WEST VIRGINIA UNIVERSITY

Financial Statements
for the Years Ended June 30, 2024 and 2023
and Independent Auditors' Reports

WEST VIRGINIA UNIVERSITY

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Board of Directors
West Virginia University & Divisions

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 15, 2024

Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2024

Overview

The Management's Discussion and Analysis is required supplementary information and has been prepared in accordance with the requirements of Governmental Accounting Standards Board ("GASB"). This section of West Virginia University's (the "University" or "WVU") annual financial report provides an overview of the University's financial performance during the fiscal year ended June 30, 2024 as compared to the previous fiscal year. Comparative analysis is also presented for fiscal year 2023 compared to fiscal year 2022.

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

Financial Highlights

At June 30, 2024, the University's total net position increased from the previous year-end by $68.6 million. The increase in net position is primarily attributable to increases in current cash and cash equivalents, current and noncurrent investments, and appropriations due from primary government and decreases in accounts payable, bonds payable, debt service payable to the Commission, leases payable, notes payable, the net OPEB liability, and deferred inflows related to OPEB. This increase in net position was offset by decreases in capital and intangible right to use assets – net of accumulated depreciation and amortization, noncurrent cash and cash equivalents, and deferred outflows related to OPEB and increases in unearned revenue and noncurrent accrued liabilities.

Total revenues in fiscal year 2024 were $1.3 billion, a 6.0% increase over prior year. Total revenues increased by 3.8% from fiscal year 2022 to fiscal year 2023. This increase was primarily due to increases in state appropriations, revenue from grants and contracts, investment income, and sales and services of educational activities. This increase in revenue was partially offset by a decrease in revenue from gifts and capital gifts and grants.

Total expenses decreased by $600,000 from fiscal year 2023 to fiscal year 2024 primarily due to decreases in salaries and wages, scholarships and fellowships, utilities, depreciation and amortization expense, and net other non-operating revenues (expenses). These decreases were offset by increases in fringe benefits, supplies and other services, and interest on capital asset-related debt. Total expenses increased by 4.4% from fiscal year 2022 to fiscal year 2023.

Net Position

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

Net Position is displayed in three components:

Net investment in capital assets. This component consists of capital and intangible assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of debt obligations related to those assets.

Deferred inflows and outflows of resources related to these capital and intangible assets or debt are also included in this component of net position.

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

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

Condensed Schedule of Net Position (in thousands)

	As of June 30		
	2024	**2023**	**2022 Restated**
Assets			
Current Assets	$ 440,859	$ 342,738	$ 359,060
Capital and intangible Right to Use Assets, Net	1,887,369	1,948,898	1,974,210
Other Noncurrent Assets	195,357	201,627	192,802
Total Assets	2,523,585	2,493,263	2,526,072
Deferred Outflows of Resources	17,525	27,291	25,556
TOTAL	$ 2,541,110	$ 2,520,554	$ 2,551,628
Liabilities			
Current Liabilities	$ 279,656	$ 263,560	$ 273,372
Noncurrent Liabilities	969,779	1,013,844	983,423
Total Liabilities	1,249,435	1,277,404	1,256,795
Deferred Inflows of Resources	57,322	77,352	121,621
TOTAL	$ 1,306,757	$ 1,354,756	$ 1,378,416
Net Position			
Net Investment in Capital Assets	$ 961,345	$ 1,006,960	$ 1,041,668
Restricted for:			
Nonexpendable	18,164	15,776	15,109
Expendable	66,400	58,958	59,598
Unrestricted	188,444	84,104	56,837
TOTAL NET POSITION	$ 1,234,353	$ 1,165,798	$ 1,173,212

Total assets of the University increased by about $30.3 million, or 1.2%, to a total of $2.5 billion as of June 30, 2024. This increase was primarily due to increases in current cash and cash equivalents, current and noncurrent investments, appropriations due from primary government, and the net OPEB asset. These increases were partially offset by a decrease in capital and intangible right to use assets – net of accumulated depreciation and amortization and noncurrent cash and cash equivalents. There was also a decrease of $8.9 million in deferred outflows related to OPEB.

- Appropriations due from primary government increased by $50.1 million from fiscal year 2023 to fiscal year 2024 due to a $50 million appropriation from the State's general revenue surplus at July 1, 2023 to support the WVU Cancer Institute's efforts to obtain designation as a National Cancer Institute center. These funds were made available in fiscal year 2024 and were re-appropriated for expenditure in fiscal year 2025. There was an increase in amounts due of $400,000 in fiscal year 2023.

- Current and noncurrent investments increased by $8.8 million from fiscal year 2023 to fiscal year 2024 primarily due to an increase in invested balances and realized gains. Current investments decreased by $18.9 million in fiscal year 2023.

- Current cash and cash equivalents increased by $39.7 million from fiscal year 2023 to fiscal year 2024 primarily due to decreased operating expenses. The cash balance at June 30, 2024 does not include the appropriation for the WVU Cancer Institute; this cash balance was reclassified to appropriations due from primary government as it was re-appropriated for expenditure in fiscal year 2025. Current cash decreased by $6.9 million in fiscal year 2023.

- Noncurrent cash and cash equivalents decreased by $16.2 million from fiscal year 2023 to fiscal year 2024. Deposits with bond trustees decreased due to debt service payments and reimbursements of expenditures for construction projects funded by the bonds. Noncurrent cash increased by $8.3 million in fiscal year 2023.

- Capital and intangible right to use assets, net of accumulated depreciation and amortization, decreased by $61.5 million from fiscal year 2023 to fiscal year 2024 mainly due to the amortization of donated software. Several major construction and renovation projects were completed during fiscal year 2024, including improvements to the Jackson's Mill sanitary sewer system, renovations at Chitwood Hall, lighting upgrades at the Clay Theatre in the Creative Arts Center, and various projects at the Health Sciences Center. Construction projects in process include renovations at Field Hall, renovation of the kitchen at Café Evansdale, upgrades to the sports lighting system at Milan Puskar Stadium, and various projects at the HSC, including the renovation of the surgical skills and fresh tissue laboratory.
  Capital and intangible right to use assets, net decreased by $25.3 million in fiscal year 2023.

In accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*," and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*", the University reported deferred outflows related to pensions, in the amount of $361,000 at June 30, 2024. This is a decrease of $208,000 from the deferred outflows related to pensions of $569,000 at June 30, 2023. During fiscal year 2024, these deferred outflows represent the University's proportionate share of the difference between expected and actual experience, the net difference between projected and actual investment earnings, changes in assumptions, and employer contributions made to the pension plan by the University during fiscal year 2024 (after the measurement date of June 30, 2023).

In accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*, the University reported deferred outflows related to other postemployment benefits ("OPEB") in the amount of $4.7 million at June 30, 2024. This is a decrease of $8.9 million from the deferred outflows related to OPEB of $13.6 million at June 30, 2023. These deferred outflows represent the change in proportion and the difference between employer contributions and proportionate share of contributions, changes in assumptions, and employer contributions made by the University during fiscal year 2024 (after the measurement date of June 30, 2023) to the West Virginia Postemployment Benefit Plan administered by the West Virginia Public Employees Insurance Agency ("PEIA") and the West Virginia Retiree Health Benefit Trust Fund (the "RHBT").

The University also reported deferred loss on refunding of $12.5 million at June 30, 2024. This represents the unamortized balance of a deferred loss on refunding related to the defeasance of the 2004 Bonds. The deferred loss on refunding is the difference between the reacquisition price and the net carrying amount of the refunded bonds and will be recognized as a component of interest expense over the remaining life of the refunded debt. The reduction in the amount from fiscal year 2023 to 2024 denotes the annual amount amortized to interest expense.

Total liabilities for the year decreased by $28.0 million (or 2.2%). This decrease in total liabilities was primarily due to decreases in accounts payable, bonds payable, the net OPEB liability, debt service payable to the Commission, leases payable, and notes payable. These decreases were partially offset by increases in unearned revenue and noncurrent accrued liabilities. There was also a decrease of $17.4 million in deferred inflows related to OPEB.

- Accounts payable decreased by $5.3 million in fiscal year 2024 primarily due to a decrease in unpaid invoices at year-end. Accounts payable decreased by $20,000 in fiscal year 2023.

- Bonds payable decreased in fiscal year 2024 by $24.6 million due to scheduled debt service payments. Total bonds payable increased by $32.0 million in fiscal year 2023.

- The net OPEB liability decreased by $7.3 million due to a decrease in the University's proportionate share of the State's net OPEB (asset) liability at June 30, 2024. The OPEB plan is a cost-sharing, multiple-employer, defined benefit other postemployment benefit plan that covers the retirees of State agencies, colleges and universities, county boards of education and other government entities administered by PEIA and the RHBT. As a participant in the OPEB plan, the University is required to recognize its proportionate share of the collective net OPEB (asset) liability provided through the plan. The proportionate share is calculated based on employer and non-employer contributions to the OPEB plan. At June 30, 2023 (the measurement date), the plan's fiduciary net position exceeded the total OPEB liability resulting in a net OPEB asset based on the actuarial valuation as of June 30, 2022. Certain assumptions were updated in this actuarial valuation including per capita claim costs, healthcare trend rates, aging factors, and participation rates. The net OPEB liability increased by $9.0 million from fiscal year 2022 to fiscal year 2023.

- Leases payable decreased by $3.2 million in fiscal year 2024 due to scheduled lease payments. Total leases payable decreased by $3.5 million from fiscal year 2022 to fiscal year 2023.

- Notes payable decreased by $1.9 million from fiscal year 2023 to fiscal year 2024 due to scheduled principal payments. Notes payable decreased by $2.7 million in fiscal year 2023.

- Debt service payable to the Commission decreased by $4.5 million in fiscal year 2024 due to semi-annual principal payments to the Commission. Debt service payable to the Commission decreased by $4.5 million in fiscal year 2023.

- Unearned revenue increased by $12.2 million from the prior year due to funding provided by the State in June 2024 for the College Access Grant (to be disbursed to students in fiscal year 2025) and in December 2023 for funding of ongoing deferred maintenance projects. In addition, there was an increase in football ticket sales and scheduled payments on sponsored awards. Unearned revenue increased by $3.4 million in fiscal year 2023 compared to fiscal year 2022.

- Noncurrent accrued liabilities increased by $5.8 million in fiscal year 2024 primarily due to an increase in the University's expected liability at June 30, 2024 based on the annual actuarial study for the professional liability large deductible program that covers all faculty and resident physicians for medical malpractice claims. Noncurrent accrued liabilities increased by $1.1 million in fiscal year 2023 compared to fiscal year 2022.

In accordance with the provisions of GASB Statement No. 87, *"Leases"*, the University recorded deferred inflows of $3.2 million and $3.3 million at June 30, 2024 and June 30, 2023, respectively. These deferred inflows are being amortized over the lease term to interest revenue.

The University recorded deferred inflows related to pensions in the amount of $1.3 million and $2.0 million at June 30, 2024 and June 30, 2023, respectively. For fiscal year 2024, these deferred inflows represent the University's proportionate share of the difference between employer contributions and proportionate share of contributions and the difference between expected and actual experience.

At June 30, 2024 and June 30, 2023, the University recorded deferred inflows related to OPEB of $15.2 million and $32.6 million, respectively. For fiscal year 2024, these deferred inflows represent the University's proportionate share of the net difference between projected and actual investment earnings on plan investments, the difference between employer contributions and the University's proportionate share of contributions, changes in assumptions, and the difference between expected and actual experience.

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

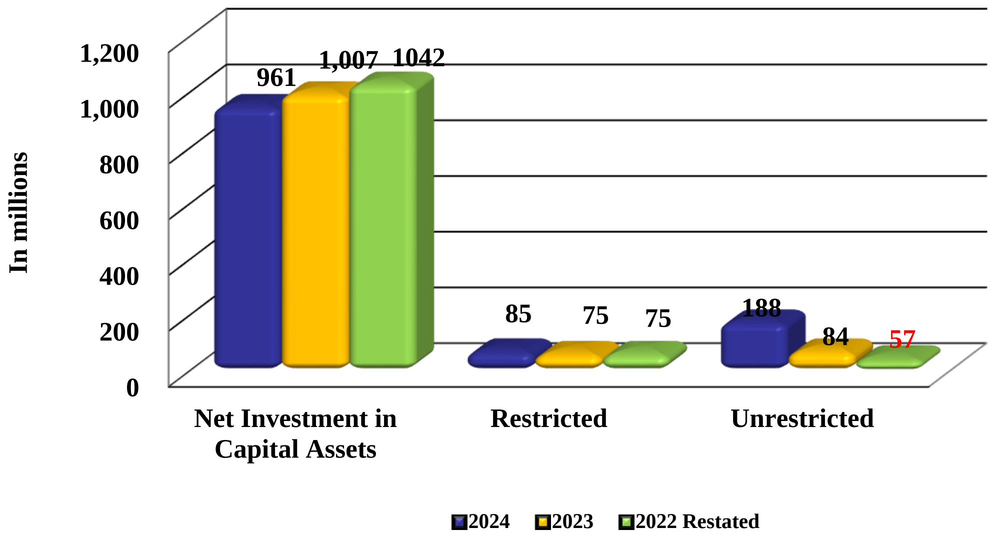
During fiscal year 2020, the University entered into an agreement with Sodexo America, LLC to operate its food and dining services program. Upon execution of this agreement, Sodexo provided unrestricted funds of $10 million to the University. This was recorded as a deferred inflow and is being amortized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

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

The University's current assets of $440.9 million were sufficient to cover current liabilities of $279.7 million indicating that the University maintained sufficient available resources to meet its current obligations as of June 30, 2024.

The following is a comparative illustration of net position.

COMPARISON OF NET POSITION
June 30, 2024, 2023 and 2022



Net investment in capital assets decreased by $45.6 million due to a decrease in capital assets, net of accumulated depreciation and amortization and noncurrent cash and cash equivalents offset by decreases in bonds payable, debt service payable to the Commission, leases payable, and notes payable. Net investment in capital assets decreased by $34.7 million from fiscal year 2022 to fiscal year 2023.

During fiscal year 2024, the restricted component of the net position experienced an increase of $9.8 million. This decrease was primarily due to an increase in the OPEB asset, which was offset by a decrease in restricted for sponsored programs. This component of net position increased by $27,000 from fiscal year 2022 to fiscal year 2023.

The unrestricted component of net position increased by $104.3 million during fiscal year 2024. This was primarily due to an increase in appropriations due from primary government as a result of a $50 million appropriation from the State's general revenue surplus for the WVU Cancer Institute, a decrease in the net OPEB liability, and a decrease in deferred inflows related to OPEB. There was an increase in this component of net position from fiscal year 2022 to fiscal year 2023 of $27.3 million.

	2024	2023
Total unrestricted net position before OPEB liability, net pension liability, deferred inflows and deferred outflows	$ 201,459	$ 113,988
Plus: Deferred outflows of resources related to OPEB	4,706	13,581
Plus: Deferred outflows of resources related to pensions	361	569
Less: Net OPEB liability	-	7,321
Less: Net pension liability	1,564	2,158
Less: Deferred inflows of resources related to OPEB	15,194	32,550
Less: Deferred inflows of resources related to pensions	1,324	2,005
Total unrestricted net position	$ 188,444	$ 84,104

Revenues, Expenses and Changes in Net Position

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

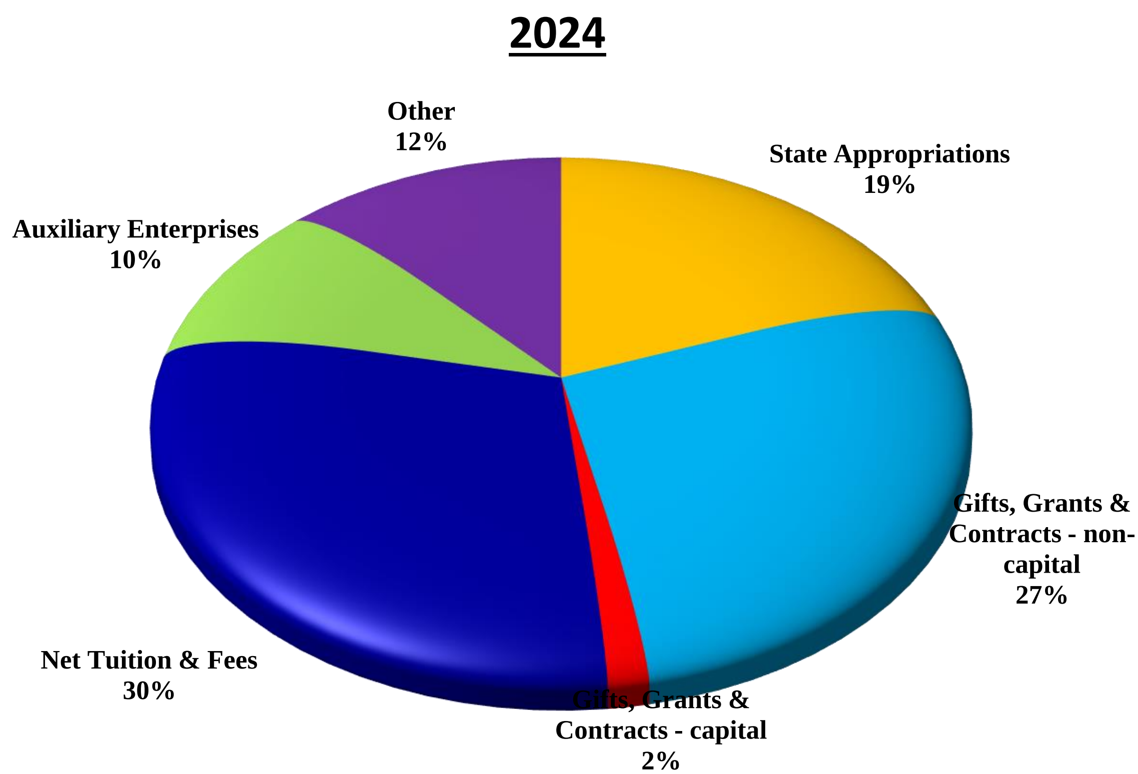
State appropriations, while budgeted for operations, are considered and reported as non-operating revenues. This is because State appropriations are provided by the West Virginia Legislature (the "Legislature") to the University without the Legislature directly receiving commensurate goods and services for those revenues. Likewise, Pell grants are reported as non-operating, because of specific guidance from GASB. Student tuition and fees are reported net of scholarship discounts and allowances. Financial aid to students is reported using the NACUBO alternative method. Under this method certain aid, such as loans and federal direct lending, is accounted for as a third-party payment, while all other aid is reflected either as operating expenses or scholarship allowances, which reduce revenues. The utilization of capital and intangible assets is reflected in the financial statements as depreciation and amortization expense, which amortizes the cost of an asset over its expected useful life or the contract term.

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

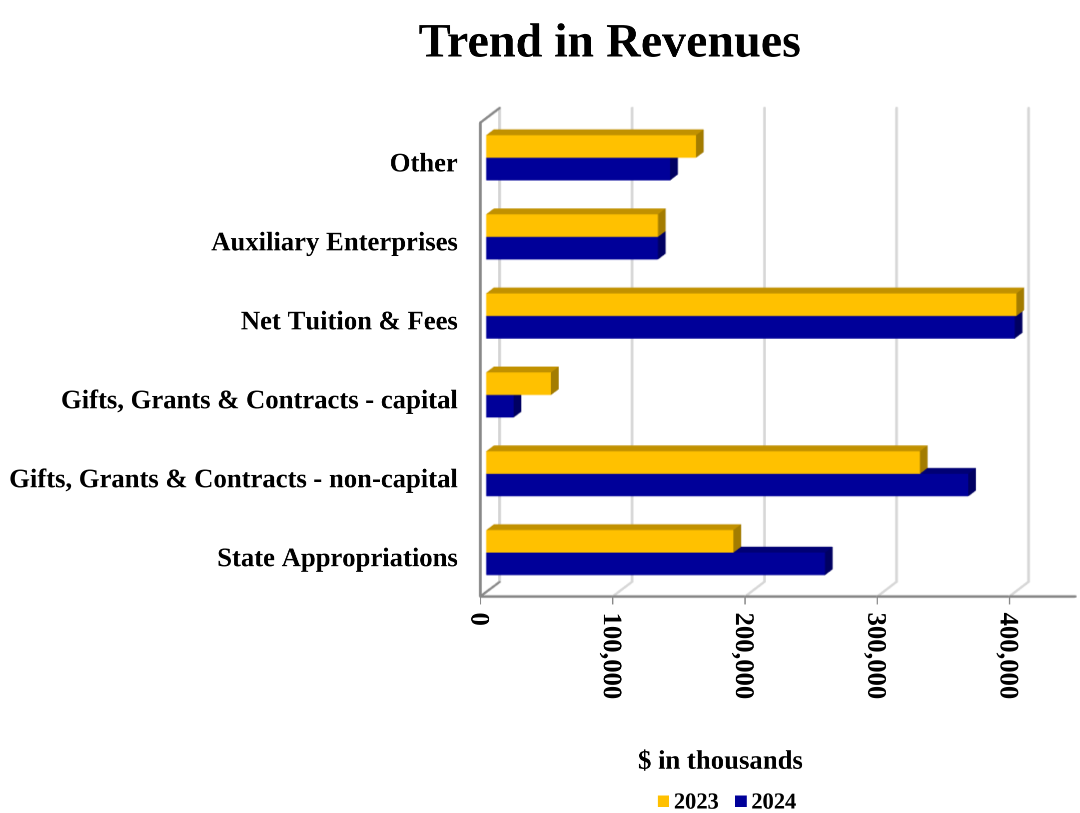
	Years Ended June 30		
	2024	**2023**	**2022 Restated**
Operating Revenues	$ 902,267	$ 866,780	$ 856,041
Operating Expenses	1,222,584	1,224,728	1,170,887
Operating Loss	(320,317)	(357,948)	(314,846)
Net Nonoperating Revenues	367,727	301,599	262,617
(Loss) Income before Other Revenues, Expenses, Gains or Losses	47,410	(56,349)	(52,229)
Capital grants and gifts	20,697	48,935	55,568
Loss on disposal of operations	-	-	(2,667)
Bond/capital projects proceeds from the Commission	448	-	-
Increase in Net Position	68,555	(7,414)	672
Net Position - Beginning of Year	1,165,798	1,173,212	1,178,308
Cumulative Effect of Change in Accounting Principle	-	-	(5,768)
Net Position - Beginning of Year, as Restated	1,165,798	1,173,212	1,172,540
Net Position - End of Year	$ 1,234,353	$ 1,165,798	$ 1,173,212

Revenues:

The following graph shows the composition of total revenues by source for fiscal year 2024.



The following chart provides a comparison of revenues by significant category between fiscal years 2024 and 2023.



Total fiscal year 2024 revenues were $1.3 billion, an increase of $75.4 million or 6.0%, from fiscal year 2023. Some highlights of the information presented on the statement of revenues, expenses, and changes in net position are as follows:

- State appropriations (including State Lottery appropriations) increased by $69.2 million from fiscal year 2023 to fiscal year 2024 primarily due to an appropriation of $50 million from the State's general revenue surplus at July 1, 2023 to support the WVU Cancer Center's efforts to obtain designation as a National Cancer Institute center. These funds were re-appropriated for expenditure in fiscal year 2025. The University also received $15.6 million in June 2024 as a result of Senate Bill 1007, which provided new, one-time funding to assist State higher education institutions with operational costs. This funding was allocated based on premiums for the number of employees participating in the State's PEIA healthcare plans. There was also an increase in the base budget allocations from the general appropriation funds received from the State. State appropriations increased by $21.0 million from fiscal year 2022 to fiscal year 2023.

- Investment income increased by $6.5 million from fiscal year 2023 to fiscal year 2024 primarily due to higher interest rates, an increase in invested balances, and realized gains on investments. Income from investments increased by $48.0 million from fiscal year 2022 to fiscal year 2023 due to unrealized gains.

- Revenue from sales and services of educational activities increased by $2.1 million from fiscal year 2023 to fiscal year 2024 primarily due to ticket sales for the University Arts Series and other events such as Mountaineer Week which have restarted after being on hold during the COVID pandemic. This revenue category increased by $1.2 million from fiscal year 2022 to fiscal year 2023.

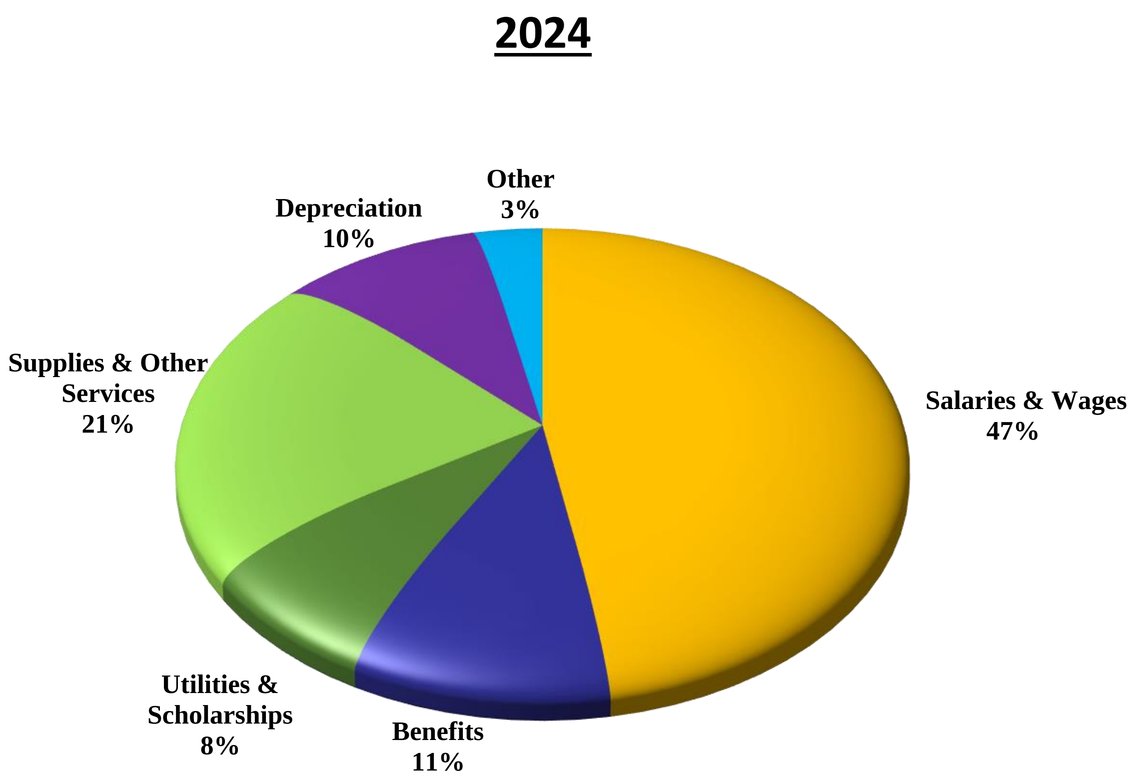
- Grants and contracts revenue, including federal, state, local and nongovernmental, increased by $35.3 million from fiscal year 2023 to fiscal year 2024 primarily due to an increase in sponsored awards. Funding for faculty salaries and fringe benefits from the practice plans affiliated with the HSC also increased. This revenue increased by $18.2 million from fiscal year 2022 to fiscal year 2023.

- Gift revenue decreased by $10.0 million in fiscal year 2024 primarily due to a decrease in amounts drawn from the HSC Chancellor's strategic fund at the Foundation. This decrease was offset by an increase in revenue received from the Foundation for scholarships and the reimbursement of salaries and other general expenses in addition to revenues drawn by Athletics from unrestricted donations to support various capital projects. Revenue from gifts increased by $32.5 million in fiscal year 2023.

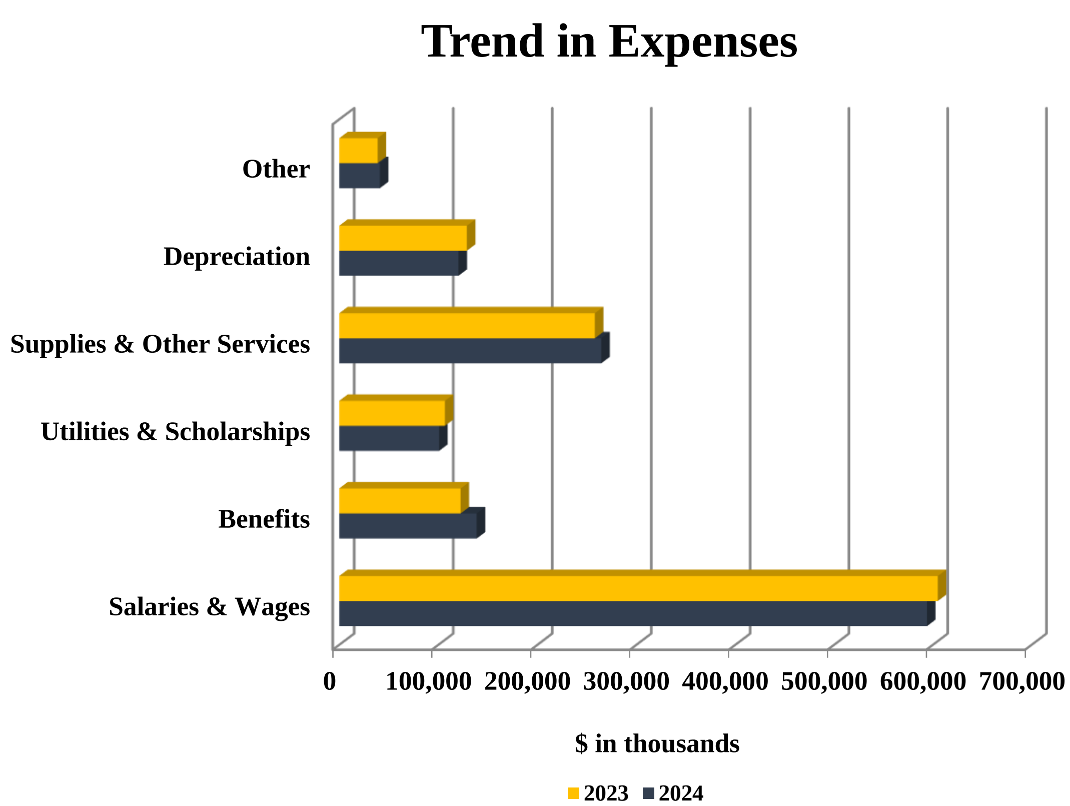
- Capital gifts and grants decreased by $28.2 million from fiscal year 2023 to fiscal year 2024. This decrease was primarily due to the significant donation of right-to-use software to the Petroleum and Natural Gas Engineering department at the Benjamin M. Statler College of Engineering and Mineral Resources and to the Geology and Geography department in the Eberly College of Arts and Sciences in fiscal year 2023. There were no comparable gifts in fiscal year 2024. This decrease was offset by revenues recognized as a result of funding provided by the State in fiscal year 2024 for deferred maintenance projects. These revenues decreased by $6.6 million from fiscal year 2022 to fiscal year 2023.

Expenses:

The following graph shows the composition of total expenses by category for fiscal year 2024.



The following chart provides a comparison of expenses by significant category between fiscal years 2024 and 2023.



Total fiscal year 2024 expenses decreased by $600,000. Changes in expense amounts from the prior year are primarily attributed to the following:

- Salaries and wages decreased by $10.9 million from fiscal year 2023 to fiscal year 2024 due to personnel reductions to meet budgetary constraints. This included non-renewals of certain non-classified staff and faculty contracts as well as reductions-in-force of classified staff. The University conducted an extensive review of academic programs (the academic transformation initiative) during this fiscal year. Additional savings will be achieved in the upcoming year as more personnel reductions occurred after the close of the fiscal year. This expense category increased by $39.9 million from fiscal year 2022 to fiscal year 2023.

- Depreciation and amortization decreased by $8.5 million from fiscal year 2023 to fiscal year 2024 primarily due to a decrease in the amortization of software donated through the Foundation. These expenses increased by $17.7 million from fiscal year 2022 to fiscal year 2023.

- Scholarships and fellowships decreased by $3.6 million from fiscal year 2023 to fiscal year 2024 primarily due to an increase in scholarship discounts and allowances. A decrease in tuition waivers was offset by an increase in institutional awards in fiscal year 2024. There was a decrease of $5.7 million in this expense category from fiscal year 2022 to fiscal year 2023.

- Utilities decreased by $2.2 million from fiscal year 2023 to fiscal year 2024. Although there was an increase in steam consumption, there was a decrease in the rates charged compared to the prior fiscal year. There was also a decrease in the minimum steam purchase requirement per the steam purchase agreement. This expense category increased by $5.9 million in fiscal year 2023.

- Other non-operating revenues and expenses are presented net on the face of the statement of revenues, expenses and changes in net position. This category decreased by $1.2 million to a net other non-operating revenue of $390,000 in fiscal year 2024 from a net non-operating expense of $776,000 in fiscal year 2023. This change was mainly due to payments received from the WV Department of Highways for easements related to road widening projects in and around the city of Morgantown, offset by a decrease in losses on the sale and disposal of capital assets; several significant assets were sold during fiscal year 2023 including the Shoney's and Applebee's properties, in addition to the disposal of property at the former WVU Tech campus in Montgomery. This category decreased by $1.4 million from a net non-operating revenue of $620,000 in fiscal year 2022 to a net non-operating expense of $776,000 in fiscal year 2023.

- Benefits increased by $16.3 million from fiscal year 2023 to fiscal year 2024 primarily due to an increase in expenses related to the University's proportionate share of the net OPEB liability (asset). At June 30, 2023 (the plan's measurement date), the plan's fiduciary net position exceeded the total OPEB liability resulting in a net OPEB asset based on the actuarial valuation as of June 30, 2022. Certain assumptions were updated in this actuarial valuation including per capita claim costs, healthcare trend rates, aging factors, and participation rates. Health insurance premiums assessed by PEIA for active employees also increased significantly. A decrease in salary-related benefits, compensated absences and tuition waivers provided to faculty, staff and graduate assistants offset the overall increase in fringe benefit expense. Fringe benefits increased by $15.1 million in fiscal year 2023.

- Supplies and other services increased by $6.4 million from fiscal year 2023 to fiscal year 2024. This increase was partially due to the write-off of management fees owed by University Park at Evansdale, LLC ("UPE") for the University Park public-private partnership. The following categories of expenses also increased in fiscal year 2024: contractual and professional services; subcontract expense; insurance expense; hospitality expense; postage and freight, and write-offs of student loans. These increases were offset by decreases in computer services and supplies; printing and binding; research and educational supplies; repairs and maintenance; and non-capitalizable equipment. This category of expenses increased by $7.4 million from fiscal year 2022 to fiscal year 2023.

- Interest on capital asset-related debt increased by $3.0 million from fiscal year 2023 to fiscal year 2024 primarily due to the commencement of interest payments on the 2023 Series A revenue bonds. Interest expense increased by $781,000 in fiscal year 2023.

Cash Flows

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

The statement of cash flows is divided into five sections:

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

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

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

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

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

Condensed Schedule of Cash Flows (in thousands)

	Years Ended June 30		
	2024	**2023**	**2022 Restated**
Cash Provided By (Used In):			
Operating Activities	$ (216,650)	$ (282,075)	$ (220,271)
Noncapital Financing Activities	331,303	319,664	321,248
Capital Financing Activities	(107,769)	(68,465)	(106,329)
Investing Activities	16,579	32,224	3,653
Increase (Decrease) in Cash and Cash Equivalents	23,463	1,348	(1,699)
Cash and Cash Equivalents, Beginning of Year	205,109	203,761	205,460
Cash and Cash Equivalents, End of Year	$ 228,572	$ 205,109	$ 203,761

Total cash and cash equivalents increased by $23.5 million during fiscal year 2024 to $228.6 million.

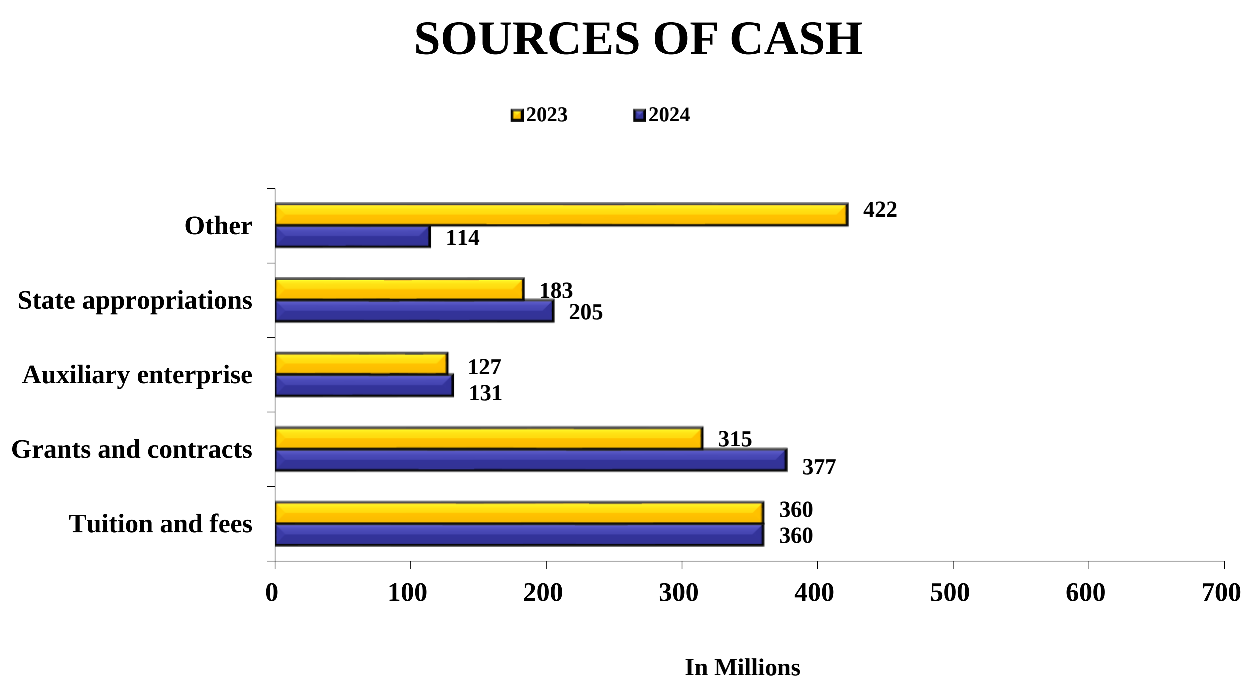
- Net cash used in operating activities decreased by $65.4 million primarily due to increased inflows from grants and contracts, auxiliaries, and collections of student loans and decreased cash outflows for payments to suppliers and employees and for utilities and scholarships and fellowships. These changes were offset by increased cash outflows for fringe benefits and other payments. Cash used in operating activities increased by $61.8 million from fiscal year 2022 to fiscal year 2023.

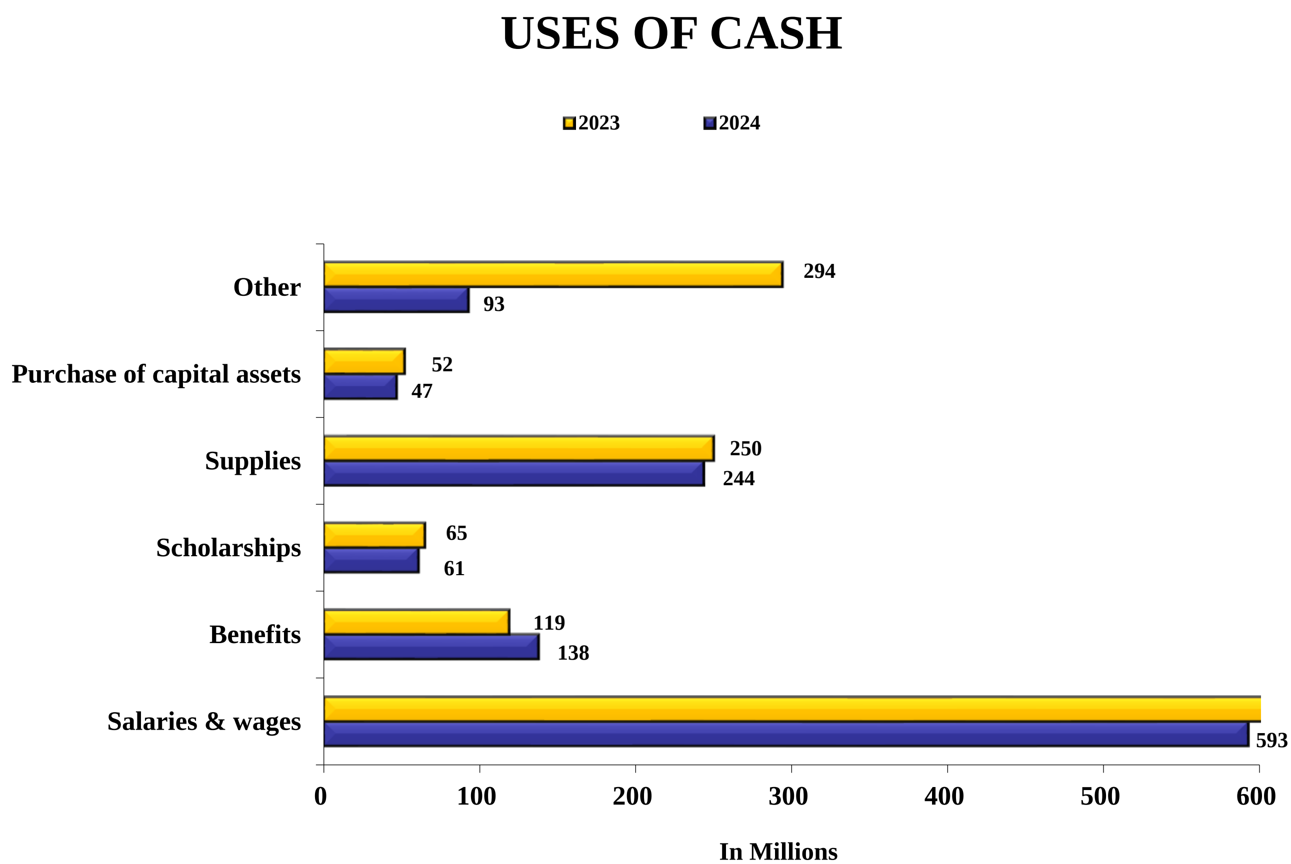
- Net cash provided by noncapital financing activities increased by $11.6 million primarily due to increased cash inflows from state appropriations. This was partially offset by a decrease in cash inflows from gifts. This category had experienced a decrease of $1.6 million from fiscal year 2022 to fiscal year 2023.

- Net cash used in capital financing activities increased by $39.3 million primarily due to a decrease in cash inflows from bond proceeds. This was offset by an increase in cash inflows from capital grants and gifts and a decrease in cash outflows for the purchase of capital assets and principal payments on capital debt, leases and subscriptions. Capital financing activities decreased by $37.9 million from fiscal year 2022 to fiscal year 2023.

- Net cash provided by investing activities decreased by approximately $15.6 million primarily due to a decrease in the redemption of matured bond investments. This was offset by an increase in cash inflows from investment income and a decrease in cash outflows from the purchase of investments. Investing activities increased by $28.6 million from fiscal year 2022 to fiscal year 2023.

The following graphs illustrate the sources and uses of cash –





Capital Asset and Long-Term Debt Activity

The University continued work on major capital projects which are being financed through bond proceeds, grants, and other sources of revenues available to the University including operational revenue and gifts. Significant construction, capital and debt activity in fiscal year 2024 included the following:

- The University completed the following major projects during the fiscal year: improvements to the Jackson's Mill sanitary sewer system, renovations at Chitwood Hall, lighting upgrades at the Clay Theatre in the Creative Arts Center, and various projects at the Health Sciences Center.
- Major construction-in-process projects included: renovations at Field Hall (formerly the Business and Economics Building), renovation of the kitchen at Café Evansdale, upgrades to the sports lighting system at Milan Puskar Stadium, and various projects at the HSC, including the renovation of the surgical skills and fresh tissue laboratory adjacent to the new morgue.

The Commission assesses each public institution of higher education for funds to meet the payment of debt service on various revenue bonds that were issued for the financing of academic and other facilities of the State's universities and colleges, including certain facilities of the University. The bonds remain as a capital obligation of the Commission; however, $22.1 million is reported as debt service assessment payable to the Commission by the University as of June 30, 2024.

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

The University issued $56.5 million of taxable revenue bonds in May 2023 to (a) finance the design, acquisition, construction, and equipping of certain capital improvements, (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, and (c) pay the costs of issuance. For the years ended June 30, 2024, 2023 and 2022, the University's bonds were rated as Aa3, AA-, and A by Moody's, Fitch and Standard and Poor's, respectively.

The State's budget bill for fiscal year 2024 included funding of $282 million from the Governor's Civil Contingency Fund to address deferred maintenance issues at the State's higher education institutions and correctional facilities. The University was awarded $46 million in grants from this allocation. As of June 30, 2024, the University has received $11.5 million of these funds. Projects approved for funding include roof repair of the Downtown Library, renovations of Chitwood Hall, structural repairs of the pedestrian bridge at the Engineering Sciences Building, replacement of LED lighting on the Beckley campus, a locking system for exterior doors of buildings on the Downtown Campus, and a campus-wide building automation system. The remainder of this funding will be received in subsequent installments as progress reports are submitted to the Governor's Office.

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

Economic Outlook

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

As a public institution, the University's financial position is closely tied to that of the State of West Virginia and is always at the risk of funding reductions due to changes in economic conditions or funding priorities. During fiscal year 2024, the State experienced a budget surplus of $590 million in its general revenue funds primarily due to an increase in the collection of corporate and personal income tax and an increase in interest income. While the State achieved a healthy balance of $1.3 billion in its Revenue Shortfall Reserve Fund (Rainy Day Fund), the State's budget continues to face economic pressures brought on by a continuing decline in coal production and other factors.

A new funding formula was effective for fiscal year 2024 and was developed through a collaboration between the West Virginia Legislature ("the Legislature"), the Higher Education Policy Commission ("the Commission"), and the State's colleges and universities. This new funding model provides a data-informed and objective rationale for determining annual state appropriations to the institutions. This formula is intended to reward colleges and universities that help students complete their degrees on time, particularly those students who are low-income or unprepared upon graduation from high school and focuses on degrees that are designated as state priorities for workforce development such as engineering, health care, social work, education, computer science and transportation. The Commission will make recommendations to the Legislature for funding changes based on performance results within the model. It is the Legislature's prerogative to enact any changes.

The State provided funding from the State's general revenue surplus for the fiscal year ending June 30, 2023 to support the investment required for the WVU Cancer Institute ("the Institute") to attain designation as a National Cancer Institute ("the NCI") center. This $50 million appropriation was available to spend starting in fiscal year

2024 and will be used to fund comprehensive research programs, faculty and facilities that will lead to innovative approaches in cancer prevention, diagnosis, and treatment for West Virginia citizens. The Institute leads cancer research across the country and recognizes cancer centers with an official NCI designation, the highest rating that a cancer center can achieve. This designation would make the WVU Cancer Institute the first NCI-designated cancer center in the West Virginia. According to the NCI, cancer is a critical issue affecting economic and financial burden. The State's cancer-related medical costs are more than 2.4 times the national average. This investment in cancer prevention and treatment will improve the health and well-being of the State's residents by improving cancer occurrence and long-term cancer survival rates.

In May 2024, Governor Jim Justice declared a state of emergency for state colleges and universities as a result of the federal government's delayed rollout of the Free Application for Federal Student Aid ("FAFSA"). In order to assist State institutions with managing the fallout, the Governor proposed two bills, which the Legislature passed during a special session. Senate Bill 1007 establishes three new funds, totaling $83.2 million, from which the Higher Education Policy Commission ("HEPC") will provide new, one-time funding of $32 million the assist State institutions with operational costs, which have been significantly affected by inflation, declining enrollment, and increases in the health insurance premiums assessed by the Public Employees Insurance Agency ("PEIA"). The University received $15.6 million of this funding in June 2024, which was allocated based on premiums for the number of employees participating in the State's PEIA healthcare plans. HEPC was also directed to spend $40 million to enhance the Higher Education Grant Program and $11.2 million to create the College Access Grant. The University received $3.2 million in June 2024 for the College Access Grant program; these funds will be disbursed to students in fiscal year 2025. Additional funding for the Higher Education Grant Program will be received and disbursed in fiscal year 2025.

The Foundation continues to report strong fund-raising numbers. In fiscal year 2024, donors contributed a record $282.6 million in new gifts and pledges. This included 36 gifts of $1 million or more, including a $50 million donation from the Hazel Ruby McQuain Charitable Trust to help the WVU Cancer Institute build a new comprehensive cancer hospital; $7 million from the Hardy family and Nemacolin Resort to benefit the Hospitality and Tourism Management program in the John Chambers College of Business and Economics; and $4 million from Antero Resources to support the Petroleum and Natural Gas Engineering programs at the Benjamin M. Statler College of Engineering and Mineral Resources. Additionally, the 7th annual WVU Day of Giving in March raised a record $30.4 million from more than 8,500 gifts. This private support is critical to ensuring tuition affordability and the fulfillment of the University's land-grant mission amid continuing financial challenges.

In general, higher education is expecting a "demographic cliff" beginning in the next few years, with the traditional college-age population shrinking across most sections of the country, including but not limited to the Midwest. The pandemic also affected the college-going behavior of students across the country. Specific to West Virginia, the number of high school graduates available to WV universities will demonstrate a modest increase over the next two years compared to last, followed by a general decline from 2027 to 2037, the limits of current forecasting. Additionally, the data reflect a recent decline among those in the college-age population in West Virginia interested in attending college. Preliminary enrollment figures for fall 2024 are nearly on target, including positive retention and persistence rates, despite the FAFSA challenges affecting higher education. The University increased tuition in fiscal year 2025 by less than 5%. This increase was necessary to cover increased costs due to inflation and to continue to invest in the University's core academic mission. Student financial support, including merit and need-based aid, will increase proportionally. The University's tuition and fee structure, for both resident and non-resident students, continues to be competitive compared to Big 12 peers, regional peers, and other higher education institutions in the State.

The University has been at the forefront of addressing various challenges facing higher education including a continued decline in high school graduates, an increased demand for scholarships, continued challenges with recruiting international students, and inflation. Throughout the past year, the University completed an extensive review of academic programs and academic and administrative support units to address these challenges and rectify a structural budget deficit. As a result of this review, the University eliminated some non-classified staff and faculty positions through contract non-renewals and eliminated several academic programs. A limited number of classified staff positions were also eliminated through a reduction-in-force ("RIF") process. Concurrently, the University increased its efforts to enhance student success outcomes, including retention, persistence and graduation rates. The University has also continued several strategic programs aimed at reducing costs including a voluntary work-reduction program, a managed print program, limitations on travel and an indoor space temperature policy, among others.

As a continuation of these efforts, the University completed program reviews at Potomac State College and WVU Institute of Technology during the spring of 2024. This review resulted in the discontinuance of some academic programs, the development of cooperative programs, and other actions to improve student success or curricular design. No faculty positions were recommended for reduction as a result of these changes. The WVU Board of Governors approved these changes in June 2024.

Effective July 1, 2024, the Reed College of Media and the College of Creative Arts were merged into a new college, the College of Creative Arts and Media, which is focused on the future of arts and media education. In addition to providing for administrative efficiencies and cost savings, this merger will foster creative and innovative collaboration and will provide the University with the opportunity to distinguish itself with dynamic programming in areas such as digital media, interactive arts, and game design to prepare students for the jobs of today and the careers of tomorrow.

The new Division for Land-Grant Engagement will include the renamed Davis College of Agriculture and Natural Resources, WVU Extension and the WVU Center for Community Engagement and will have a shared mission to serve the people of West Virginia with expertise in areas such as agriculture, natural resources, youth development, health and safety, community development and engagement that will build on existing collaborations, common activities and educational programs.

Teaching and Learning Commons is currently undergoing a strategic transformation with a focus on supporting best practices in teaching and assessment across all modes of instruction that will contribute to the scholarship of teaching and learning. The vision, structure and staffing of the new unit will be reimagined to better correspond with its revised and more focused mission.

Talent and Culture, the Human Resources unit at the University, has been restructured to better serve the University community. The Human Resources Partner, Talent Strategy, Leadership and Organizational Development, Medical Management and Projects and Operations teams as well as three Shared Services teams were part of this restructuring, which resulted in a savings of approximately $500,000.

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

The University is also moving forward in its search for a new president as President Gee's contract ends on June 30, 2025. A selection committee has been formed which consists of 18 voting members including four BoG members, three faculty members, one student representative, one representative each from classified staff, deans, WVU Athletics, WVU Medicine, the Foundation, the WVU Alumni Association, one representative for the regional campuses and three at-large representatives. Additionally, there will also be three ex-officio members, one from the Commission and two BoG chairs from 2023 through 2025 for continuity. The committee has selected WittKiefer, a national executive search and leadership advisory firm, to support the search process.

Research is an integral part of the University's mission, and the Corporation facilitates this mission through its role as fiscal agent for sponsored projects. The Corporation also uses its unique status to maximize the effectiveness of technology transfer in addition to its economic and business development functions. One important indication of this success is WVU's classification as an R1, Doctoral University – Highest Research Activity, by the Carnegie Foundation in fiscal year 2022 placing WVU among the 146 strongest research institutions in the US. Sponsored expenditures came in at $275 million for fiscal year 2024 with $124 million coming from federal agencies (compared to $231 million and $107 million, respectively, in fiscal year 2023). As a result of this growth, the F&A recovered increased from $39.2 million to $43.4 million from fiscal year 2023 to fiscal year 2024 - an increase of $5.2 million.

Following is a comparison from fiscal year 2024 to fiscal year 2023 for our primary federal research sponsors:

- DoE-funded expenditures increased from $13.8 million to $19.8 million
- HHS-funded expenditures decreased from $55.5 million to $50.4 million
- USDA-funded expenditures decreased from $11.7 million to $7.8 million
- NASA-funded expenditures increased from $5.5 million to $7.8 million
- NSF-funded expenditures remained constant at $14.2 million
- Other federal-funded expenditures increased from $14.1 million to $23.8 million

Investments in improving the competitiveness of the faculty through the implementation of programs by the Research Office is beginning to yield a noticeable return in terms of the dollar value of new awards. The most effective of these investments remain the Program to Stimulate Competitive Research, providing support to ensure that resubmitted proposals have a significantly enhanced probability of success, and an internal NIH style study section at HSC, providing scientific review of grant applications prior to external submission to increase competitiveness. The University's focus on areas such as neuroscience, energy and sustainability, and aerospace is yielding many of the increases noted above. The University also received $50 million from the State to expand the Cancer Institute's research capabilities. Additionally, F&A recovery has increased by over $15.7 million since fiscal year 2020.

While the University, and the Corporation, finds itself in a very dynamic funding environment, both are deploying innovative strategies to expand the quantity and quality of funding for the research enterprise from all sources and looks forward to continued success in the future.

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

These steps will continue to have a significant positive impact on the University's financial position and performance. At June 30, 2024, the University's net OPEB liability decreased from a liability of $7.3 million at June 30, 2023 to a net OPEB asset of $10 million. This was due to a decrease in the University's proportionate share of the State's net OPEB asset at June 30, 2023; the plan's fiduciary net position exceeded the total OPEB liability, which resulted in a net OPEB asset based on the most recent actuarial valuation. Certain assumptions in the actuarial valuation as of June 30, 2022 were updated including per capita claim costs, healthcare trend rates, aging factors, and participation rates, which resulted in a decrease in the plan's total OPEB (asset) liability at June 30, 2023. The RHBT experienced significant savings with the Humana contract renewal beginning in fiscal year 2022. In addition to these savings, the RHBT experienced favorable investment returns in fiscal year 2021, resulting in an excess in the premium stabilization reserve. The RHBT is passing on these savings to PEIA active employers. There were no pay as you go premiums billed in fiscal year 2024. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder each month. The active premiums subsidize the retirees' health care and are established by the PEIA Finance Board annually.

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

WEST VIRGINIA UNIVERSITY

STATEMENTS OF NET POSITION
AS OF JUNE 30, 2024 AND 2023
(Dollars in Thousands)

	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and cash equivalents	$ 170,697	$ 130,985
Appropriations due from primary government	51,730	1,649
Investments	71,476	65,923
Accounts receivable, net of allowances for doubtful accounts of $5,349 and $5,638	126,437	121,998
Account receivable - public private partnerships, current portion	9,193	11,041
Due from the Higher Education Policy Commission	442	251
Leases receivable - current	972	986
Loans receivable, current portion	3,445	4,324
Inventories	2,225	2,367
Prepaid expenses	4,042	2,647
Notes receivable	200	567
Total current assets	440,859	342,738
Noncurrent Assets:		
Restricted cash and cash equivalents	57,875	74,124
Investments	108,169	104,907
Other accounts receivable	2,321	2,678
Account receivable - public private partnerships	963	1,701
Loans receivable, net of allowances for doubtful accounts of $1,488 and $1,534	13,566	15,728
Leases receivable	2,461	2,489
Net other post employment benefits asset	10,002	-
Capital and intangible right to use assets, net	1,887,369	1,948,898
Total noncurrent assets	2,082,726	2,150,525
TOTAL ASSETS	2,523,585	2,493,263
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	12,458	13,141
Deferred outflows related to other post employment benefits	4,706	13,581
Deferred outflows related to pensions	361	569
TOTAL DEFERRED OUTFLOWS OF RESOURCES	17,525	27,291
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,541,110	$ 2,520,554

(continued)

WEST VIRGINIA UNIVERSITY

STATEMENTS OF NET POSITION (CONTINUED)
AS OF JUNE 30, 2024 AND 2023
(Dollars in Thousands)

	2024	2023
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities:		
Accounts payable	$ 57,439	$ 62,788
Accrued liabilities	16,380	14,290
Accrued payroll	32,281	31,301
Deposits	2,709	3,047
Unearned revenue	88,640	76,457
Compensated absences	32,657	33,027
Real estate purchase agreements payable, current portion	585	295
Debt service assessment payable to the Commission, current portion	4,596	4,538
Subscription liabilities, current portion	7,591	7,880
Leases payable, current portion	2,670	3,181
Bonds payable, current portion	31,395	24,496
Notes payable, current portion	2,713	2,260
Total current liabilities	279,656	263,560
Noncurrent Liabilities:		
Real estate purchase agreement payable	10,054	10,287
Net other post employment benefits liability	-	7,321
Net pension liability	1,564	2,158
Advances from federal government	10,697	12,029
Debt service assessment payable to the Commission	17,537	22,133
Subscription liabilities	8,851	8,063
Leases payable	74,799	77,465
Bonds payable	748,069	779,599
Notes payable	57,144	59,525
Other noncurrent liabilities	41,064	35,264
Total noncurrent liabilities	969,779	1,013,844
TOTAL LIABILITIES	1,249,435	1,277,404
DEFERRED INFLOWS OF RESOURCES		
Deferred federal Pell grants	362	564
Deferred gain on refunding	71	116
Deferred service concession arrangements	31,064	32,073
Deferred inflows related to other post employment benefits	15,194	32,550
Deferred inflows related to pensions	1,324	2,005
Deferred inflows related to leases	3,240	3,302
Deferred inflows related to dining services contract	6,067	6,742
TOTAL DEFERRED INFLOWS OF RESOURCES	57,322	77,352
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 1,306,757	$ 1,354,756
NET POSITION		
Net investment in capital assets	$ 961,345	$ 1,006,960
Restricted for:		
Nonexpendable:		
Loans	17,689	15,301
Other	475	475
Total nonexpendable	18,164	15,776
Expendable:		
Scholarships and fellowships	4,046	4,393
Sponsored programs	39,314	41,926
Loans	11,717	11,551
Capital projects	1	1
Debt service	106	-
Other	11,216	1,087
Total expendable	66,400	58,958
Unrestricted net position	188,444	84,104
TOTAL NET POSITION	$ 1,234,353	$ 1,165,798

See notes to financial statements.

WEST VIRGINIA UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023
(Dollars in Thousands)

	2024	2023
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances of $109,894 and $103,306	$ 399,713	$ 400,975
Federal land grants	10,049	11,356
Local land grants	1,409	1,403
Federal grants and contracts	126,992	117,783
State grants and contracts	84,888	71,133
Local grants and contracts	481	427
Nongovernmental grants and contracts	125,360	113,065
Sales and services of educational departments	15,295	13,190
Auxiliary enterprises, net of scholarship allowances of $11,028 and $9,720	129,746	129,710
Interest on student loans receivable	481	297
Service agreement revenue from Parkersburg	250	250
Other operating revenues	7,603	7,191
Total operating revenues	902,267	866,780
OPERATING EXPENSES		
Salaries and wages	594,170	605,065
Benefits	138,811	122,544
Scholarships and fellowships	63,030	66,592
Utilities	37,844	40,058
Supplies and other services	264,603	258,158
Depreciation and amortization	120,378	128,853
Loan cancellations and write-offs	19	121
Other operating expenses	3,729	3,337
Total operating expenses	1,222,584	1,224,728
OPERATING LOSS	$ (320,317)	$ (357,948)

(continued)

WEST VIRGINIA UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023
(Dollars in Thousands)

	2024	2023
NONOPERATING REVENUES (EXPENSES)		
State appropriations	$ 252,185	$ 183,007
State Lottery appropriations	3,782	3,718
Payments on behalf of the University	(6,778)	(7,417)
Gifts	102,990	113,037
Federal Pell grants	26,789	25,443
Investment income (including unrealized gain of $7,549 and $12,965)	25,676	19,141
Interest on capital asset-related debt	(31,007)	(28,028)
Assessments by the Commission for debt service	(6,301)	(6,338)
Debt issuance costs	-	(188)
Other nonoperating revenues (expenses) - net	391	(776)
Net nonoperating revenues	367,727	301,599
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	47,410	(56,349)
Capital grants and gifts	20,697	48,935
Bond/capital projects proceeds from the Higher Education Policy Commission	448	-
INCREASE (DECREASE) IN NET POSITION	68,555	(7,414)
NET POSITION--BEGINNING OF YEAR	1,165,798	1,173,212
NET POSITION - END OF YEAR	$ 1,234,353	$ 1,165,798

See notes to financial statements.

WEST VIRGINIA UNIVERSITY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023
(Dollars in Thousands)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 359,826	$ 360,023
Federal and local land grants	11,457	12,758
Grants and contracts	349,935	289,663
Payments to suppliers	(244,326)	(249,561)
Payments to employees	(593,206)	(618,761)
Payments for benefits	(137,653)	(118,841)
Payments for utilities	(36,999)	(41,115)
Payments for scholarships and fellowships	(60,716)	(64,650)
Loan advances returned to federal government	(1,849)	(2,368)
Collections of loans to students	3,066	985
Interest earned on loans to students	481	297
Auxiliary enterprise charges	130,800	126,775
Sales and service of educational departments	14,568	12,688
Receipt of service agreement revenue from Parkersburg	250	249
Net receipts (payments) for public private partnerships	(650)	2,043
Other receipts (payments)	(11,634)	7,740
Net cash used in operating activities	(216,650)	(282,075)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	201,450	179,551
State lottery appropriations	3,782	3,718
Gifts	96,014	107,124
Purchase of secured promissory notes	100	-
Federal Pell grants	26,587	25,421
William D. Ford direct lending receipts	162,815	159,616
William D. Ford direct lending payments	(162,474)	(159,327)
Other nonoperating receipts	3,029	3,561
Net cash provided by noncapital financing activities	331,303	319,664
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments on Commission debt assessment payable	(4,538)	(4,497)
Bond/capital projects proceeds from the Higher Education Policy Commission	448	-
Assessments by the Commission for debt service	(6,301)	(6,338)
Proceeds from issuance of University bonds	-	56,500
Bond issuance costs	-	(188)
Capital gifts and grants received	17,695	5,372
Purchases of capital assets	(47,039)	(51,555)
Proceeds from leases	1,128	933
Principal paid on capital debt, leases and subscriptions	(37,181)	(39,408)
Interest paid on capital debt, leases and subscriptions	(31,981)	(29,284)
Net cash used in capital financing activities	(107,769)	(68,465)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	17,844	6,048
Purchase of investments	(12,796)	(22,568)
Redemption of matured investments	12,380	48,858
Purchase of Research Corporation investments	(849)	(114)
Net cash provided by investing activities	16,579	32,224
INCREASE IN CASH AND CASH EQUIVALENTS	23,463	1,348
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	205,109	203,761
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 228,572	$ 205,109

(continued)

WEST VIRGINIA UNIVERSITY

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023
(Dollars in Thousands)

	2024	2023
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (320,317)	$ (357,948)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	120,378	128,853
Amortization - intra-entity leases	-	-
Donated/noncapitalized expense	4,839	4,417
Expenses paid on behalf of the University	(6,778)	(7,417)
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Accounts receivable, net	6,940	(8,476)
Due from the Commission	(191)	1,472
Loans receivable, net	3,040	1,105
Prepaid expenses	(1,396)	1,061
Inventories	142	(250)
Accounts payable	(13,891)	3,010
Accrued liabilities	(10,013)	(5,738)
Deposits	(338)	(14)
Unearned revenue	12,185	3,355
Compensated absences	(369)	1,666
Defined benefit pension plan	(1,068)	(1,482)
Deferred other post employment benefits	(8,481)	(43,434)
Advances from federal government	(1,332)	(2,255)
Net cash used in operating activities	$ (216,650)	$ (282,075)
Noncash Transactions:		
Construction in progress additions in accounts payable	$ 3,546	$ 2,648
Subscription based IT agreements	$ 2,495	$ 9,438
Finance leases	$ 580	$ 92
Lessor arrangements	$ 71	$ 1,085
Donated capital assets	$ 2,829	$ 43,314
Unrealized gain (loss) on investments	$ 7,549	$ 12,965
Donated noncapitalized assets	$ 8,629	$ 5,914
Loss on dispositions	$ (1,344)	$ (3,620)
Expenses paid on behalf of the University	$ (6,778)	$ (7,417)
Deferred gain on refunding	$ 45	$ 45
Reconciliation of cash and cash equivalents to the statements of net assets:		
Cash and cash equivalents classified as current assets	$ 170,697	$ 130,985
Cash and cash equivalents classified as noncurrent assets	57,875	74,124
	$ 228,572	$ 205,109

See notes to financial statements.

1. ORGANIZATION

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

c. *Cash and Cash Equivalents* – For purposes of the statement of net position, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

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

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

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

   Cash and cash equivalents also include cash on hand.

d. *Appropriations Due from Primary Government* – For financial reporting purposes, appropriations due from the State are presented separate from cash and cash equivalents, as amounts are not specific deposits with the Treasurer, but are obligations of the State.

e. *Accounts Receivable* – Accounts receivable primarily includes amounts due from students for tuition and fees, amounts due from sponsoring agencies for grants and contracts, and other miscellaneous receivables.

f. *Accounts Receivable – Public Private Partnerships* – Accounts receivable – public private partnerships - includes amounts due from partners for reimbursable project expenses, management fees, share of net revenues, lease payments and additional lease payments. (Also see Notes 15, 21, and 23.)

g. *Allowance for Doubtful Accounts* – It is the University's policy to provide for future losses on uncollectible accounts and loans receivable based on an evaluation of the underlying account and loan balances, the historical collectability experienced by the University on such balances and such other factors which, in management's judgment, require consideration in estimating doubtful accounts.

h. *Loans Receivable* – Loans receivable includes amounts due from students for student loans, including loans made through the Federal Perkins Loan Program.

i. *Inventories* – Inventories are stated at the lower-of-cost or market, cost primarily determined on the first-in, first-out method and average cost.

j. *Leases Receivable* – Leases receivable includes amounts due from external parties for long-term leases of land and building space, recorded at the present value of lease payments expected to be received during the lease term.

k. *Noncurrent Restricted Cash and Cash Equivalents* – Cash that is (1) externally restricted to make debt service payments or to maintain sinking funds or reserve funds or to purchase capital or other noncurrent assets or settle long-term liabilities, or (2) permanently restricted components of net position are classified as a noncurrent asset on the statement of net position.

l. *Noncurrent Investments* – Investments that are (1) externally restricted to make debt service payments or to maintain sinking funds or reserve funds or to purchase capital or other noncurrent assets or settle long-term liabilities, or (2) permanently restricted components of net position are classified as a noncurrent asset on the statement of net position. All other investments are classified as current or noncurrent based on the underlying investment.

m. *Capital and Intangible Right-to-Use Assets* – Capital assets include property, plant and equipment, internally generated software, books and materials that are part of a catalogued library, and infrastructure. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is generally 15 to 50 years for buildings, infrastructure and land improvements, and 3 to 15 years for furniture, equipment, internally generated software, and library books.

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

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

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

n. *Deposits* – Deposits include housing and tuition deposits made by students.

o. *Unearned Revenue* – Revenues for programs or activities to be earned in future fiscal years is classified as unearned revenue, including items such as tuition, football ticket sales, orientation fees, room and board, financial aid deposits, and advance payments on sponsored awards. Financial aid deposits are separately classified.

p. *Compensated Absences* – GASB requires entities to accrue for employees' rights to receive compensation for vacation leave or payments in lieu of accrued vacation leave as such benefits are earned and payment becomes probable. The University's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination.

   The estimated expense and expense incurred for vacation leave is recorded as a component of benefits expense on the statement of revenues, expenses, and changes in net position.

q. *Other Post Employment Benefits (OPEB)* – For purposes of measuring the net other postemployment benefits ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the West Virginia Postemployment Benefit Plan (the "OPEB plan"), which is administered by a combination of the West Virginia Public Employees Insurance Agency ("PEIA") and the West Virginia Retiree Health Benefit Trust Fund (the "RHBT"), additions to/reductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported in the RHBT's financial statements which can be found at www.peia.gov. The OPEB plan schedules are prepared using the accrual basis of accounting in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Management of PEIA and the RHBT have made certain estimates and assumptions relating to the employer allocation schedules, and actual results could differ. (See Note 10.)

r. *Reductions in Force* - On September 8, 2017, the University adopted the Reduction in Force ("RIF") rule, which was effective on September 28, 2017. This rule provides the guiding principles for reductions in force for positions held by classified employees of the University who are employed in full-time regular positions. A RIF may be implemented due to budget reductions, loss of funding, reorganization, material changes to the duties or responsibilities of a position, program change/elimination, or an emergency that curtails operations.

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

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

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

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

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

The University's total liability as of June 30, 2024 and 2023 was $2.2 million and $162,000, respectively, which is recorded as a component of accrued liabilities on the statement of net position. This includes approximately $267,000 and $20,000 for employee benefits as of June 30, 2024 and 2023.

s. *Noncurrent Liabilities* – Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and real estate purchase agreements payable with contractual maturities greater than one year; (2) principal amounts of leases payable and subscription liabilities due in subsequent fiscal years; (3) net OPEB liability, net pension liability, and other liabilities that will not be paid within the next fiscal year; and (4) projected claim payments for self insurance.

t. *Net Pension Liability* – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers' Retirement System (TRS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the TRS fiduciary net position have been determined on the same basis as they are reported in the TRS financial statements, which can be found at https://www.wvretirement.com/Publications.html#AnnualReport. The plan schedules of TRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed information on investment valuation can be found in the TRS financial statements. Management of TRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ. (See Note 11.)

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

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

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

The West Virginia State Legislature (the "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 Code. House Bill 101, which passed in March 2004, simplified the tuition and fee restrictions to auxiliary and capital items. These activities are fundamental to the normal ongoing operations of the institution. These restrictions are subject to change by future actions of the Legislature. At June 30, 2024 and 2023, the University had no restricted balances remaining in these funds.

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

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

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

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

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

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

w. *Use of Restricted Net Position* – The University has adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available. The University attempts to utilize restricted components of net position first when practicable. The University did not have any designated components of net position as of June 30, 2024 or 2023.

x. *Scholarship Discounts and Allowances* – Student tuition and fee revenues are reported net of scholarship discounts and allowances on the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf.

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 a University basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid.

y. *Federal Financial Assistance Programs* – The University makes loans to students under the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students, through universities. Direct student loan receivables are not included in the University's statement of net position, as the loans are repayable directly to the U.S. Department of Education. The University received and disbursed approximately $162.5 million in fiscal year 2024 and approximately $159.3 million in fiscal year 2023 under the Direct Loan Program on behalf of the U.S. Department of Education; these amounts are not included as revenues and expenses on the statement of revenues, expenses, and changes in net position.

The University also distributes other student financial assistance funds on behalf of the federal government to students under the Pell Grant, Supplemental Educational Opportunity Grant and Federal Work Study Programs. The activity of these programs is recorded in the accompanying financial statements. In fiscal years 2024 and 2023, the University received and disbursed $28.8 million and $29.1 million, respectively, under these other federal student aid programs.

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

aa. *Income Taxes* – The University is exempt from income taxes, except for unrelated business income, as a nonprofit organization under federal income tax laws and regulations of the Internal Revenue Service. The Corporation has received from the Internal Revenue Service an exemption from taxation under Section 501 (c) (3) of the Internal Revenue Code as an entity organized for educational, research, and economic development purposes.

bb. *Cash Flows* – Any cash and cash equivalents escrowed, restricted for noncurrent assets, or in funded reserves are included as cash and cash equivalents for the purpose of the statement of cash flows.

cc. *Deferred Outflows of Resources* – Consumption of net assets by the University that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position. (See Note 10, 11 and 12).

dd. *Deferred Inflows of Resources* – Acquisition of net assets by the University that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statement of net position. (See Notes 7, 10, 11 and 23)

ee. *Risk Management* – The State's Board of Risk and Insurance Management (BRIM) provides general and professional liability, property, and auto insurance coverage to the University and its employees, including those physicians employed by the University and practicing at the hospital affiliated with the academic medical center. Such coverage is provided to the University through a self-insurance program maintained by BRIM for liability and auto insurance coverage. BRIM maintains a self-insurance program to pay the first $1,000,000 of each property insurance claim and purchases excess property insurance from the commercial insurance market to cover individual claim amounts in excess of $1,000,000. 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 future premium adjustments to the University or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums the University is currently charged by BRIM and the ultimate cost of that insurance based on the University's actual loss experience. In the event such differences arise between estimated premiums charged by BRIM to the University and the University's ultimate actual loss experience, the difference will be recorded, as the change in estimate became known.

The University's Health Sciences Center (HSC) established a $250,000 deductible program under BRIM's professional liability coverage for the University effective July 1, 2005. Starting July 1, 2005, HSC assumed the risk and responsibility for any and all indemnity amounts up to $250,000 per occurrence and all loss expenses associated with medical malpractice claims and/or suits in exchange for a reduction in its premium for medical malpractice insurance. For fiscal year 2024, BRIM will provide coverage for indemnity amounts between $250,000 and $1,897,000 per occurrence. For fiscal year 2023, BRIM will provide coverage for indemnity amounts between $250,000 and $1,781,000 per occurrence. After June 30, 2016, BRIM coverage may increase annually based on the Consumer Price Index until it reaches a maximum of $2,000,000 per occurrence. Prior to July 1, 2005, the HSC was totally covered by BRIM at a limit of $1,000,000 per occurrence.

Under the program, the HSC entered into an agreement with BRIM whereby the HSC has on deposit $3.0 million at both June 30, 2024 and 2023, in an escrow account created in the state treasury from which BRIM may withdraw amounts to pay indemnity costs and allocated expenses in connection with medical malpractice claims against the HSC. The HSC also has on deposit $47.9 million and $47.0 million at June 30, 2024 and 2023, respectively, in an investment earnings account with the West Virginia University Foundation, Incorporated (the "Foundation") that is used to cover the liabilities under this program by replenishing the escrow account after BRIM withdraws indemnity and expense payments.

Based on an actuarial valuation of this self-insurance program and premium levels determined by BRIM, the University has recorded a liability of $40.0 million and $34.2 million to reflect projected claim payments at June 30, 2024 and 2023, respectively.

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

The University and the Corporation are also covered by a data breach response insurance policy in the amount of $10,000,000 through Beazley. This policy covers claims commonly referred to as "cyber liability" claims. "First party" claims coverage includes financial expenses associated with a data breach including business interruption, cyber extortion, and data recovery. "Third party" claims coverage includes the financial expenses associated with a data breach that are incurred by entities other than the University or the Corporation including disclosure of personally identifiable information, regulatory defense and penalties, and payment card liabilities and costs.

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

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

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

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

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

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

hh. *Newly Adopted Statements Issued by the GASB* – The University has implemented Statement No. 99, *"Omnibus 2022"*. This statement establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees and derivative instruments. This statement did not have a material impact on the financial statements.

The University also implemented Statement No. 100, *"Accounting Changes and Error Corrections"*. This statement establishes accounting and financial reporting requirements for accounting changes and the correction of an error in previously issued financial statements. This statement did not have a material impact on the financial statements.

ii. *Recent Statements Issued by the GASB* – The GASB has also issued Statement No. 101, *"Compensated Absences"*. This statement establishes accounting and financial reporting requirements for compensated absences and associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). This statement is effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. The University has not yet determined the effect that the adoption of GASB Statement No. 101 may have on its financial statements.

The GASB has also issued Statement No. 102, *"Certain Risk Disclosures"*. This statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. This statement is effective for fiscal years beginning after June 15, 2024 and all reporting periods thereafter. The University has not yet determined the effect that the adoption of GASB Statement No. 102 may have on its financial statements.

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

3. CASH AND CASH EQUIVALENTS

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

2024

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

2023

	Current	Noncurrent	Total
Cash on deposit with the Treasurer:			
West Virginia University - Nonauxiliaries	$ 40,737	$ 475	$ 41,212
West Virginia University - Auxiliaries	49,573	-	49,573
Cash on deposit with Trustee	-	70,627	70,627
Deposits with BRIM Escrow Account Treasurer	-	3,022	3,022
Cash in Bank	40,657	-	40,657
Cash on Hand	18	-	18
	$ 130,985	$ 74,124	$ 205,109

Cash on Deposit with the Treasurer. Cash on deposit with the Treasurer includes deposits in the State Treasury bank account and the WV Money Market Pool. Deposits in the bank account are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by securities held by the bank in the name of the State. Deposits in the WV Money Market Pool are pooled by the Treasurer with other available funds of the State for investment purposes by the West Virginia Board of Treasury Investments (the BTI). These funds are transferred to the BTI, and the BTI invests in the WV Money Market Pool as directed by the University and then the BTI invests in accordance with West Virginia Code, policies set by the BTI, provisions of bond indentures and trust agreements when applicable. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. Balances in the investment pools are recorded at fair value or amortized cost which approximates fair value. Fair value is determined by a third-party pricing service based on asset portfolio pricing models and other sources in accordance with GASB. The BTI was established by the Legislature and is subject to oversight by the Legislature. The amounts on deposit are available for immediate withdrawal and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements. There was $110,394,753 and $55,472,011 in cash held for investment in the WV Money Market Pool at June 30, 2024 and 2023. The remainder of the cash held with the Treasurer was not invested.

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

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

External Pool	2024 Carrying Value (In Thousands)	2024 S & P Rating	2023 Carrying Value (In Thousands)	2023 S & P Rating
WV Money Market Pool	$ 110,395	AAAm	$ 55,472	AAAm

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

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

External Pool	2024 Carrying Value (In Thousands)	2024 WAM (Days)	2023 Carrying Value (In Thousands)	2023 WAM (Days)
WV Money Market Pool	$ 110,395	36	$ 55,472	29

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

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

Cash in bank. Cash in bank includes bank balances and may include deposits in the ICS or CDARS programs. The carrying amount of cash in bank at June 30, 2024 and 2023 was $35.5 million and $40.7 million, respectively, as compared with bank balances of $37.1 million and $41.5 million, respectively. The difference was primarily caused by items in transit and outstanding checks. Bank accounts and ICS/CDARS deposits are FDIC insured up to $250,000 per Federal Employer Identification Number. In addition, bank balances are collateralized with the bank through a Repurchase Agreement in the name of the State or the Corporation.

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

4. ACCOUNTS RECEIVABLE

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

	2024	2023
Student tuition and fees, net of allowances for doubtful accounts of $1,325 and $2,423	$ 9,092	$ 9,447
Grants and contracts receivable, net of allowances for doubtful accounts of $3,690 and $2,505	70,592	74,926
Due from West Virginia University Hospitals, Incorporated	4,320	2,388
Auxiliary services, net of allowances for doubtful accounts of $333 and $709	2,347	2,557
Investment earnings receivable	390	133
Other, net of allowances for doubtful accounts of $1 and $1	30,035	29,120
Due from the Foundation	1,017	911
Due from other State agencies	8,644	2,516
Total accounts receivable	$ 126,437	$ 121,998

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

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

5. NOTES RECEIVABLE

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

During fiscal year 2018, the Corporation purchased a secured convertible promissory note and a warrant to convert the promissory note to shares of common stock from Isto Visio, Inc. for $100,000. This note was paid off on June 7, 2024. This note receivable was classified as current on the statement of net position as of June 30, 2023.

Notes receivable also include amounts due from Parkersburg and BridgeValley Community and Technical College ("BridgeValley") (see note 21).

6. INVESTMENTS

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

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

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

2023 **Investment Type**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Investment Cash Accounts	$ 10,113	$ 10,113	$ -	$ -
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	-	-
Mutual Stock Funds:				
Allspring Opportunity - A	725	725	-	-
Maingate MLP Fund	3,513	3,513	-	-
MFS International Value Fund	8,611	7,741	870	-
MFS Investment Management	10,591	10,591	-	-
Eaton Vance	1,250	1,250	-	-
REMS Real Estate	1,404	1,404	-	-
Artisan International Small Cap	2,435	1,096	1,339	-
Cohen Steers Ins Rty	1,485	1,455	15	15
Invesco Oppenheimer International Growth Fund	7,552	2,228	5,324	-
Jensen Quality Growth	6,650	6,650	-	-
Fixed Income Commingled Funds:				
IR&M Core Bond Fund	9,875	99	9,776	-
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 VII LP	649	-	-	649
747 Stuyvesant VIII LP	75	-	-	75
Hedge Funds:				
Capstone Convex PF	2,594	-	2,594	-
Penso Neg Cor Alpha	2,214	598	1,616	-
Equities ETF:				
Vanguard FTSE EM MKT	4,066	2,460	1,606	-
Vanguard S&P 500 ETF	13,352	13,352	-	-
Vanguard TOT STK MKT	19,350	19,350	-	-
Commingled Equity Funds:				
Wellington EM	3,218	3,177	35	6
US Treasury Securities:				
IRM Short US Treasury Fund	38,596	-	38,596	-
Land and Other Real Estate Held As Investments	477	-	-	477
Other Investments:				
WV Growth Investment LLC	80	-	-	80
Aspinity, Inc.	74	-	-	74
CereDx	313	-	-	313
	$ 170,830	$ 85,938	$ 74,494	$ 10,398

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

	Current	Noncurrent	Total
As of June 30, 2024	$ 71,476	$ 108,169	$ 179,645
As of June 30, 2023	$ 65,923	$ 104,907	$ 170,830

Investments with the Foundation – As of June 30, 2024 and 2023, the University's investments held with the Foundation were $163.6 million and $157.3 million, respectively. Effective July 1, 2019, the University's investments with the Foundation were consolidated into one client portfolio. These investments include the unrestricted investments, the Corporation's investments, the BRIM investments, and the Research Trust Fund investments.

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

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

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

BRIM Investments – In 2006, an investment strategy was initiated between the HSC and BRIM in conjunction with the Treasurer. The goals were 1) to provide an asset pool to settle medical professional liability claims and 2) to provide an investment pool for medical professional liability premiums with the goal of self-funding premiums in the future and to support medical professional liability claims as needed. The first goal was met by transferring funds to the Treasurer's Office who invests these funds in the WV Money Market Pool. These investments are classified as cash and cash equivalents. To meet the second goal, investments are managed by the Foundation.

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

West Virginia Growth Investment, LLC – The Corporation owns four units of membership interest in West Virginia Growth Investment, LLC ("WVGI"). This investment had a fair market value of $80,000 at both June 30, 2024 and June 30, 2023. WVGI is a limited liability company formed to pool the capital resources and the business connections of accredited investors in and around the State of WV. Since the Corporation holds less than 20% of the ownership interest in WVGI, is not an officer of WVGI, cannot exercise significant influence over WVGI's operations and the fair value of the membership units cannot be readily determined, this investment was recorded using the cost basis of accounting.

Aspinity, Inc – The Corporation owns 411,706 shares of preferred stock in Aspinity, Inc. These shares had a fair market value of $49,000 and $74,000 at June 30, 2024 and June 30, 2023, respectively.

CereDx, Inc – The Corporation owns 24,184 shares of preferred stock in CereDx, Inc. These shares had a fair market value of $313,000 at both June 30, 2024 and June 30, 2023.

Other – The University also has investments - the Wood investments – from the estate of donors with restricted purposes. In addition, funds are deposited in the ICS/CDARS program to maximize investment earnings and for FDIC insurance coverage. The ICS/CDARS investments are classified as cash and cash equivalents.

Credit Risk

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

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

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

2024

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

2023

Portfolio	Description	Fair Value	Rating
Mutual Bond Funds:			
	Guggenheim TR Bond	$ 6,851	Aa3
	Muzinich Credit Opp	6,495	BBB
Investment Cash Accounts:			
	WVU Cash Con Inv	10,113	Aaa-mf
US Treasury Securities			
	IRM Short US Trwasury Funds	38,596	Aaa
Fixed Income Commingled Funds			
	IR&M Core Bond	9,875	Aa2
		$ 71,930	

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

Interest Rate Risk

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

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

2024

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

2023

		Investment Maturities			
Investment Type	Fair Value	Less Than One Year	1-5 Years	6-10 Years	More Than 10 Years
Fixed Income Commingled Fund	$ 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
	$ 61,817	$ 16,290	$ 31,953	$ 8,092	$ 5,482

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

Concentration of Credit Risk

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

At June 30, 2024 and June 30, 2023, the University’s investments were not subject to concentration of credit risk.

Custodial Credit Risk

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

No investments were subject to custodial credit risk at June 30, 2024 or 2023.

Foreign Currency Risk

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

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

Currency	2024	2023
Australian Dollar	$ 535	$ 557
Brazilian Real	316	361
British Pence	3,249	3,443
British Pound	314	128
Canadian Dollar	986	986
Chilean Peso	26	25
China Renminbi	331	285
Columbian Peso	4	4
Czech Koruna	6	7
Danish Krone	761	634
Egyptian Pound	4	4
Euro	7,658	8,209
Hong Kong Dollar	1,275	1,208
Hungarian Forint	11	9
Iceland Krona	1	4
Indian Rupee	1,565	1,049
Indonesian Rupiah	99	92
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
Saudi Arabia Riyal	200	181
Singapore Dollar	13	48
South African Cent	42	136
South African Rand	105	1
South Korean Won	194	203
Swedish Krona	710	536
Swiss Franc	917	1,588
Taiwan Dollar	1,192	779
Thai Baht	83	106
Turkish Lira	65	35
UAE Dirham	50	62
Total Investments in Foreign Currency	$ 23,898	$ 23,345
US Dollar	155,747	147,485
Total Investments	$ 179,645	$ 170,830

7. LESSOR ARRANGEMENTS

The University leases certain real estate to external parties. During the years ended June 30, 2024 and 2023, the University recognized revenues related to these lease arrangements of $1,161,000 and $1,041,000, respectively. This includes the amortization of deferred inflows and interest income. The general terms of these lease agreements are as follows:

Lease Type	Description	Rate	Lease Term	Payment Frequency	Payment Amount	Other Terms
Real Estate	Boreman RFL House	3.03%	7/1/2022 to 5/15/2035	Annually	$ 82,500	Prepaid through 2027
Real Estate	Land - Research Park	2.96%	3/4/2016 to 3/3/2056	Annually	42,500	
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	Cell Tower-Braxton Tower	3.23%	rolling 24 month notice period	Monthly	2,550	Escalating 10% each extension term
Real Estate	Cell Tower-Dadisman Hall	3.23%	rolling 24 month notice period	Monthly	2,550	Escalating 10% each extension term
Real Estate	Cell Tower-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	Cell Tower-Brooke Tower	3.23%	5/1/2023 to 4/30/2028	Monthly	2,530	Escalating 10% each renewal term
Real Estate	Cell Tower-Carter Hall/Beckley, WV	2.96%	5/1/2020 to 4/30/2025 with 5 year assumed renewal	Monthly	1,800	
Real Estate	Labortory Space at HSC	3.03%	1/1/2023 to 12/31/24	Monthly	1,652	
Real Estate	Office space - Morgantown, WV	3.03%	10/1/2022 to 9/30/2031	Monthly	750	
Real Estate	Aquaculture facility-Wardensville	2.96%	2/1/2020 to 1/31/2025	Monthly	700	
Real Estate	Land - Montgomery, WV	3.03%	3/28/2023 to 3/27/2028	Monthly	214	
Equipment	Equipment and facilities at HSC	3.23%	rolling 15 month notice period	Monthly	41,223	

There was no revenue related to variable receipts, residual value guarantees, or termination penalties not previously included in the measurement of the related lease receivable during the years ended June 30, 2024 and 2023.

8. CAPITAL AND INTANGIBLE RIGHT-TO-USE ASSETS

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

2024

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

2023	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated or amortized:				
Land	$ 85,781	$ 95	$ (1,969)	$ 83,907
Construction in progress	100,640	34,782	(108,881)	26,541
Total capital assets not being depreciated or amortized	$ 186,421	$ 34,877	$ (110,850)	$ 110,448
Other capital assets:				
Land improvements	$ 66,741	$ 576	$ -	$ 67,317
Buildings	2,032,297	100,970	(2,916)	2,130,351
Equipment	260,091	17,417	(12,019)	265,489
Library books	176,620	2,864	(153)	179,331
Software	65,600	111	(1,261)	64,450
Infrastructure	389,526	7,466	-	396,992
Other assets	247,991	39,346	-	287,337
Intangible right to use assets	54,147	14,526	(3,778)	64,895
Other intangible assets	125	-	-	125
Total other capital assets	3,293,138	183,276	(20,127)	3,456,287
Less accumulated depreciation or amortization for:				
Land improvements	(46,281)	(2,893)	-	(49,174)
Buildings	(588,379)	(40,358)	1	(628,736)
Equipment	(175,701)	(16,409)	13,090	(179,020)
Library books	(162,484)	(4,270)	99	(166,655)
Software	(63,014)	(600)	-	(63,614)
Infrastructure	(274,369)	(7,560)	(1)	(281,930)
Other assets	(180,285)	(43,085)	-	(223,370)
Intangible right to use assets	(14,836)	(13,678)	3,179	(25,335)
Other intangible assets	-	-	(3)	(3)
Total other capital and intangible right to use assets	(1,505,349)	(128,853)	16,365	(1,617,837)
Other capital assets and intangible right to use assets, net	$ 1,787,789	$ 54,423	$ (3,762)	$ 1,838,450
Capital and Intangible Right to Use Assets Summary:				
Capital assets not being depreciated or amortized	186,421	34,877	(110,850)	110,448
Other capital and intangible right to use assets	3,293,138	183,276	(20,127)	3,456,287
Total cost of capital and intangible right to use assets	3,479,559	218,153	(130,977)	3,566,735
Less accumulated depreciation and amortization	$ (1,505,349)	$ (128,853)	$ 16,365	$ (1,617,837)
Capital and intangible right to use assts, net	$ 1,974,210	$ 89,300	$ (114,612)	$ 1,948,898

The University leases buildings, equipment and software from external parties. In accordance with governmental accounting standards, the University records right-to-use assets and lease liabilities (see Note 13) based on the net present value of the expected payments over the terms of the lease agreements. The future lease payments are discounted using the interest rate charged by the lessor or the interest rate implicit in the lease. If the interest rate could not be readily determined, the estimated incremental borrowing rate was used. Variable payments are excluded unless they are fixed in substance. These assets are amortized over the shorter of the lease term or the estimated useful life of the underlying asset.

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

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

2024

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

2023

	Beginning Balance	Additions	Reductions	Ending Balance
Leased assets:	$ 29,286	$ 804	$ (743)	$ 29,347
Buildings	1,036	53	-	1,089
Equipment	67	-	-	67
Software	$ 30,389	$ 857	$ (743)	$ 30,503
Total leased assets				
Less accumulated amortization for:				
Buildings	$ (6,001)	$ (3,248)	$ 518	$ (8,731)
Equipment	(407)	(365)	-	(772)
Software	(24)	(22)	-	(46)
Total accumulated amortization	$ (6,432)	$ (3,635)	$ 518	$ (9,549)
Leased assets, net	$ 23,957	$ (2,778)	$ (225)	$ 20,954
Subscription assets:				
Software	23,758	13,669	(3,035)	34,392
Total subscription assets	$ 23,758	$ 13,669	$ (3,035)	$ 34,392
Less accumulated amortization for:				
Subscriptions	(8,404)	(10,043)	2,661	(15,786)
Total accumulated amortization	$ (8,404)	$ (10,043)	$ 2,661	$ (15,786)
Subscription assets, net	$ 15,354	$ 3,626	$ (374)	$ 18,606
Intangible Right to Use Assets Summary:				
Leased assets	$ 30,389	$ 857	$ (743)	$ 30,503
Subscription assets	23,758	13,669	(3,035)	34,392
Total cost od intangible right to use assets	$ 54,147	$ 14,526	$ (3,778)	$ 64,895
Less accumulated amortization:				
Leased assets	$ (6,432)	$ (3,635)	$ 518	$ (9,549)
Subscription assets	(8,404)	(10,043)	2,661	(15,786)
Total accumulated amortization	$ (14,836)	$ (13,678)	$ 3,179	$ (25,335)
	$ 39,311	$ 848	$ (599)	$ 39,560

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

9. LONG-TERM LIABILITIES

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

2024	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Real estate purchase agreements payable	$ 10,582	$ 381	$ (324)	$ 10,639	$ 585
Advances from federal government	12,029	-	(1,332)	10,697	-
Debt service assessment payable to the Commission	26,671	-	(4,538)	22,133	4,596
Leases payable	80,646	1,479	(4,656)	77,469	2,670
Subscription liabilities	15,943	10,896	(10,397)	16,442	7,591
Bonds payable	804,095	-	(24,631)	779,464	31,395
Notes payable	61,785	-	(1,928)	59,857	2,713
Other noncurrent liabilities	35,264	13,895	(8,095)	41,064	-
Total long-term liabilities	$ 1,047,015	$ 26,651	$ (55,901)	$ 1,017,765	$ 49,550

2023	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Real estate purchase agreement payable	$ 10,895	$ -	$ (313)	$ 10,582	$ 295
Advances from federal government	14,284	-	(2,255)	12,029	-
Debt service assessment payable to the Commission	31,168	-	(4,497)	26,671	4,538
Leases payable	84,112	411	(3,877)	80,646	3,181
Subscription liabilities	13,807	13,648	(11,512)	15,943	7,880
Bonds payable	772,089	56,500	(24,494)	804,095	24,496
Notes payable	64,448	-	(2,663)	61,785	2,260
Other noncurrent liabilities	34,168	7,513	(6,417)	35,264	-
Total long-term liabilities	$ 1,024,971	$ 78,072	$ (56,028)	$ 1,047,015	$ 42,650

10. OTHER POST EMPLOYMENT BENEFITS

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

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

	2024	2023
Net OPEB (Asset) Liability	$ (10,002)	$ 7,321
Deferred Outflows of Resources	4,706	13,581
Deferred Inflows of Resources	15,194	32,550
Revenues	(7,220)	(8,072)
OPEB Expense	(31,629)	(37,610)
Contributions made by the University	1,395	6,339

Plan Description

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

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

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

Benefits Provided

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

Contributions

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

Basis of Allocation

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

Assumptions

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

- Actuarial cost method: Entry age normal cost method.

- Amortization method: Level percentage of payroll over 20 years.

- Investment rate of return: 7.40%, net of OPEB plan investment expense, including inflation.

- Projected salary increases: dependent on pension system ranging from 2.75% to 5.18%, including inflation.

- Healthcare cost trend rates: Trend rate for pre-Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively, The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032.

- Inflation rate: 2.50%.

- Discount rate: 7.40%

- Mortality rates: based on Pub-2010.

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which 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.

2024

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

2023

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	55.0%	4.8%
Core Plus Fixed Income	15.0%	2.1%
Hedge Fund	10.0%	2.4%
Private Equity	10.0%	6.8%
Core Real Estate	10.0%	4.1%

Discount rate. The discount rate used to measure the OPEB (asset) liability was 7.40%. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with prefunding and investment policies. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB (asset) liability.

Sensitivity of the net OPEB (asset) liability to changes in the discount rate. The University's proportionate share of the net OPEB asset as of June 30, 2024 calculated using the discount rate of 7.40%, as well as what the University's net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.40%) or one percentage point higher (8.40%) than the current rate, and the University's proportionate share of the TRS net OPEB liability as of June 30, 2022 calculated using the discount rate of 6.65%, as well as what the University's OPEB liability would be if it were calculated using a discount rate that is one percentage lower (5.65%) or one percentage higher (7.65%) than the current rate are as follows (dollars in thousands):

2024

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

2023

	1% Decrease (5.65%)	Current Discount Rate (6.65%)	1% Increase (7.65%)
Net OPEB liability	$ 18,817	$ 7,321	$ (2,542)

Sensitivity of the net OPEB (asset) liability to changes in healthcare cost trend rates. The following presents the University's proportionate share of the net OPEB (asset) liability as of June 30, 2024 and June 30, 2023 calculated using the current healthcare cost trend rates, as well as what the University's net OPEB (asset) liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates (dollars in thousands):

2024

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

2023

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB (asset) liability	$ (4,162)	$ 7,321	$ 20,908

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

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

The net OPEB liability at June 30, 2023 measured as of June 30, 2021 rolled forward to June 30, 2022, which is the measurement date. The total OPEB liability at June 30, 2023 was determined by an actuarial valuation as of June 30, 2021 and rolled forward to the measurement date.

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

At June 30, 2023, the amount recognized as the University's proportionate share of the net OPEB liability was approximately $7,321,000. At June 30, 2023, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB liability is $2,508,000 and the total net liability attributable to the University is $9,829,000.

The allocation percentage assigned to each contributing employer is based on the employer's proportionate share of employer contributions to the RHBT for the fiscal years ended June 30, 2023 and June 30, 2022. Employer contributions are recognized when billed. At June 30, 2023, the University's proportion was 6.320220905%, a decrease of .257471444% from its proportion of 6.577692349% calculated as of June 30, 2022. At June 30, 2022, the University's proportion was 6.577692349%, a decrease of .4283957743% from its proportion of 7.006088092% calculated as of June 30, 2021.

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

For the year ended June 30, 2023, the University recognized OPEB expense of ($37,610,000). Of this amount, ($29,538,000) was recognized as the University's proportionate share of the OPEB expense, and ($8,072,000) as the amount of OPEB expense attributed to special funding. The University also recognized revenue of ($8,072,000) for support provided by the State.

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

2024

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

2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ 1,411	$ 4,565
Net difference between projected and actual investment earnings	-	9,339
Difference between expected and actual experience	1,136	-
Changes in assumptions	4,695	18,602
Opt-out proportionate share	-	44
Contributions after the measurement date	6,339	-
	$ 13,581	$ 32,550

The University will recognize the $1,395,000 and $6,339,000 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB (asset) liability in the years ended June 30, 2025 and 2024, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (dollars in thousands):

Fiscal Year Ended	Amortization	
June 30, 2025	$	(6,309)
June 30, 2026		(5,516)
June 30, 2027		341
June 30, 2028		(399)
	$	(11,883)

11. DEFINED BENEFIT PENSION PLAN

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

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

	2024		2023	
Net Pension Liability	$	1,564	$	2,158
Deferred Outflows of Resources		361		569
Deferred Inflows of Resources		1,324		2,005
Revenues		406		356
Pension Credit		(452)		(856)
Contributions Made by the University		210		270

TRS

Plan Description

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

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

Benefits Provided

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

Contributions

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

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

Employer Contributions - Employers make the following contributions:

The State (including institutions of higher education) contributes:

1. 15% of gross salary of their State-employed members hired prior to July 1, 1991;

2. 15% of School Aid Formula (SAF) covered payroll of county-employed members;

3. 7.5% of School Aid Formula (SAF)-covered payroll of members of the Teachers' Defined Contribution Retirement System (TDCRS);

4. a certain percentage of fire insurance premiums paid by State residents; 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 both June 30, 2023 and 2022, the University's proportionate share attributable to this special funding subsidy was $0.

The University's contributions to TRS for the years ended June 30, 2024, 2023, and 2022, were approximately $210,000, $270,000, and $358,000, respectively.

Assumptions

For the year ended June 30, 2023, the total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2022 and rolled forward to June 30, 2023. For the year ended June 30, 2022, total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2021 and rolled forward to June 30, 2022. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return of 7.25%, net of pension plan administrative and investment expenses.
- Projected salary increases: Teachers 2.75–5.90% and non-teachers 2.75–6.50%, based on age.
- Inflation rate of 2.75%.
- Discount rate of 7.25%
- Mortality rates based on Pub-2010 General Employees Table
- Withdrawal rates: Teachers 7.00%-35.00% and non-teachers 2.30%-18.00%.
- Disability rates: 0.004%-0.563%
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15%-100%
- Ad hoc cost-of-living increases in pensions are periodically granted by the Legislature. However, the retirement system makes no automatic provision for such increases.

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

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

2024

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

2023

Asset Class	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%

Discount rate. The discount rate used to measure the total TRS pension liability at both June 30, 2024 and June 30, 2023 was 7.25%. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, TRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on TRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the University's proportionate share of the TRS net pension liability as of June 30, 2024 and June 30, 2023 calculated using the discount rate of 7.25%, as well as what the University's TRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate (dollars in thousands):

2024

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

2023

	1% Decrease (6.25%)		Current Discount Rate (7.25%)		1% Increase (8.25%)	
Net pension liability	$	3,174	$	2,158	$	1,295

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

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

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

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

At June 30, 2023, the University's proportionate share of the TRS net pension liability was $5,828,000. Of this amount, the University recognized approximately $2,158,000 as its proportionate share on the statement of net position. The remainder of $3,670,000 denotes the University's proportionate share of net pension liability attributable to the special funding.

At June 30, 2024, the amount recognized as the University's proportionate share of the TRS net pension liability was approximately $1,564,000. TRS measured the net pension liability as of June 30, 2023.

At June 30, 2023, the amount recognized as the University's proportionate share of the TRS net pension liability was approximately $2,158,000. TRS measured the net pension liability as of June 30, 2022.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on their proportionate share of employer and non-employer contributions to TRS for each of the fiscal years ended June 30, 2023 and 2022. Employer contributions are recognized when due. At June 30, 2023, the University's proportion was .068312%, a decrease of .015577% from its proportion of .083889% calculated as of June 30, 2022. At June 30, 2022, the University's proportion was .083889%, a decrease of .024281% from its proportion of 0.108170% calculated as of June 30, 2021.

For the year ended June 30, 2024, the University recognized a TRS pension credit of $(452,000). Of this amount, $(858,000) was recognized as the University's proportionate share of the TRS expense and $378,000 as the amount of pension expense attributable to special funding and $28,000 as the pension expense related to a non-special funding from a non-employer contributing entity. The University also recognized revenue of $406,000 for support provided by the State.

For the year ended June 30, 2023, the University recognized a TRS pension credit of ($856,000). Of this amount, ($1,212,000) was recognized as the University's proportionate share of the TRS expense and $304,000 as the amount of pension expense attributable to special funding and $52,000 as the pension expense related to a non-special funding from a non-employer contributing entity. The University also recognized revenue of $356,000 for support provided by the State.

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

2024

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

2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	$ -	$ 1,988
Net difference between projected and actual investment earnings	87	-
Difference between expected and actual experience	90	17
Contributions after the measurement date	270	-
Changes in assumptions	122	-
	$ 569	$ 2,005

The University will recognize the $210,000 and $270,000 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the TRS net pension liability in the years ended June 30, 2025 and 2024, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in TRS pension expense as follows:

Fiscal Year Ended	Amortization	
June 30, 2025	$	(588)
June 30, 2026		(540)
June 30, 2027		104
June 30, 2028		(146)
June 30, 2029		(3)
	$	(1,173)

Payables to the Pension Plan

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

12. BONDS PAYABLE

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

	Original Interest Rate	Annual Principal Installment Due	2024 Principal Amount Outstanding	2023 Principal Amount Outstanding
Revenue Improvement Bonds, 2011 Series A, due through 2026	3.87%	$ 35 to $ 62	$ 5,749	$ 6,424
Revenue Bonds (Taxable), 2012 Series A, due through 2042	4.50%	$ 147 to $ 394	9,977	10,330
Revenue Bonds (Taxable), 2012 Series B, due through 2032	variable rate	$ 0 to $ 284	2,378	2,581
Revenue Refunding and Improvement Bonds (Taxable), 2013 Series B, due through 2043	3.63%	$ 995 to $ 890	11,420	15,630
Improvement Revenue Bonds (Taxable), 2014 Series B, due through 2043	4.50%	$ 10,075 to $ 24,105	79,050	79,050
Improvement Revenue Bonds, 2016 Series A, due through 2046,	5.63%	$ 0 to $ 678	14,859	15,536
Revenue Bonds, 2019 Series A, due through 2050	3.11%	$ 0 to $ 5,095	81,370	82,935
Revenue Bonds, 2019 Series B, due through 2042	1.89%	$ 0 to $ 8,345	39,125	39,125
Revenue Bonds, 2020 Series A, due through 2045	2.46%	$ 0 to $ 30,565	356,860	367,430
Revenue Bonds, 2020 Series B, due through 2036	2.20%	$ 595 to $ 163	9,620	10,378
Revenue Bonds, 2021 Series A, due through 2045	3.11%	$ 0 to $ 7,430	25,670	25,670
Revenue Bonds, 2021 Series B, due through 2042	3.06%	$ 0 to $ 7,125	45,005	45,005
Revenue Bonds, 2022 Series A, due through 2036	2.60%	$ 575 to $ 1,630	18,255	19,425
Revenue Bonds, 2023 Series A, due through 2038	4.95%	$ 43 to $ 445	54,057	56,500
Unamortized Bond Premium			26,069	28,076
Net Bonds Payable			$779,464	$804,095
Current Portion			31,395	24,496
Noncurrent Portion			$748,069	$779,599

Bond Indenture, Pledged Revenues and Board Authorization

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

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

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

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

2011 Bonds

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

2011 Series A In August 2011, the Board issued the 2011 Series A Improvement Revenue bonds to finance the acquisition of a multi-story apartment complex known as "The Augusta on the Square" and other lots, buildings, houses and structures which were subject to liens thereupon. The 2011 Series A bonds were issued on August 16, 2011 in the amount of $12,710,197.

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

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

2012 Bonds

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

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

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

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

2013 Bonds

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

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

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

2014 Bonds

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

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

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

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

2016 Bonds

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

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

2019 Bonds

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

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

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

2020 Bonds

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

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

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

2021 Bonds

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

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

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

2022 Bonds

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

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

2023 Bonds

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

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

Bond Summary

For the years ended June 30, 2024 and June 30, 2023, the University recorded a deferred loss on refunding of $12,458,000 and $13,141,000, respectively, on the statement of net position.

Total principal and interest payments remaining to be paid at June 30, 2024 and 2023 were $1.069 million and $1.118 million, respectively. Total gross pledged revenue for fiscal year 2024 and 2023 was $152.6 million and $149.8 million, respectively.

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

Fiscal Year Ending June 30,	Principal	Interest	Total Payments
2025	$ 29,388	$ 24,695	$ 54,083
2026	30,233	24,086	54,319
2027	33,644	23,226	56,870
2028	30,051	22,447	52,498
2029	30,823	21,653	52,476
2030-2034	162,822	95,007	257,829
2035-2039	178,866	68,137	247,003
2040-2044	190,807	32,170	222,977
2045-2049	61,666	4,490	66,156
2050	5,095	127	5,222
Bonds Payable	753,395	$ 316,038	$ 1,069,433
Unamortized Bond Premium	26,069		
Net Bonds Payable	779,464		
Current Portion	31,395		
Noncurrent Portion	$ 748,069		

13. LESSEE ARRANGEMENTS

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

Lease Type	Description	Lessee	Related Party Lessor	Rate	Lease Term	Payment Frequency	Payment Amount
Real Estate	One Waterfront Place	WVU	WVU Foundation	2.96%	5/18/2001 - 5/31/2031	Monthly	$ 164,583
Real Estate	Riddle Court	WVU		3.03%	12/31/2020 - 12/31/2024	Monthly	2,450
Equipment	Postage and Mail	WVU		20.44%	9/1/2018 - 8/30/2023	Quarterly	1,237
Equipment	Postage and Mail	WVU		20.44%	1/1/2020 - 12/31/2024	Quarterly	3,688
Equipment	Postage and Mail	WVU		20.44%	1/1/2020 - 12/31/2024	Quarterly	1,940
Real Estate	Evansdale Crossing	WVU	WVU Connector	2.96%	7/1/2020 - 11/30/2055	Monthly	185,453
Equipment	Library	WVU		2.96%	3/1/2020 - 2/28/2025	Annually	35,073
Real Estate	HSC Fresh Kitchen	WVU	HSC Fresh	4.18%	9/1/2019 - 8/31/2036	Monthly	31,445
Real Estate	University Park Grab n Go	WVU	University Park at Evansdale	2.96%	8/1/2015 - 12/31/2054	Monthly	3,817
Equipment	Postage and Mail	WVU		3.05%	5/10/2021-5/9/2026	Quarterly	637
Real Estate	Ridgeview Business Park	WVU		3.03%	7/1/2020-6/30/2024; 2 year renewal option not exercised	Monthly	1,915
Equipment	Postage and Mail	WVU		3.03%	10/1/2022 - 10/1/2027	Quarterly	814
Real Estate	Putnam County Extension	WVU		3.23%	7/1/2023 -6/30/2028	Monthly	2,382
Equipment	Postage and Mail	WVU		3.23%	9/1/2023 - 9/30/2027	Quarterly	2,165
Real Estate	CED Building on Hartman Run Road	WVU		3.05%	8/1/2016 - 7/31/2026	Monthly	33,370
Real Estate	Office Space in Charleston, WV	WVU		3.03%	1/1/2020 - 12/31/2024	Monthly	2,916
Equipment	Microscope	WVU		3.05%	6/1/2021 - 5/31/2024	Monthly	21,322
Software	Microscope Software	WVU		3.05%	6/1/2021 - 5/31/2024	Monthly	1,948
Equipment	Postage and Mail	WVU		2.96%	12/30/2019 - 12/29/2024	Quarterly	2,373
Equipment	Postage and Mail	WVU		3.05%	3/1/2021 - 2/29/2024	Quarterly	533
Equipment	Postage and Mail	WVU		3.23%	3/1/2024 - 2/27/2027	Quarterly	572
Equipment	Postage and Mail	WVU		20.44%	8/1/2019 - 7/30/2024	Quarterly	1,014
Real Estate	Building on Canyon Road	WVURC		3.05%	9/16/2017 - 3/28/2026; renewal through 3/28/2031	Monthly	10,827
Real Estate	Office Space in Washington, DC	WVURC		3.03%	11/17/2017 - 12/31/2026	Monthly	2,660
Real Estate	Office Space on Dents Run Road	WVURC		3.05%	8/1/2019 - 3/31/2025	Monthly	6,348
Real Estate	Equities House in Charleston, WV	WVURC		2.96%	3/1/2019 - 6/30/2024; renewed 7/1/2024-6/30/2029	Monthly	31,212
Equipment	Scientific Equipment	WVURC		3.05%	9/30/2021 - 9/29/2023	Monthly	2,791
Real Estate	Office Space in Martinsburg, WV	WVURC		3.03%	9/1/2022 - 8/31/2024 (auto annual renewals after)	Monthly	1,770
Real Estate	Office Space in Morgantown, WV	WVURC		3.23%	7/1/2023 - 6/30/2028	Monthly	6,095
Real Estate	Office Space in Martinsburg, WV	WVURC		3.03%	1/1/2023 - 8/31/2024 (auto annual renewals after)	Monthly	1,770
Real Estate	Office Space in Lewisburg, WV	WVURC		3.05%	10/1/2021-9/30/2023; 10/1/2023 - 9/30/2025	Monthly	4,378

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

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

Fiscal Year Ending June 30,	Principal	Interest
2025	$ 2,670	$ 2,311
2026	3,129	2,213
2027	2,823	2,120
2028	2,844	2,034
2029	2,817	1,946
2030-2034	8,618	8,654
2035-2039	4,435	7,739
2040-2044	4,237	7,119
2045-2049	4,912	6,444
2050-2054	5,694	5,662
2055-2059	6,381	4,769
2060-2064	7,372	3,755
2065-2069	8,546	2,581
2070-2074	9,907	1,220
2075-2076	3,084	69
Lease Payable	$ 77,469	$ 58,636
Current Portion	2,670	
Noncurrent Portion	$ 74,799	

There were no variable lease payments, residual value guarantees, or termination penalties not previously included in the measurement of the related lease liabilities during the years ended June 30, 2024 and 2023. The monthly payments on the University Grab-n-Go lease are adjusted according to the Consumer Price Index (CPI-U Urban Consumers South Region All Items) every five years; such adjustments cannot exceed 3% per year unless mutually agreed upon by both parties.

See Note 8 for balances and changes in intangible right-to-use assets, including leased assets, at June 30, 2024 and 2023.

14. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The University has entered into various subscription-based information technology arrangements with external vendors. The subscription term of these contracts vary and range from July 1, 2021 through June 30, 2029. Most payments are annual. Payment amounts range from $1,313 to $864,883. If the interest rate was not readily determinable, the University's incremental borrowing rate was used.

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

Fiscal Year Ending June 30,	Principal	Interest
2025	$ 7,591	$ 435
2026	4,320	281
2027	3,230	143
2028	834	42
2029	467	15
Subscription Liabilities	$ 16,442	$ 916
Current Portion	7,591	
Noncurrent Portion	$ 8,851	

There were no variable payments or termination penalties not previously included in the measurement of the related subscription liabilities during the years ended June 30, 2024 and 2023.

See Note 8 for balances and changes in intangible right-to-use assets, including subscription assets, at June 30, 2024 and 2023.

15. PUBLIC PRIVATE PARTNERSHIPS

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

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

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

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

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

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

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

   The parking facilities sublease agreement stipulates that the University will remit 100% of net revenues received from the operation of the parking facilities to DCPA as lease payments, not to exceed DCPA's scheduled principal and interest on the parking facilities financing for the current year plus its net operating margin (deficit) from the parking facilities project. If the University's net revenues from the operation of the parking facilities are insufficient to meet DCPA's debt-service and operating needs, the University will make additional lease payments in the amount of the shortfall, which will be owed back to the University from housing revenues of WVCH. Accordingly, the University recorded lease payments of $367,000 and $369,000 and additional lease payments of $655,000 and $652,000 to DCPA as of June 30, 2024 and 2023, respectively.

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

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

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

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

16. NOTES PAYABLE

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

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

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

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

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

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

Total principal to be paid at June 30, 2024 and June 30, 2023 was approximately $14.1 million and $14.8 million, respectively. Total interest paid through June 30, 2024 and June 30, 2023 was approximately $6,376,000 and $5,559,000, respectively. Total facilities and administrative revenues earned by HSC during fiscal year 2024 and 2023 were $23.0 million and $19.1 million, respectively. Total pledged revenue as of June 30, 2024 and June 30, 2023 was $16.1 million and $13.4 million, respectively.

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

On December 15, 2016, the Corporation closed on a note with United Bank for $36,090,000. The proceeds of the loan were used to pay the 90 day note in full and to reimburse the University for the purchase of the Beckley campus as well as for capital improvements to the campus. Additionally, the proceeds include capital interest of $3,000,000 as the loan will have a capitalized interest period of three years. The amortization term was 30 years. The interest rate is set for 5-year increments beginning with a rate of 3.11% fixed for the first five years and a spread to the 5-year constant U.S. Treasury Maturity rate thereafter. The spread is based on the University's rating with Moody's.

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

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

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

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

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

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

Fiscal Year Ending June 30,	Principal	Interest
2025	$ 2,713	$ 2,598
2026	2,431	2,614
2027	2,125	2,511
2028	1,805	2,422
2029	1,897	2,331
2030-2034	10,771	10,146
2035-2039	9,242	7,447
2040-2044	5,634	5,831
2045-2049	7,035	4,430
2050-2054	8,785	2,680
2055-2058	7,419	606
	59,857	43,616
Current Portion	2,713	
Noncurrent Portion	$ 57,144	

Financed purchases –The University has entered into certain contracts that transfer ownership of the underlying asset to the University by the end of the contract term and do not contain termination options. As of June 30, 2024, these contracts include agreements with Siemens Building Technologies, Inc. for Phases I and III of the Energy Performance contracts which were financed by lease purchase agreements with Suntrust Leasing Corporation ("Suntrust") and a lease purchase agreement with Dell Financial Services, LLC. A lease purchase agreement with Key Government Finance, Inc, was paid off during fiscal year 2024.

17. REAL ESTATE PURCHASE AGREEMENTS PAYABLE

Square at Falling Run/Loop Agreement - During fiscal year 2013, the University purchased several properties located at the Square at Falling Run/Loop. This purchase included a real estate purchase agreement payable to the City of Morgantown Building Commission in the amount of $4.2 million due in 2026 less the following credits: 1) all B&O taxes paid to the City of Morgantown prior to August 31, 2026 for construction expenditures on the Loop project in excess of $30 million, 2) all B&O taxes paid to the City of Morgantown prior to August 31, 2026 for construction expenses on the College Park project, and 3) all B&O taxes paid to the City of Morgantown prior to August 31, 2026 arising from and directly associated with any construction, retail, commercial, rental, and other development activities located in, or with respect to the completion of, the commercial space in the Square at Falling Run, College Park, and Sunnyside, 4) all Airport Grant Funds received or obtained prior to August 31, 2026 as a result of Transferee's direct solicitation efforts, or indirectly as a result of specifically identifiable efforts, contracts, or commitments. The above credits have reduced the liability to $0 at both June 30, 2024 and June 30, 2023. Also, the purchase included a Tax Increment Financing (TIF) District Guaranty to First United Bank & Trust for $120,000 annually through September 1, 2032. This has been recorded at a present value of $1,484,607 at the following interest rates: 2.5% through June 2014, 3.5% from June 2014 through June 2017, and 5.69% from June 2017 through June 2033.

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

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

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

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

Fiscal Year Ending June 30,	Principal	Interest
2025	$ 654	$ 616
2026	799	648
2027	856	592
2028	915	533
2029	981	467
2030-2034	6,046	1,144
2035	238	2
Real Estate Purchase Agreements Payable	10,489	4,002
Current Portion	654	
Noncurrent Portion	$ 9,835	

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

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

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

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

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

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

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

Fiscal Year Ending June 30,	Principal	Interest
2025	$ 4,596	$ 6,021
2026	4,671	5,946
2027	4,756	5,861
2028	4,854	5,761
2029	1,153	5,647
2030-2031	2,103	11,497
Debt Service Assessment Payable to the Commission	$ 22,133	$ 40,733
Current Portion	4,596	
Noncurrent Position	$ 17,537	

19. DEFINED CONTRIBUTION PENSION PLANS

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

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

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

Fiscal Year Ending June 30,	WVU	Employees	Total
2024	$ 33,217	$ 33,217	$ 66,434
2023	31,700	31,700	63,400
2022	30,900	30,900	61,800

The University's total payroll for fiscal years 2024, 2023, and 2022 was $594.2 million, $605.1 million, and $565.1 million, respectively; total covered employees' salaries in TIAA-CREF were approximately $558.8 million in fiscal year 2024, $528.2 million in fiscal year 2023, and $519.6 million in fiscal year 2022, respectively.

20. COMMITMENTS

a. *Purchase Commitment* – The University has signed an agreement providing for the purchase of steam through the year 2027 from a nearby facility that commenced operations in late 1992. Under the agreement, the University has an annual minimum steam purchase requirement, purchased at an operating rate calculated in accordance with the agreement. This operating rate is adjusted monthly based on actual production costs and other cost indices. Management believes that the rate is comparable to market rates. At June 30, 2024, the University was committed to an additional purchase of $658,000 to meet the minimum steam purchase requirement for the contract year ended September 30, 2024. The University anticipates substantially meeting the minimum steam purchase requirement for the remaining term of its commitment; however, payments in future years will be dependent on actual operating costs and other cost indices in those years.

b. *Construction Commitments* – The University has entered into contracts for the construction and improvement of various facilities. These outstanding contractual commitments totaled approximately $2.8 million at June 30, 2024.

c. *Other Commitments* – The University is involved in legal action regarding normal business activities. Management does not feel that these actions are material and pose a financial threat to the University and, accordingly, no liability is accrued at June 30, 2024 and 2023.

21. AFFILIATED ORGANIZATIONS

The University has affiliations with separately incorporated organizations including West Virginia United Health System, Inc. ("WVUHS"), which includes West Virginia University Hospitals, Incorporated and West Virginia University Innovation Corporation ("WVUIC"); West Virginia University Alumni Association, Incorporated (the "Association"); West Virginia University Medical Corporation; the Physician's Office of Charleston; University Healthcare Physicians, Inc.; the West Virginia University Dental Corporation; Potomac State College Alumni Association; WV Campus Housing, LLC; American Campus Communities Operating Partnership, LLP ("ACC"), University Park at Evansdale, LLC; Downtown Campus Parking Associates; WVU Connector, LLC, and HSC Fresh Kitchen, LLC. Oversight responsibility for these entities rests with independent Boards and management not otherwise affiliated with the University. These organizations do not meet the criteria for determination as component units of the University as described in GASB standards. Accordingly, the financial statements of all such organizations are not included in the accompanying financial statements.

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

Related Party Transactions

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

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

   Total funds disbursed to the Morgantown practice plan and total funds collected from the Morgantown practice plan totaled $5.8 million and $68.9 million in fiscal year 2024 and $3.2 million and $61.5 million in fiscal year 2023, respectively. Accounts receivable at June 30, 2024 and 2023 includes $7.6 million and $3.8 million, respectively, due from the Morgantown practice plan for such items as mission support, reimbursement for medical malpractice insurance, facility rental fees, utility cost reimbursement, and faculty teaching support. There were no amounts due to the Morgantown practice plan at June 30, 2024 or 2023.

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

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

Total funds collected from the Charleston practice plan totaled $8.5 million in fiscal year 2024 and $9.3 million in fiscal year 2023, respectively. Accounts receivable at June 30, 2024 and 2023 includes $.6 million and $.3 million, respectively, for such items as medical malpractice insurance and salary support. There were no amounts due to the Charleston practice plan at June 30, 2024 or 2023. There were no funds disbursed to the Charleston practice plan in fiscal year 2024 or 2023.

c. *University Healthcare Physicians, Inc.* – University Healthcare Physicians, Inc. (the "Eastern practice plan") is a West Virginia not-for-profit corporation and serves as the faculty practice plan of WVUSOM in Martinsburg, WV. The membership of the Eastern practice plan consists of physicians who are faculty members of the WVUSOM. The Eastern practice plan coordinates its activities with these schools by operating outpatient clinics staffed by such faculty, billing and collecting for professional medical services furnished by the plan's membership, appropriately distributing receipts generated by billings, providing educationally oriented clinical practice settings and opportunities, and providing other practice management services. On January 1, 2023, the Eastern practice plan merged into the Morgantown practice plan.

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

   Total funds collected from the Eastern practice plan totaled $5.0 million in fiscal year 2023. Accounts receivable at June 30, 2023 included $.3 million for such items as medical malpractice insurance and salary support. There were no amounts due to the Eastern practice plan at June 30, 2023. There were no funds disbursed to the Eastern practice plan in fiscal year 2023.

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

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

Total funds collected from the dental practice plan totaled $2.5 million in fiscal year 2024 and $1.9 million in fiscal year 2023, respectively. Accounts receivable at June 30, 2024 and 2023 includes $.2 million and $.7 million, respectively, for such items as medical malpractice insurance, facility rental fees, clinic supplies and student expenses. There were no amounts due to the dental practice plan at June 30, 2024 or 2023. There were no funds disbursed to the dental practice plan in fiscal year 2024 or 2023.

e. *West Virginia University Hospitals, Incorporated* – The Hospital is a not-for-profit corporation, established in West Virginia, to facilitate clinical education and research of the HSC. The Hospital's tertiary care teaching facility, Ruby Memorial, serves as the primary teaching hospital for the faculty and residents of the HSC and operates graduate medical education programs. The Hospital has entered into a Resident Support agreement with the University, under which the Hospital reimburses the WVUSOM for resident salaries and fringes support and for the cost of malpractice insurance for the residents. The Hospital also compensates the WVUSOM for a range of services via the Clinical Teaching Support agreement, Medical Direction and Support agreement, Mission Support agreement and Faculty Physician Support agreement. During fiscal year 2004, the Legislature reallocated HSC state appropriations to the Medicaid program in Health and Human Services. The HSC currently receives some state appropriations through the Medicaid program from the Hospital. The University leases certain land and building space on the Health Science Center campus to the Hospital on a short-term basis or for a nominal amount.

   During fiscal years 2024 and 2023, $53.6 million and $50.6 million, respectively, was received from WVUH for such items as residents' support, reimbursement for medical malpractice insurance for the residents, reimbursement of salaries and fringe benefits for hospital employees paid by the University, reimbursement for electricity and steam costs, and rent. Accounts receivable at June 30, 2024 and 2023 include $2.1 million and $2.1 million, respectively, due from WVUH for such items. During fiscal years 2024 and 2023, $.5 million and $.1 million, respectively, was paid to WVUH for rent and other services. Accounts payable at June 30, 2024 and 2023 were $0 and $4,000, respectively, for such items.

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

During fiscal year 2024, the Corporation paid $432,000 to WVUIC for its allocated share of WVUIC's operating margin from April 1, 2023 through June 30, 2023. During fiscal year 2023, the Corporation paid $1,148,000 to WVUIC for its allocated share of WVUIC's operating margin from April 1, 2022 through March 31, 2023. Effective July 1, 2023, WVUHS began covering 100%.

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

On November 4, 2021, the University and the Association entered into a master administrative agreement. Under this agreement, as of January 3, 2022, the University will supervise, direct, control and manage the operations of the Association, including alumni relations strategy, in collaboration and consultation with the Association. The Association will continue to manage alumni data, fundraising for the Association, and communications related to alumni development efforts and will retain ownership of the Erickson Alumni Center ("the Center"). Association staff officially became employees of the University on or before January 3, 2022 and, under this agreement, the University will provide the Association with the following services at no cost: information technology services; financial, accounting, and risk management services; communication and marketing services; legal services; business services including mail, facilities management, construction and maintenance management, and procurement; human resources support; support for the development of corporate sponsorships; government relations services; and other general administrative services.

The Association was billed $1,172,000 and $1,180,000 for contracted services provided by the University during fiscal year 2024 and 2023, respectively; $765,000 and $756,000 was forgiven for fiscal years 2024 and 2023, respectively. The Association owed the University $408,000 and $424,000 at June 30, 2024 and 2023, respectively, for contracted services.

The Alumni Center provided University departments with meeting rooms and catered events throughout the year. Catering and rental revenue received from the University was approximately $659,000 and $856,000 for the years ended June 30, 2024 and 2023, respectively.

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

h. *West Virginia University at Parkersburg and BridgeValley Community and Technical College*

Energy Performance Contract — In 2008, the University entered into an agreement with Siemens Building Technologies, Inc. to perform Phase II of the Energy Performance contract. The contract was to install certain energy enhancement equipment in buildings on the University's campuses, including Parkersburg and WVUIT. The cost of the contract was financed with a lease purchase agreement between the University and Suntrust Leasing Corporation ("Suntrust"), now Truist.

Beginning in fiscal year 2009, when Parkersburg and BridgeValley became separate entities from the University, the Parkersburg and BridgeValley portions of the Energy Performance Phase II lease purchase were reported on Parkersburg's and BridgeValley's statements of net position as a lease payable.

During fiscal year 2012, the University issued the 2011 Series B and C bonds which in part paid off the Energy Performance Phase II lease purchase with Suntrust. After the bonds were issued, an agreement was entered into between the University and Parkersburg and BridgeValley wherein Parkersburg and BridgeValley agreed to continue to pay the University based on their portion of the original amortization schedule for the lease purchase with Suntrust. This source of funds is internally assigned by the University to pay on their bonds.

The original amount of the notes related to Parkersburg and BridgeValley was $3,316,991 and $211,691, respectively, with an interest rate of 3.98%. The term of the notes were 16 years with the last payment due in January 2024. The new agreements between the University and Parkersburg and BridgeValley used the same terms. The outstanding notes receivable due from Parkersburg and BridgeValley at June 30, 2024 was $0 and $0, respectively. The outstanding notes receivable due from Parkersburg and BridgeValley at June 30, 2023 was $251,024 and $16,020, respectively. Interest earned during fiscal year 2024 for the notes related to Parkersburg and BridgeValley was $5,029 and $321, respectively. Interest earned during fiscal year 2023 for the notes related to Parkersburg and BridgeValley was $18,132 and $1,157, respectively. This interest is recorded as investment income on the statement of revenues, expenses, and changes in net position.

i. *Public Private Partnerships* — The University has entered into various public private partnerships for the development of residential and retail facilities. See Note 15 for additional information.

j. *American Campus Communities Operating Partnership, LLP* — In fiscal year 2014, the University entered into an agreement with ACC to finance, design, construct, furnish, equip, and operate a student housing facility. 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 is required to be returned back to the University in substantially the same condition it was transferred to them at the start of the agreement. This project was completed at the start of the fall semester 2014. The agreement stipulates that ACC OP will retain all rents collected at the facility and will provide a percentage of net revenue annually to the University.

This agreement meets the criteria of a service concession arrangement. See Note 23 for additional information.

k. *HSC Fresh Kitchen, LLC* – In fiscal year 2017, the University entered into a public-private arrangement with HSC Fresh Kitchen for the lease and development of the cafeteria space at the Health Sciences Center (the Market at West Virginia University). According to this agreement, the University will lease the space to HSC Fresh Kitchen and HSC Fresh Kitchen will construct improvements on the property. The project was completed in August 2016.

In September 2018, HSC Fresh Kitchen sold all furniture, equipment and machinery of the project to the University. During fiscal year 2021, the lease and development agreement between HSC Fresh Kitchen and the University was amended and the University entered into a sublease of the premises as HSC Fresh Kitchen will no longer operate the Market.

22. WEST VIRGINIA UNIVERSITY FOUNDATION, INCORPORATED

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

The Foundation's assets totaled $3.0 billion and $2.8 billion at June 30, 2024 and 2023, respectively, with net assets of $1.3 billion and $1.2 billion at June 30, 2024 and 2023, respectively. Gifts, grants, pledges and bequests to the Foundation totaled $169.2 million and $77.0 million in fiscal years 2024 and 2023, respectively.

Total funds expended by the Foundation in support of University activities totaled $121.2 million and $124.6 million in fiscal years 2024 and 2023, respectively. This support is primarily recorded as gifts and capital grants and gifts and the related expenditures are primarily recorded as salaries and wages, benefits and capital assets in the University's financial statements.

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

23. SERVICE CONCESSION ARRANGEMENT

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

This contract is with ACC OP (College Park, WV) LLC. Per the contract, ACC OP financed, 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 the University. Per the operating agreement, the University will provide certain services including marketing, lease management, billing, collections, security, parking enforcement and other services, and will receive a management fee for providing such services.

During fiscal year 2015, the University recorded a capital asset with a fair market value of $34,952,000 and a deferred inflow of resources. This deferred inflow is being amortized to auxiliary revenue over the term of the agreement (40 years). The University has recorded an accounts receivable of $99,000 and $126,000 at June 30, 2024 and 2023, respectively, for reimbursable project expenses. At June 30, 2024, the University recognized management fee revenue and its share of the net revenue of $38,000 and $787,000 respectively. At June 30, 2023, the University recognized management fee revenue and its share of the net revenue of $96,000 and $68,000, respectively. This revenue is included in revenue from auxiliary enterprises on the statement of revenues, expenses and changes in net position.

24. CONTINGENCIES

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

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

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

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

At both June 30, 2024 and 2023, the University has recorded a liability $0 for asbestos removal in accordance with the provisions of GASB.

25. BLENDED COMPONENT UNIT

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

2024
Statement of Net Position

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

2024
Statement of Revenues, Expenses and Changes in Net Position

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

2024
Statement of Cash Flows

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

2023
Statement of Net Position

	WVU Excluding Component Unit	WVU Research Corporation	Eliminations	WVU Combined
Assets				
Current Assets	$ 244,970	$ 97,768	$ -	$ 342,738
Accounts receivable - Research Corporation	16,991	-	(16,991)	-
Leases receivable - WVU, current portion	-	339	(339)	-
Total Noncurrent Assets	261,961	98,107	(17,330)	342,738
Capital and intangible right to use assets, net	1,883,410	65,488	-	1,948,898
Intangible right to use assets - Intra-Entity leases, net	325	-	(325)	-
Other noncurrent assets	200,111	1,516	-	201,627
Total Noncurrent Assets	2,083,846	67,004	(325)	2,150,525
TOTAL ASSETS	2,345,807	165,111	(17,655)	2,493,263
DEFERRED OUTFLOWS OF RESOURCES	27,291	-	-	27,291
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,373,098	$ 165,111	$ (17,655)	$ 2,520,554
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current Liabilities	$ 212,157	$ 51,403	$ -	$ 263,560
Accounts Payable - WVU	-	16,991	(16,991)	-
Leases Payable - Corporation, Current Portion	339	-	(339)	-
Total Current Liabilities	212,496	68,394	(17,330)	263,560
Noncurrent Liabilities	958,873	54,971	-	1,013,844
Total Noncurrent Liabilities	958,873	54,971	-	1,013,844
TOTAL LIABILITIES	1,171,369	123,365	(17,330)	1,277,404
DEFERRED INFLOWS OF RESOURCES	77,236	441	-	77,677
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	$ 1,248,605	$ 123,806	$ (17,330)	$ 1,355,081
NET POSITION				
Net investment in capital assets	$ 991,185	$ 15,775	$ -	$ 1,006,960
Restricted Nonexpendable	15,776	-	-	15,776
Restricted Expendable	58,958	-	-	58,958
Unrestricted net position (deficit)	58,574	25,530	-	84,104
Total Net Position	$ 1,124,493	$ 41,305	$ -	$ 1,165,798

2023
Statement of Revenues, Expenses and Changes in Net Position

	WVU Excluding Component Unit	WVU Research Corporation	Eliminations	WVU Combined
OPERATING REVENUES				
Student tuition and fees, net	$ 400,975	$ -	$ -	$ 400,975
Federal land grants	11,356	-	-	11,356
Local land grants	1,403	-	-	1,403
Federal grants and contracts	15,363	102,420	-	117,783
State grants and contracts	35,341	35,792	-	71,133
Local grants and contracts	237	190	-	427
Nongovernmental grants and contracts	94,917	18,148	-	113,065
Sales and services of educational departments	12,688	502	-	13,190
Auxiliary Enterprises, net	129,710	-	-	129,710
Interest on student loans receivable	297	-	-	297
Net operating revenue from the Research Corporation	-	2,611	(2,611)	-
Net service agreement revenue from Parkerburg	250	-	-	250
Other operating revenues	7,136	55	-	7,191
Total operating revenues	709,673	159,718	(2,611)	866,780
OPERATING EXPENSES				
Depreciation and amortization	125,333	3,520	-	128,853
Amortization - intra-entity leases	325	-	(325)	-
Other operating expenses	933,582	162,293	-	1,095,875
Total operating expenses	1,061,851	165,813	(2,936)	1,224,728
OPERATING (LOSS) INCOME	(352,178)	(6,095)	325	(357,948)
NONOPERATING REVENUES (EXPENSES)				
State appropriations	183,007	-	-	183,007
State Lottery appropriations	3,718	-	-	3,718
Payments on behalf of the University	(7,417)	-	-	(7,417)
Gifts	97,896	15,141	-	113,037
Federal Pell grants	25,443	-	-	25,443
Investment income	17,391	1,750	-	19,141
Interest on capital asset-related debt	(25,497)	(2,531)	-	(28,028)
Interest expense to the Corporation	(15)	-	15	-
Interest revenue from the University	-	340	(340)	-
Assessments by Commission for debt service	(6,338)	-	-	(6,338)
Debt issuance costs	(188)	-	-	(188)
Other nonoperating expenses - net	(762)	(14)	-	(776)
Net nonoperating revenues	287,238	14,686	(325)	301,599
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	(64,940)	8,591	-	(56,349)
Capital grants and gifts	48,753	182	-	48,935
TRANSFER OF ASSETS TO THE UNIVERSITY	8,056	(8,056)	-	-
TRANSFER OF ASSETS FROM THE UNIVERSITY	(596)	596	-	-
INCREASE IN NET POSITION	(8,727)	1,313	-	(7,414)
NET POSTION - BEGINNING OF YEAR	1,133,220	39,992	-	1,173,212
NET POSITION - END OF YEAR	$ 1,124,493	$ 41,305	$ -	$ 1,165,798

2023
Statement of Cash Flows

	WVU Excluding Component Unit	WVU Research Corporation	WVU Combined
Cash Provided By (Used In):			
Operating Activities	$ (271,845)	$ (10,230)	$ (282,075)
Noncapital Financing Activities	304,522	15,142	319,664
Capital Financing Activities	(57,237)	(11,229)	(68,466)
Investing Activities	31,561	663	32,224
INCREASE IN CASH AND CASH EQUIVALENTS	$ 7,001	$ (5,654)	$ 1,347
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	$ 164,079	$ 39,683	$ 203,762
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 171,080	$ 34,029	$ 205,109

26. SEGMENT INFORMATION

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

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

(Dollars in Thousands)

	AUXILIARIES As of/Year Ended 2024	AUXILIARIES As of/Year Ended 2023
CONDENSED SCHEDULES OF NET POSITION		
Assets and Deferred Outflows of Resources:		
Current Assets	$ 72,724	$ 56,059
Noncurrent and Capital Assets	1,237,303	1,269,978
Total Assets	1,310,027	1,326,037
Deferred Outflows of Resources:		
Deferred Loss on Refunding	12,458	13,141
Deferred Outflows Related to Other Post Employment Benefits	264	761
Total Assets and Deferred Outflows of Resources	$ 1,322,749	$ 1,339,939
Liabilities, Deferred Inflows, and Net Position:		
Current Liabilities	$ 72,647	$ 58,029
Long-Term Liabilities	846,832	881,890
Total Liabilities	919,479	939,919
Deferred Inflows of Resources:		
Deferred service concession arrangements	31,064	32,073
Deferred inflows related to Dining Services Contract	6,067	6,742
Deferred inflows related to Other Post Employment Benefits	851	1,823
Total Liabilities and Deferred Inflows of Resources	$ 957,461	$ 980,557
Net Position:		
Net investment in capital assets	$ 407,555	$ 415,547
Restricted	54,183	70,435
Unrestricted net deficit	(96,450)	(126,600)
Total Net Position	$ 365,288	$ 359,382
CONDENSED SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION		
Auxiliary and Capital Fees	$ 27,436	$ 25,985
Operating Revenues	115,456	112,357
Operating Expenses	(172,849)	(175,657)
Operating Loss	(29,957)	(37,315)
Nonoperating Revenues/Expenses:		
Investment Income	3,090	1,444
Net Transfers from Other Funds	30,109	6,668
Other Nonoperating Income	8,421	4,065
Gifts	21,726	21,046
Other Nonoperating Expenses	(477)	(2,002)
Interest Expense	(27,006)	(24,555)
Increase (Decrease) in Net Position	5,906	(30,649)
Net Position - Beginning of Year	359,382	390,031
Net Position - End of Year	$ 365,288	$ 359,382

(continued)

CONDENSED SCHEDULES OF CASH FLOWS

Net Cash Flows (Used in) Operating Activities	$	(38,911)	$	(34,058)
Net Cash Flows Provided by				
Noncapital Financing Activities		21,725		21,046
Net Cash Flows Provided by				
Capital and Related Financing Activities		16,695		13,672
Net Cash Flows Provided by				
Investing Activities		3,090		1,444
Increase in Cash		2,599		2,104
Cash - Beginning of Year		112,084		109,980
Cash - End of Year	$	114,683	$	112,084

Reconciliation of cash

Cash classified as current assets	$	60,500	$	41,649
Cash classified as noncurrent assets		54,183		70,435
	$	114,683	$	112,084

27. FUNCTIONAL CLASSIFICATION OF EXPENSES
(Dollars in Thousands)

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

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

	Year Ended June 30, 2023 Natural Classification								
Functional Classification	Salaries & Wages	Benefits	Scholarships & Fellowships	Utilities	Supplies & Other Services	Depreciation and Amortization	Loan Cancellations & Write Offs	Other Operating Expenses	Total
Instruction	$ 274,666	$ 52,728	$ -	$ 256	$ 31,262	$ -	$ -	$ 120	$ 359,032
Research	80,050	32,473	-	282	59,139	-	-	3	171,947
Public Service	49,976	5,490	-	144	24,794	-	-	38	80,442
Academic Support	36,672	2,808	-	173	13,462	-	-	153	53,268
Student Services	23,502	5,623	-	20	9,867	-	-	21	39,033
Operation and Maintenance of Plant	6,256	1,224	-	29,952	18,084	-	-	50	55,566
General Institutional Support	89,127	8,402	-	32	49,715	-	-	276	147,552
Student Financial Aid	-	-	66,592	-	-	-	-	-	66,592
Auxiliary Enterprises	44,816	13,796	-	9,199	51,835	-	-	2,676	122,322
Depreciation and Amortization	-	-	-	-	-	128,853	-	-	128,853
Loan Cancellations and Write Offs	-	-	-	-	-	-	121	-	121
Total Expenses	$ 605,065	$ 122,544	$ 66,592	$ 40,058	$ 258,158	$ 128,853	$ 121	$ 3,337	$ 1,224,728

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

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

Measurement Date	University's Proportionate Share as a Percentage of Net OPEB (Asset) Liability	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Employee Payroll	University's Proportionate Share as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
June 30, 2023	6.320220905%	$ (10,002)	$ (4,269)	$ (14,271)	$ 97,653	-10.24%	109.66%
June 30, 2022	6.577692349%	7,321	2,508	9,829	103,385	7.08%	93.59%
June 30, 2021	7.006088092%	(1,701)	(410)	(2,111)	116,479	-1.46%	101.81%
June 30, 2020	6.834451221%	30,616	6,675	37,291	117,035	26.16%	73.49%
June 30, 2019	6.802662334%	113,459	23,097	136,556	130,967	86.63%	39.69%
June 30, 2018	6.786307714%	145,905	30,091	175,996	139,162	104.85%	30.98%
June 30, 2017	6.435215970%	158,433	32,345	190,778	141,514	111.96%	25.10%

Schedule of Employer Contributions (dollars in thousands):

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

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

Notes to Required Supplementary Information
For the Year Ended June 30, 2024 and 2023

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

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

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

Measurement Date	University's Proportionate Share as a Percentage of Net Pension Liability	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Payroll	University's Proportionate Share as a Percentage of Covered Employee Payroll	University's Plan Fiduciary Net Position as a Percentage of Total Pension Liability
June 30, 2023	0.068312%	$ 1,564	$ 3,194	$ 4,758	$ 1,152	135.74%	80.42%
June 30, 2022	0.083889%	2,158	3,670	5,828	1,373	157.18%	77.78%
June 30, 2021	0.108170%	1,690	3,780	5,470	1,738	97.27%	86.38%
June 30, 2020	0.147516%	4,751	10,324	15,075	2,225	213.57%	70.89%
June 30, 2019	0.162037%	4,821	11,638	16,459	2,276	211.82%	72.64%
June 30, 2018	0.199086%	6,216	16,106	22,322	2,901	214.27%	71.20%
June 30, 2017	0.265661%	9,179	20,298	29,477	3,998	229.55%	61.42%
June 30, 2016	0.308824%	12,692	24,175	36,867	4,667	271.95%	61.42%
June 30, 2015	0.299518%	10,379	23,682	34,061	4,438	233.86%	66.25%
June 30, 2014	0.326562%	11,267	25,456	36,723	4,877	231.00%	65.95%

Schedule of Employer Contributions (dollars in thousands):

Fiscal Year End	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Employee Payroll
June 30, 2024	$ 281	$ 210	$ 71	$ 1,152	18.23%
June 30, 2023	353	270	83	1,373	19.67%
June 30, 2022	451	358	93	1,738	20.60%
June 30, 2021	610	450	160	2,225	20.23%
June 30, 2020	780	604	176	2,276	26.54%
June 30, 2019	939	730	209	2,901	25.16%
June 30, 2018	1,199	856	343	3,998	21.41%
June 30, 2017	1,307	1,197	110	4,667	25.65%
June 30, 2016	1,470	1,362	108	4,438	30.69%
June 30, 2015	1,486	1,504	(18)	4,877	30.84%

Notes to Required Supplementary Information
For the Years Ended June 30, 2024 and 2023

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, of West Virginia University (the University), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 15, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Board of Directors
West Virginia University & Divisions

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 15, 2024