673	78,927	500	14	-	-	226,916
Public Service	62,045	12,976	43,419	320	422	-	62	119,244
Academic Support	67,906	12,519	26,520	247	76	-	229	107,497
Student Services	56,982	15,047	27,647	112	9	-	40	99,837
Operations and Maintenance of Plant	36,991	8,234	34,937	48,947	-	-	-	129,109
General Institutions Support	149,016	29,604	103,472	1,561	115	-	549	284,317
Total Education and General	935,998	206,448	378,485	52,485	659	-	3,549	1,577,624
Student Financial Aid	459	92	698	-	126,007	-	-	127,256
Auxiliary Enterprises	79,611	12,957	117,936	17,460	-	-	180	228,144
Depreciation and Amortization	-	-	-	-	-	195,082	-	195,082
Administration of Leasing Activities	1,403	416	2,291	3,419	-	-	141	7,670
Other	(4)	-	155	-	-	-	927	1,078
Total	\$ 1,017,467	\$ 219,913	\$ 499,565	\$ 73,364	\$ 126,666	\$ 195,082	\$ 4,797	\$ 2,136,854

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 23 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS (CONTINUED)

	2023							Total
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation/ Amortization	Other	
Instruction	\$ 461,094	\$ 76,642	\$ 77,904	\$ 784	\$ 1,580	\$ 3,111	\$ 120	\$ 621,235
Research	93,592	36,179	70,295	482	294	-	3	200,845
Public Service	69,148	10,069	38,374	302	526	-	38	118,457
Academic Support	67,659	8,002	31,640	392	199	-	153	108,045
Student Services	55,040	11,715	25,181	92	217	-	21	92,266
Operations and Maintenance of Plant	23,872	4,932	37,892	48,297	-	-	50	115,043
General Institutions Support	157,208	14,627	106,965	1,896	2,766	-	276	283,738
Total Education and General	927,613	162,166	388,251	52,245	5,582	3,111	661	1,539,629
Student Financial Aid	229	1,134	633	-	121,430	-	-	123,426
Auxiliary Enterprises	75,076	19,884	102,572	17,379	51	-	2,676	217,638
Depreciation and Amortization	-	-	-	-	-	193,619	-	193,619
Administration of Leasing Activities	1,388	423	1,851	3,328	-	-	-	6,990
Other	-	22	606	-	(36)	-	786	1,378
Total	<u>\$ 1,004,306</u>	<u>\$ 183,629</u>	<u>\$ 493,913</u>	<u>\$ 72,952</u>	<u>\$ 127,027</u>	<u>\$ 196,730</u>	<u>\$ 4,123</u>	<u>\$ 2,082,680</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 24 CONDENSED BLENDED COMPONENT UNIT INFORMATION

Condensed combining information for the Fund's blended component units for the years ended June 30 is as follows:

Condensed Combining Statements of Net Position

	2024						
	Bluefield State University	Concord University	West Liberty University	Shepherd University	Glennville State University	Fairmont State University	West Virginia State University
ASSETS							
Inter-Entity Receivables	\$ 20	\$ 22	\$ -	\$ 36	\$ -	\$ -	\$ -
Other Current Assets	10,206	17,029	16,731	15,473	4,432	61,948	15,673
Capital Assets, Net	44,973	60,986	78,816	106,035	71,998	127,626	72,782
Other Noncurrent Assets	925	3,211	609	567	5,048	11,243	1,616
Total Assets	<u>56,124</u>	<u>81,248</u>	<u>96,156</u>	<u>122,111</u>	<u>81,478</u>	<u>200,817</u>	<u>90,071</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>180</u>	<u>233</u>	<u>200</u>	<u>187</u>	<u>329</u>	<u>382</u>	<u>6,542</u>
Total Assets and Deferred Outflows	<u>\$ 56,304</u>	<u>\$ 81,481</u>	<u>\$ 96,356</u>	<u>\$ 122,298</u>	<u>\$ 81,807</u>	<u>\$ 201,199</u>	<u>\$ 96,613</u>
LIABILITIES							
Inter-Entity Payables	\$ 28	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -
Other Current Liabilities	8,923	13,924	9,747	12,079	8,034	17,484	13,703
Other Long-Term Liabilities	679	15,106	15,793	33,900	34,542	47,233	35,358
Total Liabilities	<u>9,630</u>	<u>29,030</u>	<u>25,540</u>	<u>45,980</u>	<u>42,576</u>	<u>64,717</u>	<u>49,061</u>
DEFERRED INFLOWS OF RESOURCES	<u>408</u>	<u>589</u>	<u>776</u>	<u>949</u>	<u>1,654</u>	<u>1,187</u>	<u>999</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,038</u>	<u>29,619</u>	<u>26,316</u>	<u>46,929</u>	<u>44,230</u>	<u>65,904</u>	<u>50,060</u>
NET POSITION							
Net Investment in Capital Assets	43,034	45,482	60,521	69,397	37,481	76,350	36,368
Nonexpendable	578	2,425	-	-	-	-	-
Expendable	263	3,090	492	574	3,996	23,941	1,578
Unrestricted	2,391	865	9,027	5,398	(3,900)	35,004	8,607
Total Net Position	<u>46,266</u>	<u>51,862</u>	<u>70,040</u>	<u>75,369</u>	<u>37,577</u>	<u>135,295</u>	<u>46,553</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 56,304</u>	<u>\$ 81,481</u>	<u>\$ 96,356</u>	<u>\$ 122,298</u>	<u>\$ 81,807</u>	<u>\$ 201,199</u>	<u>\$ 96,613</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 24 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Combining Statements of Net Position (Continued)

	2024						
	West Virginia University	Marshall University	West Virginia School of Osteopathic Medicine	Policy Commission	Council	Eliminating/ Reclassification Entries	Total
ASSETS							
Inter-Entity Receivables	\$ 442	\$ -	\$ 113	\$ -	\$ 466	\$ (1,099)	\$ -
Other Current Assets	440,417	136,157	116,284	136,600	156,971	(10,455)	1,117,466
Capital Assets, Net	1,887,369	520,914	78,241	66,300	231,237	-	3,347,277
Other Noncurrent Assets	195,357	89,645	6,461	43,223	4,499	(33,610)	328,794
Total Assets	<u>2,523,585</u>	<u>746,716</u>	<u>201,099</u>	<u>246,123</u>	<u>393,173</u>	<u>(45,164)</u>	<u>4,793,537</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>17,525</u>	<u>3,833</u>	<u>161</u>	<u>10,531</u>	<u>1,694</u>	<u>-</u>	<u>41,797</u>
Total Assets and Deferred Outflows	<u>\$ 2,541,110</u>	<u>\$ 750,549</u>	<u>\$ 201,260</u>	<u>\$ 256,654</u>	<u>\$ 394,867</u>	<u>\$ (45,164)</u>	<u>\$ 4,835,334</u>
LIABILITIES							
Inter-Entity Payables	\$ -	\$ -	\$ -	\$ -	\$ 179	\$ (208)	\$ -
Other Current Liabilities	279,656	67,404	6,692	33,232	45,528	(11,346)	505,060
Other Long-Term Liabilities	969,779	186,539	2,047	247,887	18,639	(33,610)	1,573,892
Total Liabilities	<u>1,249,435</u>	<u>253,943</u>	<u>8,739</u>	<u>281,119</u>	<u>64,346</u>	<u>(45,164)</u>	<u>2,078,952</u>
DEFERRED INFLOWS OF RESOURCES	<u>57,322</u>	<u>5,499</u>	<u>630</u>	<u>6,801</u>	<u>2,792</u>	<u>-</u>	<u>79,606</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,306,757</u>	<u>259,442</u>	<u>9,369</u>	<u>287,920</u>	<u>67,138</u>	<u>(45,164)</u>	<u>2,158,558</u>
NET POSITION							
Net Investment in Capital Assets	961,345	340,532	77,357	53,937	222,562	-	2,024,366
Nonexpendable	18,164	15,176	-	-	49	-	36,392
Expendable	66,400	69,117	12,086	114,719	25,260	-	321,516
Unrestricted	188,444	66,282	102,448	(199,922)	79,858	-	294,502
Total Net Position	<u>1,234,353</u>	<u>491,107</u>	<u>191,891</u>	<u>(31,266)</u>	<u>327,729</u>	<u>-</u>	<u>2,676,776</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 2,541,110</u>	<u>\$ 750,549</u>	<u>\$ 201,260</u>	<u>\$ 256,654</u>	<u>\$ 394,867</u>	<u>\$ (45,164)</u>	<u>\$ 4,835,334</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 24 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Combining Statements of Revenues, Expenses, and Changes in Net Position

	2024						
	Bluefield State University	Concord University	West Liberty University	Shepherd University	Glennville State University	Fairmont State University	West Virginia State University
OPERATING REVENUES							
Student Tuition and Fees, Net	\$ 7,613	\$ 7,210	\$ 16,224	\$ 13,720	\$ 6,149	\$ 10,178	\$ 10,866
Federal, State, Local Contracts and Grants	13,911	14,616	9,522	11,321	6,004	13,817	21,061
Sales and Services of Educational Activity	-	2	-	37	27	-	-
Auxiliary Enterprise Revenue	1,686	6,129	-	12,244	-	10,927	3,779
Other Operating Revenues	22	425	8,647	86	8,443	974	448
Total Operating Revenues	<u>23,232</u>	<u>28,382</u>	<u>34,393</u>	<u>37,408</u>	<u>20,623</u>	<u>35,896</u>	<u>36,154</u>
OPERATING EXPENSES							
Operations	28,636	40,060	39,642	45,005	27,547	55,233	52,533
Depreciation and Amortization	2,535	3,546	4,030	6,682	3,001	5,878	3,806
Total Operating Expenses	<u>31,171</u>	<u>43,606</u>	<u>43,672</u>	<u>51,687</u>	<u>30,548</u>	<u>61,111</u>	<u>56,339</u>
OPERATING INCOME (LOSS)	(7,939)	(15,224)	(9,279)	(14,279)	(9,925)	(25,215)	(20,185)
NONOPERATING REVENUES (EXPENSES)							
State Appropriations	6,856	11,170	9,964	14,137	7,072	21,590	16,919
Federal Pell Grants	3,054	4,453	3,456	4,695	3,388	5,697	3,740
COVID Relief Grants	2,563	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	5,742	817	1,459	261	(1,593)	2,089	(1,524)
Total Nonoperating Revenues	<u>18,215</u>	<u>16,440</u>	<u>14,879</u>	<u>19,093</u>	<u>8,867</u>	<u>29,376</u>	<u>19,135</u>
CAPITAL GRANTS, APPROPRIATIONS, AND GIFTS	-	1,560	-	-	-	-	1
CAPITAL PAYMENTS MADE ON BEHALF OF THE FUND	-	-	207	-	135	(181)	-
INCREASE (DECREASE) IN NET POSITION	10,276	2,776	5,807	4,814	(923)	3,980	(1,049)
Net Position - Beginning of Year, as Restated	<u>35,990</u>	<u>49,086</u>	<u>64,233</u>	<u>70,555</u>	<u>38,500</u>	<u>131,315</u>	<u>47,602</u>
NET POSITION - END OF YEAR	<u>\$ 46,266</u>	<u>\$ 51,862</u>	<u>\$ 70,040</u>	<u>\$ 75,369</u>	<u>\$ 37,577</u>	<u>\$ 135,295</u>	<u>\$ 46,553</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 24 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Combining Statements of Revenues, Expenses, and Changes in Net Position (Continued)

	2024						
	West Virginia University	Marshall University	West Virginia School of Osteopathic Medicine	Policy Commission	Council	Eliminating/ Reclassification Entries	Total
OPERATING REVENUES							
Student Tuition and Fees, Net	\$ 399,713	\$ 72,286	\$ 36,497	\$ -	\$ 29,933	\$ -	\$ 610,389
Federal, State, Local Contracts and Grants	349,179	110,202	2,268	49,339	34,383	(160,403)	475,220
Sales and Services of Educational Activity	15,295	426	-	4,085	1,361	-	21,233
Auxiliary Enterprise Revenue	129,746	38,531	656	7,481	1,258	-	212,437
Other Operating Revenues	8,334	16,561	684	3,872	2,237	(3,642)	47,091
Total Operating Revenues	<u>902,267</u>	<u>238,006</u>	<u>40,105</u>	<u>64,777</u>	<u>69,172</u>	<u>(164,045)</u>	<u>1,366,370</u>
OPERATING EXPENSES							
Operations	1,102,206	319,331	48,172	24,576	162,249	(3,418)	1,941,772
Depreciation and Amortization	120,378	21,252	4,832	5,603	13,539	-	195,082
Total Operating Expenses	<u>1,222,584</u>	<u>340,583</u>	<u>53,004</u>	<u>30,179</u>	<u>175,788</u>	<u>(3,418)</u>	<u>2,136,854</u>
OPERATING INCOME (LOSS)	(320,317)	(102,577)	(12,899)	34,598	(106,616)	(160,627)	(770,484)
NONOPERATING REVENUES (EXPENSES)							
State Appropriations	255,967	116,417	35,136	237,226	87,526	(30,568)	789,412
Federal Pell Grants	26,789	18,965	-	-	29,076	-	103,313
COVID Relief Grants	-	-	-	-	22	-	2,585
Other Nonoperating Revenues (Expenses)	84,971	2,967	7,895	(170,056)	1,868	148,785	83,681
Total Nonoperating Revenues	<u>367,727</u>	<u>138,349</u>	<u>43,031</u>	<u>67,170</u>	<u>118,492</u>	<u>118,217</u>	<u>978,991</u>
CAPITAL GRANTS, APPROPRIATIONS, AND GIFTS	20,697	1,950	3	-	413	-	24,624
CAPITAL PAYMENTS MADE ON BEHALF OF THE FUND	448	-	-	(42,860)	264	42,410	423
INCREASE (DECREASE) IN NET POSITION	68,555	37,722	30,135	58,908	12,553	-	233,554
Net Position - Beginning of Year, as Restated	<u>1,165,798</u>	<u>453,385</u>	<u>161,756</u>	<u>(90,174)</u>	<u>315,176</u>	<u>-</u>	<u>2,443,222</u>
NET POSITION - END OF YEAR	<u>\$ 1,234,353</u>	<u>\$ 491,107</u>	<u>\$ 191,891</u>	<u>\$ (31,266)</u>	<u>\$ 327,729</u>	<u>\$ -</u>	<u>\$ 2,676,776</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 24 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Combining Statements of Cash Flows

	2024						
	Bluefield State University	Concord University	West Liberty University	Shepherd University	Glennville State University	Fairmont State University	West Virginia State University
NET CASH PROVIDED (USED) BY							
Operating Activities	\$ (7,415)	\$ (7,993)	\$ (8,870)	\$ (7,041)	\$ (3,926)	\$ (17,957)	\$ (15,257)
Noncapital Financing Activities	10,148	15,921	13,420	20,361	10,460	28,874	20,543
Capital Financing Activities	(2,058)	(3,506)	(5,795)	(10,832)	(3,981)	(5,483)	(5,967)
Investing Activities	249	1,016	893	484	(1,312)	2,332	438
INCREASE (DECREASE) IN CURRENT CASH AND CASH EQUIVALENTS	924	5,438	(352)	2,972	1,241	7,766	(243)
Cash - Beginning of Year	5,704	4,121	11,734	9,383	1,537	50,365	12,221
CASH - END OF YEAR	\$ 6,628	\$ 9,559	\$ 11,382	\$ 12,355	\$ 2,778	\$ 58,131	\$ 11,978

	2024						
	West Virginia University	Marshall University	West Virginia School of Osteopathic Medicine	Policy Commission	Council	Eliminating/ Reclassification Entries	Total
NET CASH PROVIDED (USED) BY							
Operating Activities	\$ (216,650)	\$ (85,688)	\$ (7,874)	\$ 39,326	\$ (92,648)	\$ (159,252)	\$ (591,245)
Noncapital Financing Activities	331,303	91,829	9,957	70,363	113,463	116,464	853,106
Capital Financing Activities	(107,769)	(36,244)	(4,083)	(69,803)	(9,238)	42,555	(222,204)
Investing Activities	16,579	52,993	1,927	3,406	5,299	16,528	100,832
INCREASE (DECREASE) IN CURRENT CASH AND CASH EQUIVALENTS	23,463	22,890	(73)	43,292	16,876	16,295	140,489
Cash - Beginning of Year	205,109	30,171	37,464	72,374	119,521	(77,867)	481,837
CASH - END OF YEAR	\$ 228,572	\$ 53,061	\$ 37,391	\$ 115,666	\$ 136,397	\$ (61,572)	\$ 622,326

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 24 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Combining Statements Net Position

	2023						
	Bluefield State University	Concord University	West Liberty University	Shepherd University	Glennville State University	Fairmont State University	West Virginia State University
ASSETS							
Inter-Entity Receivables	\$ 39	\$ 8	\$ -	\$ 30	\$ -	\$ -	\$ -
Other Current Assets	7,014	10,864	13,186	11,885	3,720	54,033	17,695
Capital Assets, Net	39,033	60,373	76,926	105,373	73,427	131,514	73,319
Other Noncurrent Assets	590	2,952	434	174	3,810	12,194	1,188
Total Assets	<u>46,676</u>	<u>74,197</u>	<u>90,546</u>	<u>117,462</u>	<u>80,957</u>	<u>197,741</u>	<u>92,202</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>420</u>	<u>548</u>	<u>631</u>	<u>580</u>	<u>556</u>	<u>935</u>	<u>7,447</u>
Total Assets and Deferred Outflows	<u>\$ 47,096</u>	<u>\$ 74,745</u>	<u>\$ 91,177</u>	<u>\$ 118,042</u>	<u>\$ 81,513</u>	<u>\$ 198,676</u>	<u>\$ 99,649</u>
LIABILITIES							
Inter-Entity Payables	\$ 79	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -
Other Current Liabilities	8,999	8,491	6,521	9,724	4,275	12,777	12,976
Other Long-Term Liabilities	1,082	15,828	19,003	35,850	36,180	51,688	37,059
Total Liabilities	<u>10,160</u>	<u>24,319</u>	<u>25,524</u>	<u>45,576</u>	<u>40,455</u>	<u>64,465</u>	<u>50,035</u>
DEFERRED INFLOWS OF RESOURCES	<u>946</u>	<u>1,340</u>	<u>1,420</u>	<u>1,911</u>	<u>2,558</u>	<u>2,896</u>	<u>2,012</u>
Total Liabilities and Deferred Inflows of Resources	11,106	25,659	26,944	47,487	43,013	67,361	52,047
NET POSITION							
Net Investment in Capital Assets	38,519	44,698	57,105	67,163	37,806	76,889	35,436
Nonexpendable	578	2,425	-	-	-	-	-
Expendable	-	2,265	84	80	2,599	23,809	1,149
Unrestricted	(3,107)	(302)	7,044	3,312	(1,905)	30,617	11,017
Total Net Position	<u>35,990</u>	<u>49,086</u>	<u>64,233</u>	<u>70,555</u>	<u>38,500</u>	<u>131,315</u>	<u>47,602</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 47,096</u>	<u>\$ 74,745</u>	<u>\$ 91,177</u>	<u>\$ 118,042</u>	<u>\$ 81,513</u>	<u>\$ 198,676</u>	<u>\$ 99,649</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 24 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Combining Statements Net Position (Continued)

	2023						
	West Virginia University	Marshall University	West Virginia School of Osteopathic Medicine	Policy Commission	Council	Eliminating/ Reclassification Entries	Total
ASSETS							
Inter-Entity Receivables							
Other Current Assets	\$ 251	\$ -	\$ 128	\$ -	\$ 386	\$ (842)	\$ -
Capital Assets, Net	342,487	67,354	86,232	90,512	136,598	(11,576)	830,004
Other Noncurrent Assets	1,948,898	487,848	79,655	67,791	236,883	-	3,381,040
Total Assets	<u>201,627</u>	<u>151,380</u>	<u>4,490</u>	<u>51,412</u>	<u>2,992</u>	<u>(42,616)</u>	<u>390,627</u>
	2,493,263	706,582	170,505	209,715	376,859	(55,034)	4,601,671
DEFERRED OUTFLOWS OF RESOURCES							
Total Assets and Deferred Outflows	<u>27,291</u>	<u>5,807</u>	<u>580</u>	<u>11,880</u>	<u>4,248</u>	<u>-</u>	<u>60,923</u>
	<u>\$ 2,520,554</u>	<u>\$ 712,389</u>	<u>\$ 171,085</u>	<u>\$ 221,595</u>	<u>\$ 381,107</u>	<u>\$ (55,034)</u>	<u>\$ 4,662,594</u>
LIABILITIES							
Inter-Entity Payables							
Other Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 88	\$ (169)	\$ -
Other Long-Term Liabilities	263,560	62,343	5,480	33,096	38,109	(12,098)	454,253
Total Liabilities	<u>1,013,844</u>	<u>186,202</u>	<u>2,515</u>	<u>270,978</u>	<u>21,985</u>	<u>(42,763)</u>	<u>1,649,451</u>
	1,277,404	248,545	7,995	304,074	60,182	(55,030)	2,103,704
DEFERRED INFLOWS OF RESOURCES							
Total Liabilities and Deferred Inflows of Resources	<u>77,352</u>	<u>10,459</u>	<u>1,334</u>	<u>7,695</u>	<u>5,749</u>	<u>(4)</u>	<u>115,668</u>
	1,354,756	259,004	9,329	311,769	65,931	(55,034)	2,219,372
NET POSITION							
Net Investment in Capital Assets							
Restricted	1,006,959	318,483	78,375	50,325	227,108	-	2,038,866
Nonexpendable	15,775	15,176	-	-	50	-	34,004
Expendable	58,959	23,099	10,882	67,610	22,118	-	212,654
Unrestricted	<u>84,105</u>	<u>96,627</u>	<u>72,499</u>	<u>(208,109)</u>	<u>65,900</u>	<u>-</u>	<u>157,698</u>
Total Net Position	<u>1,165,798</u>	<u>453,385</u>	<u>161,756</u>	<u>(90,174)</u>	<u>315,176</u>	<u>-</u>	<u>2,443,222</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 2,520,554</u>	<u>\$ 712,389</u>	<u>\$ 171,085</u>	<u>\$ 221,595</u>	<u>\$ 381,107</u>	<u>\$ (55,034)</u>	<u>\$ 4,662,594</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 24 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Combining Statements of Revenues, Expenses, and Changes in Net Position

	2023						
	Bluefield State University	Concord University	West Liberty University	Shepherd University	Glennville State University	Fairmont State University	West Virginia State University
OPERATING REVENUES							
Student Tuition and Fees, Net	\$ 7,484	\$ 5,685	\$ 15,364	\$ 13,360	\$ 6,592	\$ 11,641	\$ 8,225
Federal, State, Local Contracts and Grants	4,962	12,940	5,733	7,134	4,134	12,876	18,932
Sales and Services of Educational Activity	38	1	-	41	214	-	-
Auxiliary Enterprise Revenue	709	7,997	-	11,920	-	10,447	2,987
Other Operating Revenues	-	787	8,917	340	8,797	1,146	455
Total Operating Revenues	<u>13,193</u>	<u>27,410</u>	<u>30,014</u>	<u>32,795</u>	<u>19,737</u>	<u>36,110</u>	<u>30,599</u>
OPERATING EXPENSES							
Operations	25,070	39,559	38,301	44,413	27,923	52,043	48,476
Depreciation and Amortization	2,073	2,998	4,075	6,234	2,791	6,037	3,636
Total Operating Expenses	<u>27,143</u>	<u>42,557</u>	<u>42,376</u>	<u>50,647</u>	<u>30,714</u>	<u>58,080</u>	<u>52,112</u>
OPERATING LOSS	(13,950)	(15,147)	(12,362)	(17,852)	(10,977)	(21,970)	(21,513)
NONOPERATING REVENUES (EXPENSES)							
State Appropriations	6,649	10,837	9,553	13,027	6,769	19,273	15,833
Federal Pell Grants	2,644	3,752	3,127	4,071	3,250	5,229	3,371
COVID Relief Grants	3,384	1,953	3,322	-	2,103	5,814	11,478
Other Nonoperating Revenues (Expenses)	36	(402)	123	73	(1,351)	595	(1,656)
Total Nonoperating Revenues	<u>12,713</u>	<u>16,140</u>	<u>16,125</u>	<u>17,171</u>	<u>10,771</u>	<u>30,911</u>	<u>29,026</u>
CAPITAL GRANTS, APPROPRIATIONS, AND GIFTS	-	188	-	-	-	-	661
CAPITAL PAYMENTS MADE ON BEHALF OF THE FUND	-	-	-	-	1,164	(272)	-
INCREASE (DECREASE) IN NET POSITION	(1,237)	1,181	3,763	(681)	958	8,669	8,174
Net Position - Beginning of Year, as Restated	<u>37,227</u>	<u>47,905</u>	<u>60,470</u>	<u>71,236</u>	<u>37,542</u>	<u>122,646</u>	<u>39,428</u>
NET POSITION - END OF YEAR	<u>\$ 35,990</u>	<u>\$ 49,086</u>	<u>\$ 64,233</u>	<u>\$ 70,555</u>	<u>\$ 38,500</u>	<u>\$ 131,315</u>	<u>\$ 47,602</u>

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)

NOTE 24 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Combining Statements of Revenues, Expenses, and Changes in Net Position (Continued)

	2023						
	West Virginia University	Marshall University	West Virginia School of Osteopathic Medicine	Policy Commission	Council	Eliminating/ Reclassification Entries	Total
OPERATING REVENUES							
Student Tuition and Fees, Net	\$ 400,975	\$ 70,710	\$ 36,441	\$ -	\$ 26,172	\$ -	\$ 602,649
Federal, State, Local Contracts and Grants	315,167	96,476	1,976	6,328	27,001	(77,876)	435,783
Sales and Services of Educational Activity	13,190	249	-	3,516	874	(229)	17,894
Auxiliary Enterprise Revenue	129,710	33,607	672	5,755	1,267	-	205,071
Other Operating Revenues	7,738	16,417	504	3,641	2,040	(3,368)	47,414
Total Operating Revenues	<u>866,780</u>	<u>217,459</u>	<u>39,593</u>	<u>19,240</u>	<u>57,354</u>	<u>(81,473)</u>	<u>1,308,811</u>
OPERATING EXPENSES							
Operations	1,095,875	296,986	44,490	26,376	149,788	(3,350)	1,885,950
Depreciation and Amortization	128,853	18,601	4,620	3,559	13,253	-	196,730
Total Operating Expenses	<u>1,224,728</u>	<u>315,587</u>	<u>49,110</u>	<u>29,935</u>	<u>163,041</u>	<u>(3,350)</u>	<u>2,082,680</u>
OPERATING LOSS	(357,948)	(98,128)	(9,517)	(10,695)	(105,687)	(78,123)	(773,869)
NONOPERATING REVENUES (EXPENSES)							
State Appropriations	186,726	70,030	5,973	128,082	82,432	-	555,184
Federal Pell Grants	25,443	15,746	-	-	24,035	-	90,668
COVID Relief Grants	-	1,868	-	-	9,757	-	39,679
Other Nonoperating Revenues (Expenses)	89,431	3,315	5,112	(94,672)	1,647	78,335	80,586
Total Nonoperating Revenues	<u>301,600</u>	<u>90,959</u>	<u>11,085</u>	<u>33,410</u>	<u>117,871</u>	<u>78,335</u>	<u>766,117</u>
CAPITAL GRANTS, APPROPRIATIONS, AND GIFTS	48,934	24,264	(1)		1,251	-	75,297
CAPITAL PAYMENTS MADE ON BEHALF OF THE FUND	-	-	-	211	823	(212)	1,714
INCREASE (DECREASE) IN NET POSITION	(7,414)	17,095	1,567	22,926	14,258	-	69,259
Net Position - Beginning of Year, as Restated	1,173,212	436,290	160,189	(113,100)	300,918	-	2,373,963
NET POSITION - END OF YEAR	<u>\$ 1,165,798</u>	<u>\$ 453,385</u>	<u>\$ 161,756</u>	<u>\$ (90,174)</u>	<u>\$ 315,176</u>	<u>\$ -</u>	<u>\$ 2,443,222</u>

**WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(DOLLARS IN THOUSANDS)**

NOTE 24 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Combining Statements of Cash Flows

	2023						
	Bluefield State University	Concord University	West Liberty University	Shepherd University	Glennville State University	Fairmont State University	West Virginia State University
NET CASH PROVIDED (USED) BY							
Operating Activities	\$ (8,520)	\$ (15,149)	\$ (11,084)	\$ (14,473)	\$ (12,063)	\$ (21,632)	\$ (23,879)
Noncapital Financing Activities	13,039	16,116	12,679	18,576	12,121	32,145	30,681
Capital Financing Activities	(2,168)	(4,560)	(91)	(9,122)	(4,907)	(10,512)	(4,082)
Investing Activities	175	667	327	298	1,402	1,582	19
INCREASE (DECREASE) IN CURRENT CASH AND CASH EQUIVALENTS	2,526	(2,926)	1,831	(4,721)	(3,447)	1,583	2,739
Cash - Beginning of Year	3,178	7,047	9,903	14,104	4,984	48,782	9,482
CASH - END OF YEAR	<u>\$ 5,704</u>	<u>\$ 4,121</u>	<u>\$ 11,734</u>	<u>\$ 9,383</u>	<u>\$ 1,537</u>	<u>\$ 50,365</u>	<u>\$ 12,221</u>

	2023						
	West Virginia University	Marshall University	West Virginia School of Osteopathic Medicine	Policy Commission	Council	Eliminating/ Reclassification Entries	Total
NET CASH PROVIDED (USED) BY							
Operating Activities	\$ (282,075)	\$ (95,629)	\$ (8,593)	\$ (6,438)	\$ (106,634)	\$ (80,260)	\$ (686,429)
Noncapital Financing Activities	319,664	87,576	10,351	12,486	112,627	80,380	758,441
Capital Financing Activities	(68,465)	(44,886)	(6,850)	(26,659)	(14,955)	(119)	(197,376)
Investing Activities	32,224	24,202	1,688	3,004	3,420	(7,924)	61,084
INCREASE (DECREASE) IN CURRENT CASH AND CASH EQUIVALENTS	1,348	(28,737)	(3,404)	(17,607)	(5,542)	(7,923)	(64,280)
Cash - Beginning of Year	203,761	58,908	40,868	89,981	125,063	(69,944)	546,117
CASH - END OF YEAR	<u>\$ 205,109</u>	<u>\$ 30,171</u>	<u>\$ 37,464</u>	<u>\$ 72,374</u>	<u>\$ 119,521</u>	<u>\$ (77,867)</u>	<u>\$ 481,837</u>

WEST VIRGINIA HIGHER EDUCATION FUND
SCHEDULES OF PROPORTIONATE SHARE OF TRS NET POSITION LIABILITY
AND EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2024 AND 2023
(UNAUDITED)

Schedule of Proportionate Share of TRS Net Pension Liability (NPL)

Measurement Date	Fund's				Fund's	Plan	
	Proportionate Share as a Percentage of Net Pension Liability	Fund's Proportionate Share	State's Proportionate Share	Total Proportionate Share	Covered Employee Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability	
June 30, 2023	0.1826980 %	\$ 4,186	\$ 8,615	\$ 12,801	\$ 3,969	105 %	80.42 %
June 30, 2022	0.2187260	5,626	11,231	16,857	5,075	111	77.78
June 30, 2021	0.2917080	4,452	8,775	13,227	6,786	70	86.38
June 30, 2020	0.3607500	11,620	24,822	36,442	9,229	126	70.89
June 30, 2019	0.3814850	11,350	27,285	38,635	8,527	133	72.64
June 30, 2018	0.0442048	13,808	35,596	49,404	9,707	142	71.20
June 30, 2017	0.0579326	20,016	44,262	64,278	12,290	163	67.85
June 30, 2016	0.6837370	28,100	53,520	81,620	13,893	202	61.42
June 30, 2015	0.6763590	23,450	53,422	76,872	15,069	156	66.25
June 30, 2014	0.0075941	25,755	58,191	83,946	16,084	160	65.95

TRS Schedule of Employer Contributions

Measurement Date	Actuarially			Contribution	Covered Payroll	Actual
	Determined Contributions	Actual Contribution	Contribution Deficiency (Excess)	Contribution as a Percentage of Covered Payroll		
June 30, 2023	\$ 739	\$ 615	\$ 124	\$ 3,969	15.50 %	
June 30, 2022	897	761	106	5,075	15.00	
June 30, 2021	1,121	942	179	6,602	14.27	
June 30, 2020	1,541	1,181	298	9,229	12.80	
June 30, 2019	1,790	1,485	305	8,527	17.42	
June 30, 2018	2,021	1,806	215	9,707	18.61	
June 30, 2017	2,513	2,092	421	12,290	17.02	
June 30, 2016	2,625	2,542	83	13,893	18.30	
June 30, 2015	2,902	2,823	79	15,069	18.73	
June 30, 2014	3,399	3,439	(40)	16,084	21.38	

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, 2024

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

**WEST VIRGINIA HIGHER EDUCATION FUND
SCHEDULES OF PROPORTIONATE SHARE OF NET OTHER
POSTEMPLOYMENT BENEFIT LIABILITY (ASSET)
AND EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2024 AND 2023
(UNAUDITED)**

Schedule of Proportionate Share of Net Other Postemployment Liability (Asset)

Measurement Date	Fund's				Fund's Covered Employee Payroll	Fund's	Plan
	Proportionate Share as a Percentage of OPEB Liability (Asset)	Fund's Proportionate Share	State's Proportionate Share	Total Proportionate Share		Proportionate Share as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
June 30, 2023	11.0111340 %	\$ (17,413)	\$ (7,347)	\$ (24,760)	\$ 287,124	-6 %	109.66 %
June 30, 2022	11.5579860	12,862	4,413	17,275	278,095	5	93.59
June 30, 2021	12.3343980	(3,711)	(591)	(4,302)	296,072	(1)	25.10
June 30, 2020	12.2837300	54,245	12,484	66,730	298,983	18	73.49
June 30, 2019	12.2492179	204,248	41,591	245,839	310,502	31	36.69
June 30, 2018	12.2307243	262,154	54,235	316,389	312,470	83	30.98
June 30, 2017	11.5442668	283,628	58,634	342,262	310,818	91	25.10

Schedule of Employer Contributions

Measurement Date	Actuarially Determined Contributions		Actual Contribution		Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
	Determined Contributions	Actual Contribution	Contribution	Contribution			of Covered Payroll
June 30, 2023	\$ 9,204	\$ 2,861	\$ 6,343	\$ 293,243	1 %		
June 30, 2022	13,051	11,015	2,036	290,534	4		
June 30, 2021	20,622	12,994	7,628	302,759	4		
June 30, 2020	23,517	22,288	1,154	298,983	8		
June 30, 2019	24,901	23,321	(1,580)	310,502	4		
June 30, 2018	24,641	24,437	(204)	312,470	8		
June 30, 2017	24,070	24,070	-	310,818	8		

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, 2024**

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

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
SCHEDULE OF COMBINING NET POSITION INFORMATION
JUNE 30, 2024
(DOLLARS IN THOUSANDS)

	Higher Education Fund	Aggregate Discretely Presented Component Units	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 622,326	\$ 48,618	\$ 670,944
Short-Term Investments	118,421	47,053	165,474
Appropriations Due from Primary Government	148,390	-	148,390
Accounts Receivable, Net	199,484	17,152	216,636
Loans Receivable - Current Portion	9,748	704	10,452
Other Current Assets	15,411	4,934	20,345
Inventories	3,686	2	3,688
Total Current Assets	1,117,466	118,463	1,235,929
NONCURRENT ASSETS			
Cash and Cash Equivalents	82,384	7,261	89,645
Investments	178,270	526,636	704,906
Accounts Receivable, Net	-	19,185	19,185
Loans Receivable - Net of Allowance of \$8,536	20,384	-	20,384
Other Post Employment Benefits Asset	17,413	-	17,413
Other Assets	30,343	39,729	70,072
Capital Assets, Net	3,347,277	79,551	3,426,828
Total Noncurrent Assets	3,676,071	672,362	4,348,433
Total Assets	4,793,537	790,825	5,584,362
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Refunding	31,750	-	31,750
Related to Pensions	1,195	-	1,195
Related to OPEB	8,852	-	8,852
Total Deferred Outflows of Resources	41,797	-	41,797
Total Assets and Deferred Outflows of Resources	\$ 4,835,334	\$ 790,825	\$ 5,626,159

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
SCHEDULE OF COMBINING NET POSITION INFORMATION (CONTINUED)
JUNE 30, 2024
(DOLLARS IN THOUSANDS)

LIABILITIES	Higher Education Fund	Aggregate Discretely Presented Component Units	Total
CURRENT LIABILITIES			
Accounts Payable	\$ 84,331	\$ 2,452	\$ 86,783
Due to State of West Virginia	35	-	35
Accrued Liabilities	87,356	4,186	91,542
Unearned Revenue	175,879	1,015	176,894
Deposits/Custodial/Annuity Liabilities	3,901	106,412	110,313
Real Estate Purchase Agreements Payable - Current Portion	585	-	585
Other Liabilities - Current Portion	75	17	92
Compensated Absences - Current Portion	56,919	-	56,919
Notes Payable - Current Portion	5,388	3,073	8,461
Lease Liabilities - Current Portion	6,048	78	6,126
SBITA Liabilities - Current Portion	14,922	-	14,922
Financed Purchases Payable - Current Portion	893	-	893
Interest Payable	9,367	-	9,367
Bonds Payable - Current Portion	59,361	1,821	61,182
Total Current Liabilities	<u>505,060</u>	<u>119,054</u>	<u>624,114</u>
NONCURRENT LIABILITIES			
Advances from Federal Sponsors	14,509	-	14,509
Real Estate Purchase Agreement Payable	10,054	-	10,054
Compensated Absences	5,192	-	5,192
Notes Payable	105,300	36,644	141,944
Lease Liabilities	96,488	136	96,624
SBITA Liabilities	18,746	-	18,746
Financed Purchases Payable	57,032	-	57,032
Future Interest Payable	23,566	-	23,566
Bonds Payable	1,181,502	79,655	1,261,157
Other Postemployment Benefit Liability	-	-	-
Net Pension Liability	4,186	-	4,186
Other Noncurrent Liabilities	57,317	5,287	62,604
Total Noncurrent Liabilities	<u>1,573,892</u>	<u>121,722</u>	<u>1,695,614</u>
Total Liabilities	2,078,952	240,776	2,319,728

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
SCHEDULE OF COMBINING NET POSITION INFORMATION (CONTINUED)
JUNE 30, 2024
(DOLLARS IN THOUSANDS)

	Higher Education Fund	Aggregate Discretely Presented Component Units	Total
DEFERRED INFLOWS OF RESOURCES			
Related to Public-Private Partnerships	\$ 37,838	\$ -	\$ 37,838
Related to Pensions	3,064	-	3,064
Related to OPEB	27,040	-	27,040
Related to Leases	11,138	-	11,138
Other	526	-	526
Total Deferred Inflows of Resources	79,606	-	79,606
Total Liabilities and Deferred Inflows of Resources	2,158,558	240,776	2,399,334
NET POSITION			
Net Investment in Capital Assets	2,024,366	(28,985)	1,995,381
Restricted for:			
Expendable:			
Scholarships	18,471	59,025	77,496
Sponsored Projects	70,475	924	71,399
Loans	19,576	-	19,576
Capital Projects	19,405	2,378	21,783
Debt Service	57,781	-	57,781
OPEB	17,413	-	17,413
Other	118,395	128,094	246,489
Total Restricted Expendable	321,516	190,421	511,937
Nonexpendable	36,392	361,716	398,108
Unrestricted	294,502	26,897	321,399
Total Net Position	2,676,776	550,049	3,226,825
Total Liabilities, Deferred Inflows, of Resources, and Net Position	\$ 4,835,334	\$ 790,825	\$ 5,626,159

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
SCHEDULE OF COMBINING REVENUES, EXPENSES, AND
CHANGES IN NET POSITION INFORMATION
JUNE 30, 2024
(DOLLARS IN THOUSANDS)

	Higher Education Fund	Aggregate Discretely Presented Component Units	Total
OPERATING REVENUES			
Student Tuition and Fees, Net of Scholarship			
Allowance of \$247,667	\$ 610,389	\$ -	\$ 610,389
Gift and Contributions	-	44,809	44,809
Federal and Local land Grants	11,458	-	11,458
Contracts and Grants:			
Federal	234,715	-	234,715
State	66,429	-	66,429
Local	1,412	-	1,412
Private	161,206	-	161,206
Interest on Student Loans Receivable	689	-	689
Sales and Services of Educational Activities	21,233	-	21,233
Auxiliary Enterprise Revenue Net of Scholarship			
Allowance of \$29,188	212,437	13,122	225,559
Other Operating Revenues	46,402	9,707	56,109
Total Operating Revenues	<u>1,366,370</u>	<u>67,638</u>	<u>1,434,008</u>
OPERATING EXPENSES			
Salaries and Wages	1,017,467	9,181	1,026,648
Benefits	219,913	207	220,120
Supplies and Other Services	499,565	2,471	502,036
Utilities	73,364	289	73,653
Student Financial Aid - Scholarships and Fellowships	126,666	15,121	141,787
Depreciation and Amortization	195,082	4,404	199,486
Other Operating Expenses	4,797	72,032	76,829
Total Operating Expenses	<u>2,136,854</u>	<u>103,705</u>	<u>2,240,559</u>
OPERATING LOSS	(770,484)	(36,067)	(806,551)

WEST VIRGINIA HIGHER EDUCATION FUND
(A COMPONENT UNIT OF THE STATE OF WEST VIRGINIA)
SCHEDULE OF COMBINING REVENUES, EXPENSES, AND
CHANGES IN NET POSITION INFORMATION (CONTINUED)
JUNE 30, 2024
(DOLLARS IN THOUSANDS)

	Higher Education Fund	Aggregate Discretely Presented Component Units	Total
NONOPERATING REVENUES (EXPENSES)			
State Appropriations	\$ 732,985	\$ -	\$ 732,985
State Lottery Appropriations	56,427	-	56,427
Federal Pell Grants	103,313	-	103,313
COVID Relief Grants	2,585	-	2,585
Gifts	106,409	-	106,409
Investment Income, Net	56,331	44,183	100,514
Interest on Indebtedness	(58,722)	(4,105)	(62,827)
Payments made on Behalf of the Fund	(10,756)	-	(10,756)
Student Financial Aid and Other Payments to Institutions	(18,362)	-	(18,362)
Federal Revenue	(275)	-	(275)
Other Nonoperating Expenses, Net	9,056	-	9,056
Net Nonoperating Revenues	<u>978,991</u>	<u>40,078</u>	<u>1,019,069</u>
GAIN BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	208,507	4,011	212,518
CAPITAL GRANTS, APPROPRIATIONS AND GIFTS	24,624	-	24,624
CAPITAL PAYMENTS MADE ON BEHALF OF THE FUND	<u>423</u>	<u>-</u>	<u>423</u>
INCREASE IN NET POSITION	233,554	4,011	237,565
Net Position - Beginning of Year, As Restated	<u>2,443,222</u>	<u>546,038</u>	<u>2,989,260</u>
NET POSITION - END OF YEAR	<u>\$ 2,676,776</u>	<u>\$ 550,049</u>	<u>\$ 3,226,825</u>



**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***

West Virginia Higher Education Policy Commission
West Virginia Higher Education Fund
Charleston, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the West Virginia Higher Education Fund (the Fund), (a component unit of the State of West Virginia), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated October 31, 2024. Our report includes a reference to other auditors who audited the financial statements of Fairmont State University, West Virginia Council for Community and Technical College Education, the West Virginia School of Osteopathic Medicine, and all discretely presented component units, except Blue Ridge Community and Technical College Foundation, Inc, as described in our report on the Fund's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Fund's discretely presented component units, except for the Shepherd University Foundation, Inc. and Supporting Organization, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component units of the Fund.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund'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 Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

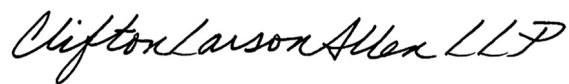
As part of obtaining reasonable assurance about whether the Fund’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

West Virginia Higher Education Fund’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Fund’s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Fund’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 31, 2024

**WEST VIRGINIA HIGHER EDUCATION FUND
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED JUNE 30, 2024 AND 2023**

2024 – 001 Misstatements of the University’s Financial Statements – West Virginia State University

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: During the audit we proposed four audit adjustments which in the aggregate was needed to ensure that the financial statements were materially correct.

Criteria or Specific Requirement: Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements, including the notes to the financial statements, in conformity with accounting principles generally accepted in the United States of America. Their responsibilities include recording significant financial reporting processes, including internal controls over procedures used to enter transactions totals into the general ledger; initiate, authorize, record, and process journal entries into the general ledger; record recurring and nonrecurring adjustments to the financial statements and safeguarding University assets.

Effect: The lack of controls in place over recording of financial activities, presentation of the financial statements, and safeguarding of assets resulted in these errors.

Cause: The University experienced personnel transitions within the accounting department.

Repeat Finding: No.

Recommendation: The University should evaluate their financial reporting processes and controls, accounting and recording of financial activity and the safeguarding of assets, including the expertise of its internal staff, to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that the financial statements are prepared in accordance with U.S. GAAP.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding. Management will implement a review process to ensure that reconciliations are done timely and reviewed by knowledgeable personnel. Additionally, they would implement processes to ensure that the University assets are properly safeguarded.

2024 – 002 Misstatements of the University’s Financial Statements – Glenville State University

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Management is unable to provide a complete trial balance from the Oasis System and has to post manual entries to capture certain financial activity not recorded in the general ledger.

Criteria or Specific Requirement: Management’s responsibilities include exercising oversight responsibility for significant financial reporting processes, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record and process journal entries into the general ledger; record recurring and nonrecurring adjustments to the financial statements and safeguarding University assets. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

**WEST VIRGINIA HIGHER EDUCATION FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023**

**2024 – 002 Misstatements of the University’s Financial Statements – Glenville State University
(Continued)**

Effect: By not recording all transactions in one general ledger system, there is an increased likelihood that transactions could be incorrectly omitted from the general ledger.

Cause: Management should ensure all financial activity is under the control of the general ledger.

Recommendation: We recommend the University evaluate its process for capturing all financial activity in the general ledger.

Repeat Finding: This is a repeat finding (2023-001).

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will evaluate their process for capturing all financial activity in the general ledger.



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