



YEARS ENDED JUNE 30, 2025 AND 2024
WITH REPORTS OF INDEPENDENT AUDITORS




AUDITED FINANCIAL STATEMENTS & SUPPLEMENTAL INFORMATION



West Virginia University Foundation, Inc.

Independent Auditor's Report, Financial Statements, and Supplementary Information

June 30, 2025 and 2024



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Independent Auditor's Report

Board of Directors
West Virginia University Foundation, Inc.
Morgantown, WV

Opinion

We have audited the financial statements of West Virginia University Foundation, Inc., which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, cash flows and functional expense for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of West Virginia University Foundation, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of West Virginia University Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 West Virginia University Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. 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 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, we:

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

Other Information Included in the Annual Report

Management is responsible for the other information included in the Donor Impact Report. The other information comprises the Donor Impact Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

**Charleston, West Virginia
September 25, 2025**

West Virginia University Foundation, Inc.
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 124,682,930	\$ 117,441,114
Contributions receivable, net - Note 3	93,777,257	103,438,921
Other receivables, net - Note 3	3,569,001	3,404,312
Investments carried at fair value - Note 4	3,023,185,883	2,763,807,994
Land, building and equipment, net - Note 7	14,214,026	12,111,082
Beneficial interests in external trusts at fair value	33,942,737	36,199,282
Other assets - Note 8	6,545,630	7,088,159
Total Assets	\$ 3,299,917,464	\$ 3,043,490,864
LIABILITIES AND NET ASSETS		
Liabilities		
Note payable - Note 12	\$ 10,120,304	\$ 11,403,258
Accounts payable and accrued expenses	6,943,386	7,412,036
Accrued retirement benefits and deferred compensation - Note 13	1,459,562	2,144,152
Annuities payable and unitrusts	13,727,366	13,563,840
Funds held in custody for others - Note 15	1,906,088,783	1,698,696,238
Total Liabilities	1,938,339,401	1,733,219,524
Net Assets		
Without donor restrictions - Note 10	89,850,710	71,960,173
With donor restrictions - Note 10		
Non-endowed	322,245,667	314,959,887
Endowed	949,481,686	923,351,280
Total with Donor Restrictions	1,271,727,353	1,238,311,167
Total Net Assets	1,361,578,063	1,310,271,340
Total Liabilities and Net Assets	\$ 3,299,917,464	\$ 3,043,490,864

West Virginia University Foundation, Inc.
Statements of Activities
Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Gains						
Contributions	\$ 1,263,951	\$ 87,616,725	\$ 88,880,676	\$ 1,078,842	\$ 168,158,712	\$ 169,237,554
Investment Earnings						
Net interest and dividends	21,296,062	(5,986,268)	15,309,794	20,422,031	(4,809,548)	15,612,483
Net realized gains	371,812	14,412,824	14,784,636	7,100,232	27,177,331	34,277,563
Net unrealized gains (losses)	10,102,780	34,739,278	44,842,058	1,318,477	(1,885,531)	(567,054)
Investment Earnings	31,770,654	43,165,834	74,936,488	28,840,740	20,482,252	49,322,992
Lease revenue	1,975,000	-	1,975,000	1,975,000	-	1,975,000
Other revenue	5,837,931	18,644,851	24,482,782	5,343,037	12,765,999	18,109,036
Advancement fees, net	3,183,795	(2,848,348)	335,447	3,082,695	(2,609,552)	473,143
Net assets released from restrictions	106,317,636	(106,317,636)	-	119,572,571	(119,572,571)	-
Total Revenues and Gains	150,348,967	40,261,426	190,610,393	159,892,885	79,224,840	239,117,725
Expenses and Support						
University Support						
Scholarships	18,546,927	-	18,546,927	21,030,449	-	21,030,449
Salaries and benefits	29,943,437	-	29,943,437	47,132,168	-	47,132,168
Travel	2,754,502	-	2,754,502	2,869,701	-	2,869,701
Meetings and events	6,519,229	-	6,519,229	6,029,821	-	6,029,821
Professional services	6,747,333	-	6,747,333	5,216,582	-	5,216,582
Capital projects and equipment	29,296,637	-	29,296,637	26,059,819	-	26,059,819
Supplies and materials	4,887,027	-	4,887,027	6,919,407	-	6,919,407
Other support	8,108,891	-	8,108,891	5,901,754	-	5,901,754
Total University Support	106,803,983	-	106,803,983	121,159,701	-	121,159,701
Foundation Support						
Fundraising	15,891,709	-	15,891,709	14,606,194	-	14,606,194
Fiduciary	7,392,846	-	7,392,846	6,657,736	-	6,657,736
Transfers to University and affiliates	500,000	-	500,000	2,500,000	-	2,500,000
Total Foundation Support	23,784,555	-	23,784,555	23,763,930	-	23,763,930
Total University and Foundation support	130,588,538	-	130,588,538	144,923,631	-	144,923,631
Interest, depreciation and other	1,869,892	-	1,869,892	1,899,817	-	1,899,817
Total Expenses before Provision and Revaluation	132,458,430	-	132,458,430	146,823,448	-	146,823,448
Provision for uncollectible receivables	-	5,799,149	5,799,149	-	4,299,948	4,299,948
Net loss on revaluation of external trusts	-	2,256,545	2,256,545	-	1,957,373	1,957,373
Net gain on revaluation of annuities payable and unitrusts	-	(1,210,454)	(1,210,454)	-	(516,286)	(516,286)
Total Expenses and Support	132,458,430	6,845,240	139,303,670	146,823,448	5,741,035	152,564,483
Change in Net Assets	17,890,537	33,416,186	51,306,723	13,069,437	73,483,805	86,553,242
Net Assets at Beginning of Year	71,960,173	1,238,311,167	1,310,271,340	58,890,736	1,164,827,362	1,223,718,098
Net Assets at End of Year	\$ 89,850,710	\$ 1,271,727,353	\$ 1,361,578,063	\$ 71,960,173	\$ 1,238,311,167	\$ 1,310,271,340

See Notes to Financial Statements

West Virginia University Foundation, Inc.
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Reconciliation of Change in Net Assets to Net Cash		
Used in Operating Activities		
Change in net assets	\$ 51,306,723	\$ 86,553,242
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net gain on revaluation of annuities payable and unitrusts	(1,210,454)	(516,286)
Provision for losses on uncollectible contributions	5,385,887	2,856,573
Provision for credit losses on accounts receivable	413,262	1,443,375
Contributions restricted for long-term purposes	(19,648,620)	(76,357,947)
Depreciation expense	1,318,931	1,323,803
Net realized gains on investments	(14,784,636)	(34,277,563)
Net unrealized (gains) losses on investments	(44,842,058)	567,054
Net loss on revaluation of external trusts	2,256,545	1,957,373
Noncash contributions	(54,659)	(1,083,016)
Changes in		
Contributions receivable	3,862,515	(49,269,446)
Investments held in custody	(205,414,986)	(134,294,006)
Accounts payable and accrued expenses	(468,650)	(5,191,643)
Funds held in custody for others	207,392,545	134,664,694
Other assets and liabilities	1,121,889	4,784,216
Net Cash Used in Operating Activities	(13,365,766)	(66,839,577)
Cash Flows from Investing Activities		
Purchase of land, building, and equipment	(3,421,875)	(1,250,047)
Purchase of investments	(327,171,240)	(330,908,148)
Proceeds from sales and liquidations of investments	332,835,031	354,170,884
Net Cash Provided by Investing Activities	2,241,916	22,012,689
Cash Flows from Financing Activities		
Proceeds from contributions restricted for long-term purposes	19,648,620	76,357,947
Payments of notes payable	(1,282,954)	(1,241,612)
Net Cash Provided by Financing Activities	18,365,666	75,116,335
Change in Cash and Cash Equivalents	7,241,816	30,289,447
Cash and Cash Equivalents at Beginning of Year	117,441,114	87,151,667
Cash and Cash Equivalents at End of Year	\$ 124,682,930	\$ 117,441,114
Supplementary Information		
Interest paid	\$ 354,955	\$ 396,298

West Virginia University Foundation, Inc.
Statements of Functional Expense
Years Ended June 30, 2025 and 2024

	2025							
	University Support				Foundation Support			Total
	General University Support	Health Sciences Support	Intercollegiate Athletics Support	University Support Total	Fundraising & Development	Administrative & General	Foundation Support Total	University & Foundation Support
Scholarships	\$ 13,534,596	\$ 2,944,108	\$ 2,068,223	\$ 18,546,927	\$ -	\$ -	\$ -	\$ 18,546,927
Salaries and benefits	10,695,227	17,573,379	1,674,831	29,943,437	12,261,155	5,703,904	17,965,059	47,908,496
Travel	1,718,310	609,517	426,675	2,754,502	221,361	102,978	324,339	3,078,841
Meetings and events	3,007,313	2,504,335	1,007,581	6,519,229	592,826	275,784	868,610	7,387,839
Professional services	3,239,408	2,318,712	1,189,213	6,747,333	1,770,034	823,423	2,593,457	9,340,790
Capital projects and equipment	2,150,734	588,521	26,557,382	29,296,637	336,664	156,616	493,280	29,789,917
Supplies and materials	2,172,889	2,659,836	54,302	4,887,027	89,618	41,691	131,309	5,018,336
Other expenses	4,724,291	2,483,179	901,421	8,108,891	620,051	288,450	908,501	9,017,392
Subtotal	41,242,768	31,681,587	33,879,628	106,803,983	15,891,709	7,392,846	23,284,555	130,088,538
Transfers to University & affiliates	-	-	-	-	-	-	500,000	500,000
Total support	<u>\$ 41,242,768</u>	<u>\$ 31,681,587</u>	<u>\$ 33,879,628</u>	<u>\$ 106,803,983</u>	<u>\$ 15,891,709</u>	<u>\$ 7,392,846</u>	<u>\$ 23,784,555</u>	<u>\$ 130,588,538</u>

General University Support includes scholarships not designated to a specific campus and other support for academic and research initiatives. Net assets released from restrictions totaled \$106,317,636; of that \$78,750,088 was released from non-endowed funds and \$27,567,548 from endowed funds.

	2024							
	University Support				Foundation Support			Total
	General University Support	Health Sciences Support	Intercollegiate Athletics Support	University Support Total	Fundraising & Development	Administrative & General	Foundation Support Total	University & Foundation Support
Scholarships	\$ 14,059,198	\$ 2,648,101	\$ 4,323,150	\$ 21,030,449	\$ -	\$ -	\$ -	\$ 21,030,449
Salaries and benefits	15,751,501	29,985,622	1,395,045	47,132,168	11,250,447	5,128,134	16,378,581	63,510,749
Travel	1,808,109	849,750	211,842	2,869,701	208,200	94,901	303,101	3,172,802
Meetings and events	2,994,512	1,677,433	1,357,876	6,029,821	450,600	205,390	655,990	6,685,811
Professional services	2,854,093	1,783,039	579,450	5,216,582	1,630,528	743,220	2,373,748	7,590,330
Capital projects and equipment	5,417,664	1,480,850	19,161,305	26,059,819	363,812	165,831	529,643	26,589,462
Supplies and materials	3,119,711	3,673,754	125,942	6,919,407	93,848	42,778	136,626	7,056,033
Other expenses	4,359,875	832,610	709,269	5,901,754	608,759	277,482	886,241	6,787,995
Subtotal	50,364,663	42,931,159	27,863,879	121,159,701	14,606,194	6,657,736	21,263,930	142,423,631
Transfers to University & affiliates	-	-	-	-	-	-	2,500,000	2,500,000
Total support	<u>\$ 50,364,663</u>	<u>\$ 42,931,159</u>	<u>\$ 27,863,879</u>	<u>\$ 121,159,701</u>	<u>\$ 14,606,194</u>	<u>\$ 6,657,736</u>	<u>\$ 23,763,930</u>	<u>\$ 144,923,631</u>

General University Support includes scholarships not designated to a specific campus and other support for academic and research initiatives. Net assets released from restrictions totaled \$119,572,571; of that \$92,891,566 was released from non-endowed funds and \$26,681,005 from endowed funds.

See accompanying notes.

Note 1. Organization Policy, Significant Accounting Policies and Other Matters

The West Virginia University Foundation, Inc. (the "Foundation") is a public 501(c)(3) tax-exempt organization incorporated in 1954. The Foundation's primary purpose is to enrich the lives of those touched by West Virginia University (the "University") by maximizing private charitable support and providing services to the University and its affiliated organizations. The Foundation is governed by an independently elected Board of Directors not otherwise affiliated with the University. 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.

Basis of accounting

The financial statements presented herein have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets 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.

Fair value estimates

Fair value estimates are based on an assessment of the present status and expected future benefits and obligations associated with the respective financial asset or liability. External trusts are valued at the expected rate of return for similarly invested assets, which ranged from 5.41% to 6.76% at June 30, 2025 and 5.51% to 6.19% at June 30, 2024. Split interest agreements are valued at the expected rate of return on the life income portfolio, which ranged from 5.41% to 5.97% at June 30, 2025 and 5.37% to 5.71% at June 30, 2024. Individual contributions receivable are valued at unsecured consumer lending rates ranging from 6.51% to 6.53% at June 30, 2025 and 7.12% to 7.39% at June 30, 2024, based on the anticipated collection date of the receivable. Corporate contributions receivable are valued at the current yield on corporate debt ranging from 4.05% to 4.30% and 4.86% to 5.33% at June 30, 2025 and 2024, respectively, based on the anticipated collection date of the receivable.

Concentration of credit risk

Investment securities are exposed to several risks, such as changes in interest rates, market fluctuations, and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Foundation's financial statements.

Cash and cash equivalents

The Foundation considers highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents. From time to time, the balance in certain Foundation deposit accounts at financial institutions may exceed the Federal Deposit Insurance Corporation (FDIC) insurance coverage limit. It is management's opinion that the Foundation is not exposed to any significant credit risk related to cash and cash equivalents.

Contributions and contributions receivable

Contributions are recorded at estimated fair value and are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is met), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

Unconditional promises to give that are expected to be received within one year are recorded at estimated net realizable value. Unconditional promises to give that are expected to be received in future years are recorded at the present value of their estimated future cash flows. Accretion of discounts for the years ended June 30, 2025 and June 30, 2024 of \$14,715,423 and \$18,079,224, respectively, are included in the contribution revenue. Conditional promises to give are not included as revenue until the conditions are substantially met.

The Foundation provides an allowance for the potential uncollectible portion of unconditional promises to give. The allowance for uncollectible contributions receivable is based upon management's judgment, including such factors as overall economic conditions, current and historical loss experience, a review of the status of specific pledges and recent collection activity.

Unconditional promises to give from two donors accounted for approximately 50% and 51% of the Foundation's contributions receivable as of June 30, 2025 and 2024, respectively. Management believes that these contributions receivable are fully collectible.

Student loans

The Foundation provides funding for unsecured loans to University students at interest rates determined by the terms of the respective donor gift agreement. These loans require payment of principal and interest once the student has graduated. Balances due to the Foundation are reflected as other receivables on the statements of financial position, net of current expected credit losses. Expected losses are determined based primarily on historical student loan repayment rates. If an account becomes two years past due, it is deemed to be fully uncollectible and will be fully allowed for or written off.

Investments

Investments in fixed income, equity, marketable alternative investments, and non-marketable alternative investments are reported at estimated fair value as defined in Note 5. Additional information on investments and valuation methods is included in Notes 4 and 5.

Land, building, and equipment

Land, building, and equipment are recorded at cost when purchased, or fair value if acquired by gift. The Foundation's capitalization policy requires purchases of property and equipment in excess of \$5,000 to be recorded as a capital asset. Depreciation is calculated over the estimated useful lives of the building or equipment using the straight-line method. Maintenance and repairs of existing facilities are charged to operating expense as incurred. Equipment purchased by departments of the University utilizing Foundation funds is recognized in expense as University support and not included in the Foundation's statements of financial position.

Beneficial interests in external trusts

The Foundation maintains the irrevocable right to receive the income earned on certain trust assets held by third parties. The Foundation records its beneficial interest in a trust at the lesser of the fair value of the underlying investments or the present value of the estimated future receipts from the trust.

Annuities and unitrusts payable

Under the terms of the Foundation annuity and trust agreements, the donors or their designees receive either a predetermined distribution amount or fixed rate return based upon the estimated fair value of the trust. The Foundation records the related assets held in trust at estimated fair value and the liability is recorded at estimated fair value of the present value of future payments.

Funds held in custody for others

The Foundation holds and invests funds for the University and its affiliates under agency agreements. The investments and other funds are reported as assets, while the corresponding liability is reported in funds held in custody for others.

Net assets

The Foundation has classified its net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions (see Note 10). Below is a summary of those classifications:

Without Donor Restrictions:

This includes assets and contributions that are not restricted by donors or for which restrictions have expired. Net assets without donor restrictions also include assets that have been designated by the Foundation's Board of Directors for specific purposes.

With Donor Restrictions:

This includes assets and contributions for which the donor stipulates that resources be maintained permanently or for which the donor has imposed restrictions that permit the Foundation to use or expend the donated assets for specified purposes are net assets with donor restrictions.

Noncash contributions

The Foundation receives noncash contributions including gifts-in-kind of equipment, property, supplies, materials, collection items, software, real property, and contributed services. Gifts that are used, held or sold by the Foundation are recognized for financial reporting purposes as contribution revenue. Gifts that are not used, held or sold by the Foundation are considered an intermediary transaction and not recognized for financial reporting purposes.

The Foundation recognizes noncash contributions used or held at estimated fair value based upon market price assumptions, donor cost, replacement cost, price listings, similar sales or services, published catalogs, vendor invoices, independent appraisals, expert opinions, estimates, averages, approximations, or other relevant information. During the years ended June 30, 2025 and 2024, the Foundation recognized noncash contributions of \$54,659 and \$1,083,016, respectively, in contribution revenue.

Tax status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Foundation follows the Financial Accounting Standards Board's (FASB) authoritative guidance on accounting for uncertainty in income taxes. Tax positions must meet a recognition threshold of more-likely-than-not for the benefit or obligation of those tax positions to be recognized in the financial statements. The Foundation has determined that it does not have any material unrecognized tax benefits or obligations at June 30, 2025 and June 30, 2024.

West Virginia University Foundation, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Functional allocation of expense

The costs of program and supporting services activities have been summarized on the functional basis in the statement of activities. The statements of functional expense present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Some expenses, including supplies and materials, are directly identifiable and are charged accordingly. Fundraising and fiduciary expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. Allocations of significant costs, including salaries and benefits, contractors, and professional fees, are based on estimates of time and effort and other reasonable methods.

Note 2. Liquidity and Availability of Financial Assets

The following includes financial assets as of June 30, reduced by amounts not available for general use within one year of the statements of financial position date. Amounts available for general use include financial assets without donor restriction or internal designations. Internal designations include amounts set aside by the Board for the Foundation operating costs or other scheduled projects. These designated amounts could be drawn upon with Board approval.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 124,682,930	\$ 117,441,114
Short term receivables	2,379,337	2,023,169
Short term investments	<u>202,434,459</u>	<u>189,091,983</u>
Total financial assets available	329,496,726	308,556,266
Less restricted and designated financial assets:		
<u>University and affiliated organizations</u>		
Restricted by donor to the University	(244,200,307)	(233,577,222)
Funds held in custody for others	(14,738,169)	(18,464,703)
Designated by Board to the University and other	<u>(5,570,358)</u>	<u>(4,611,235)</u>
Restricted to the University and affiliated organizations	(264,508,834)	(256,653,160)
<u>Foundation</u>		
Operating reserve	(24,475,000)	(22,700,000)
Designated by the Board to the Foundation	<u>(14,391,170)</u>	<u>(5,099,586)</u>
Restricted to the Foundation	<u>(38,866,170)</u>	<u>(27,799,586)</u>
Financial assets available for general use by the Foundation or University	<u>\$ 26,121,722</u>	<u>\$ 24,103,520</u>

Funds without donor restriction

Donations received without donor restriction are governed by the Foundation Discretionary Gifts Protocol and designated by the Foundation Board for University initiatives or other University commitments. Therefore, the Foundation does not hold a portfolio of unrestricted donations available for general use.

West Virginia University Foundation, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Operating reserve

These funds constitute a board-designated reserve with the objective of setting funds aside to be drawn in the event of financial distress or an immediate liquidity need outside the typical operating cycle. The target for this reserve is the amount needed to fund 12 months of the Foundation operating budget and therefore this amount is not available for general use. The amount set aside for the operating reserve requires the use of estimates which could vary significantly from amounts budgeted. Reserve amounts above the minimum target range of 12 months can be made available to the Foundation or the University at the discretion of the Board and are considered available for general use. As of June 30, 2025 and 2024, the operating reserves totaled \$27,828,081 and \$23,478,876 and the 12-month budget target was \$24,475,000 and \$22,700,000, respectively. The operating reserve is invested and managed under a separate Reserve Policy and is held in interest bearing cash or cash-equivalent accounts.

As of June 30, 2025 and 2024 the Foundation held assets of \$14,391,170 and \$5,099,586, respectively, appropriated from operating reserves by the Board and designated to the Foundation for specific projects.

Liquidity management

The Foundation receives significant contributions with donor restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. As part of liquidity management, the Foundation has an asset/liability management program to structure its financial assets to be available as its obligations from each financial asset category come due, including Foundation obligations and amounts drawn by the University to support its mission-related initiatives. These amounts are primarily invested in cash and cash equivalents, short-term fixed income funds and some marketable equity funds.

To help manage unanticipated liquidity needs, the Foundation has a committed line of credit in the amount of \$10,000,000, see Note 11. The Foundation has never drawn upon this line.

Note 3. Receivables

The following table summarizes contributions and other receivables and the related allowances as of June 30:

	<u>2025</u>	<u>2024</u>
Contributions receivable:		
Amounts to be received within one year	\$ 36,364,343	\$ 36,883,348
Amounts to be received within two to five years	28,690,280	32,445,350
Amounts to be received after five years	<u>54,110,278</u>	<u>58,983,393</u>
Contributions receivable before allowance and unamortized discount	119,164,901	128,312,091
Allowance for uncollectible contributions	(10,672,221)	(6,793,946)
Unamortized discount	<u>(14,715,423)</u>	<u>(18,079,224)</u>
Contributions receivable, net	<u>\$ 93,777,257</u>	<u>\$ 103,438,921</u>
Other receivables, net:		
Student loans, net of allowance of approximately \$516,000 and \$490,000, respectively	\$ 1,168,731	\$ 1,356,974
Notes, advances and other	<u>2,400,270</u>	<u>2,047,338</u>
Other receivables, net	<u>\$ 3,569,001</u>	<u>\$ 3,404,312</u>

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Note 4. Investments

The estimated fair values of total investment assets under management at June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Money market funds	\$ 93,930,656	\$ 113,687,149
Separate accounts:		
U.S. equities	94,855,927	87,679,643
Public fixed income	298,751,108	325,640,873
Diversifying strategies	8,037,413	-
	<u>401,644,448</u>	<u>413,320,516</u>
Exchange traded funds:		
U.S. equities	556,099,277	456,282,663
Public fixed income	45,322,670	46,664,362
International equities	88,970,503	16,036,334
	<u>690,392,450</u>	<u>518,983,359</u>
Mutual funds:		
International equities	191,295,492	219,797,401
Public fixed income	163,691,591	129,331,139
Real estate - public	40,978,668	32,962,012
Natural resources - public	72,695,457	60,939,641
	<u>468,661,208</u>	<u>443,030,193</u>
Other commingled funds:		
International equities	45,860,333	38,766,366
Public fixed income	157,898,720	102,205,377
Marketable opportunistic fixed income	-	16,619,480
	<u>203,759,053</u>	<u>157,591,223</u>
Hedge funds:		
Diversifying strategies	200,607,987	184,378,578
Marketable opportunistic fixed income	50,174,920	34,684,160
Hedging strategies	4,804,625	-
Natural resources - public	-	1,810,922
	<u>255,587,532</u>	<u>220,873,660</u>
Private investments:		
Venture capital	505,624,889	475,084,803
Buyouts	138,548,170	187,530,304
Private opportunistic fixed income	46,835,573	49,371,202
Natural resources - private	64,890,750	74,665,174
Real estate - private	88,224,947	79,934,577
Co-investments	-	18,227,974
Infrastructure	13,966,436	11,507,860
Growth equity	51,119,771	-
	<u>909,210,536</u>	<u>896,321,894</u>
Total investments	<u>\$ 3,023,185,883</u>	<u>\$2,763,807,994</u>

Interest and dividends on non-agency investments are reported in the statements of activities net of custodial management and investment fees of approximately \$9,100,000 and \$5,300,000 for the years ended June 30, 2025 and 2024, respectively.

Total investment assets under management include assets of the Foundation and West Virginia University and its affiliated organizations. To achieve its investment objectives, management has controls in place related to initial due diligence, ongoing monitoring and financial reporting of alternative investments. Specific efforts employed by management include ongoing interaction with fund managers, including on-site visits and interviews, telephonic and virtual meetings, and ongoing monitoring of portfolio holdings, activities, and performance. Monitoring also includes obtaining and reviewing audited financial statements noting the basis of accounting, disclosures pertaining to the valuation of alternative investments and comparison of audited valuation with the fund's valuation. Management also reviews interim financial information, including details of investment holdings, to obtain an understanding of the underlying investments. Management believes the basis and assumptions for determining the estimated fair values of the Foundation's alternative investments are reasonable at June 30, 2025 and 2024.

Note 5. Fair Value of Financial Assets and Liabilities

Financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis are valued at the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are recorded at fair value, the Foundation considers the principal or most advantageous market in which the Foundation would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

The Foundation applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

- Level 1:** Observable inputs such as quoted prices in active markets.
- Level 2:** Observable similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data.
- Level 3:** Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

Level 1 investment categories

The Foundation invests in equity securities, fixed income obligations and money market funds that are publicly traded and readily available in the active markets in which the securities are traded. The Foundation either invests directly in these securities or the investment accounts held by the Foundation, which include these securities and have daily quoted active market prices accessible by the Foundation.

Level 2 investment categories

The Foundation invests in certain separate accounts and commingled funds that are not publicly traded in active markets. While the Foundation has access to a detailed listing of the underlying assets of the fund, the majority of which are publicly traded and readily available in active markets, shares of the funds themselves do not have daily quoted active market prices. Investments in these funds are valued per share based on the market prices of the underlying assets. Additionally, the Foundation has the ability to redeem its investment at the value per share within thirty days of the measurement date.

Level 3 investment categories

These funds do not have a readily determinable fair value and either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company. Because of the inherent uncertainty of valuations of Level 3 investments, their estimated values may differ significantly from the values that would have been used had a ready market for these investments existed, and the difference could be material.

Hedge funds and private investments

The Foundation uses the net asset value (NAV) as a practical expedient to determine the fair value of certain investment funds, which are not classified in the fair value hierarchy. Estimated investment values using a NAV may differ significantly from the values that would have been used had a ready market for these investments existed, and the difference could be material. Additional information about these investments is provided in the following paragraphs.

Hedge funds

The Foundation holds interest in funds that invest both long and short in stocks, credit-oriented securities, and arbitrage strategies with varying redemption periods. The underlying assets of the funds are predominantly marketable securities and derivatives. These investments are estimated using the NAV provided by the hedge fund managers as a practical expedient due to varying levels of determinable fair values and potential inability for redemption. Certain hedge funds may permit partial liquidity upon redemption with the remaining illiquid assets possessing no definite schedule for distribution.

The investments in these strategies are in assets located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices.

Buyouts, venture capital and growth equity

The Foundation invests in buyouts, venture capital and growth equity funds that are limited partnerships and not publicly traded. These funds have investments in private companies located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices. Distributions are made from the funds as the fund matures. Redemptions are not permitted during the life of the partnerships. Partnership lives are generally 10 years with an option to extend an additional 2 to 3 years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

Private opportunistic fixed income

The Foundation invests in private opportunistic fixed income funds (distressed debt, mezzanine, and private credit) that are limited partnerships and not publicly traded. These funds have investments in private companies located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices. Distributions are made from the funds as the fund matures. Redemptions are not permitted during the life of the partnerships. Partnership lives are generally 6 to 10 years with an option to extend an additional 2 to 3 years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

Natural resources – private

The Foundation invests in energy, timber, infrastructure, and farmland funds that are limited partnerships and not publicly traded. These funds have investments in private natural resource assets located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices.

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Distributions are made from the funds as the funds mature. Redemptions are not permitted during the life of the partnerships. Partnership lives range from 10 to 15 years with an option to extend an additional 2 to 3 years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

Infrastructure

The Foundation invests in private infrastructure funds that are limited partnerships and not publicly traded. These funds have investments in private infrastructure assets located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices. Distributions are made from the funds as the funds mature. Redemptions are not permitted during the life of the partnerships. Partnership lives range from 10 to 15 years with an option to extend an additional 2 to 3 years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

Real estate – private

The Foundation invests in real estate funds that are limited partnerships and not publicly traded. These funds have investments in properties located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices. Distributions are made from the funds as the fund matures. Redemptions are not permitted during the life of the partnerships. Partnership lives range from 8 to 12 years with an option to extend an additional 2 to 3 years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

Co-investments

The Foundation invests in co-investments that are limited partnerships and not publicly traded. These vehicles are unique from other private market funds as they are an additional investment in a single private company that is also held within one of the Foundation's larger total fund investments, and can be located both in and outside the United States. Investments in this category, for which there are no readily determinable fair values, are estimated using the NAV provided by the general partner due to the inability for redemption and the lack of market prices. Distributions are made from the co-investment vehicle whenever the investment is realized or distributes dividends. Redemptions are not permitted during the life of the partnerships. Partnership lives are generally 10 years with an option to extend additional years. When assets are sold, the proceeds, less any incentives due to the partnership's general partner, are to be distributed to investors.

Unfunded commitments

The following table summarizes the estimated fair value of the Foundation's non-marketable alternatives, held in the Foundation's long-term investment pool, that have associated unfunded commitments at June 30, 2025:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>
Venture capital	\$ 261,332,323	\$ 48,774,354
Buyouts	69,966,769	25,055,522
Private opportunistic fixed income	24,145,001	17,111,086
Natural resources - private	35,648,627	13,225,522
Real estate - private	46,970,812	12,661,495
Infrastructure	8,041,579	7,669,163
Growth equity	<u>26,524,716</u>	<u>2,735,005</u>
Total	<u>\$ 472,629,827</u>	<u>\$ 127,232,147</u>

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The following table summarizes the estimated fair value of the Foundation's non-marketable alternatives, held in the Foundation's long-term investment pool, that have associated unfunded commitments at June 30, 2024:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>
Venture capital	\$ 243,969,134	\$ 61,740,005
Buyouts	94,460,213	34,413,949
Private opportunistic fixed income	25,176,058	19,577,789
Natural resources - private	39,995,132	19,090,620
Real estate - private	42,437,810	15,009,119
Co-investments	9,113,987	514,617
Infrastructure	<u>6,095,400</u>	<u>4,060,638</u>
Total	<u>\$ 461,247,734</u>	<u>\$ 154,406,737</u>

Unfunded commitments are drawn down throughout the life of the investment based on the cash needs of each individual limited partnership. Limited partnerships with unfunded commitments have remaining lives of 4 to 14 years. Management anticipates that distributions from existing non-marketable alternatives will provide much of the liquidity necessary to satisfy remaining unfunded commitments.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of an input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There were no changes in valuation techniques during the current year.

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The following tables present total investment assets and liabilities under management carried at fair value on a recurring basis, by caption, on the statements of financial position by the valuation hierarchy defined above:

	Fair Value as of June 30, 2025				
	Level 1	Level 2	Level 3	NAV	Total
Assets					
Investments:					
Money market funds	\$ 93,930,656	\$ -	\$ -	\$ -	\$ 93,930,656
Separate accounts:					
U.S. equities	-	94,855,927	-	-	94,855,927
Public fixed income	-	298,751,108	-	-	298,751,108
Diversifying strategies	-	8,037,413	-	-	8,037,413
	-	401,644,448	-	-	401,644,448
Exchange traded funds:					
U.S. equities	556,099,277	-	-	-	556,099,277
Public fixed income	45,322,670	-	-	-	45,322,670
International equities	88,970,503	-	-	-	88,970,503
	690,392,450	-	-	-	690,392,450
Mutual funds:					
International equities	191,295,492	-	-	-	191,295,492
Public fixed income	163,691,591	-	-	-	163,691,591
Real estate - public	40,978,668	-	-	-	40,978,668
Natural resources - public	72,695,457	-	-	-	72,695,457
	468,661,208	-	-	-	468,661,208
Other commingled funds:					
International equities	-	45,860,333	-	-	45,860,333
Public fixed income	-	157,898,720	-	-	157,898,720
	-	203,759,053	-	-	203,759,053
Hedge funds:					
Diversifying strategies	-	-	-	200,607,987	200,607,987
Marketable opport. fixed income	-	-	-	50,174,920	50,174,920
Hedging strategies	-	-	-	4,804,625	4,804,625
	-	-	-	255,587,532	255,587,532
Private investments:					
Venture capital	-	-	-	505,624,889	505,624,889
Buyouts	-	-	-	138,548,170	138,548,170
Private opport. fixed income	-	-	-	46,835,573	46,835,573
Natural resources - private	-	-	-	64,890,750	64,890,750
Real estate - private	-	-	-	88,224,947	88,224,947
Infrastructure	-	-	-	13,966,436	13,966,436
Growth equity	-	-	-	51,119,771	51,119,771
	-	-	-	909,210,536	909,210,536
Total investments	1,252,984,314	605,403,501	-	1,164,798,068	3,023,185,883
Beneficial interests in external trusts	-	-	33,942,737	-	33,942,737
Total assets	\$1,252,984,314	\$ 605,403,501	\$ 33,942,737	\$ 1,164,798,068	\$ 3,057,128,620
Liabilities					
Annuities payable and unitrusts	\$ -	\$ -	\$ (13,727,366)	\$ -	\$ (13,727,366)
Total liabilities	\$ -	\$ -	\$ (13,727,366)	\$ -	\$ (13,727,366)

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	Fair Value as of June 30, 2024				
	Level 1	Level 2	Level 3	NAV	Total
<u>Assets</u>					
Investments:					
Money market funds	\$ 4,216,339	\$ 109,470,810	\$ -	\$ -	\$ 113,687,149
Separate accounts:					
U.S. equities	87,679,643	-	-	-	87,679,643
Public fixed income	2,677,071	322,963,802	-	-	325,640,873
	90,356,714	322,963,802	-	-	413,320,516
Exchange traded funds:					
U.S. equities	456,282,663	-	-	-	456,282,663
Public fixed income	4,207,212	42,457,150	-	-	46,664,362
International equities	8,819,984	7,216,350	-	-	16,036,334
	469,309,859	49,673,500	-	-	518,983,359
Mutual funds:					
International equities	143,151,029	76,646,372	-	-	219,797,401
Public fixed income	7,916,770	117,970,325	3,444,044	-	129,331,139
Real estate - public	22,904,583	9,996,635	60,794	-	32,962,012
Natural resources - public	60,939,641	-	-	-	60,939,641
	234,912,023	204,613,332	3,504,838	-	443,030,193
Other commingled funds:					
International equities	33,510,385	5,255,981	-	-	38,766,366
Public fixed income	1,022,054	101,183,323	-	-	102,205,377
Marketable opport. fixed income	100,664	16,518,816	-	-	16,619,480
	34,633,103	122,958,120	-	-	157,591,223
Hedge funds:					
Diversifying strategies	-	-	-	184,378,578	184,378,578
Marketable opport. fixed income	-	-	-	34,684,160	34,684,160
Natural resources – public	-	-	-	1,810,922	1,810,922
	-	-	-	220,873,660	220,873,660
Private investments:					
Venture capital	-	-	-	475,084,803	475,084,803
Buyouts	-	-	-	187,530,304	187,530,304
Private opport. fixed income	-	-	-	49,371,202	49,371,202
Natural resources - private	-	-	-	74,665,174	74,665,174
Real estate - private	-	-	-	79,934,577	79,934,577
Co-investments	-	-	-	18,227,974	18,227,974
Infrastructure	-	-	-	11,507,860	11,507,860
	-	-	-	896,321,894	896,321,894
Total investments	833,428,038	809,679,564	3,504,838	1,117,195,554	2,763,807,994
Beneficial interests in external trusts	-	-	36,199,282	-	36,199,282
Total assets	\$ 833,428,038	\$ 809,679,564	\$ 39,704,120	\$ 1,117,195,554	\$ 2,800,007,276
<u>Liabilities</u>					
Annuities payable and unitrusts	\$ -	\$ -	\$ (13,563,840)	\$ -	\$ (13,563,840)
Total liabilities	\$ -	\$ -	\$ (13,563,840)	\$ -	\$ (13,563,840)

Note 6. Endowment

The Foundation's endowment consists of over 3,000 individual endowment funds established for a variety of purposes. The endowment includes donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Board of Directors of the Foundation, based upon the advice of counsel, has interpreted the Uniform Prudent Management of Institutional Funds Act (the "Act" or "UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. In accordance with the Act, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) The investment policies of the Foundation

Return objectives and risk parameters

The Foundation has adopted investment and spend policies for endowment assets that are intended to provide an ongoing stream of funding to programs supported by the endowment. Endowment assets include assets of donor-restricted funds that the organization must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce a high level of total investment return consistent with a prudent level of portfolio risk. As such, the investment objective of the endowment investment assets is to achieve at least a positive return (greater than zero) after deduction for inflation and spending over rolling five-year periods.

Strategies employed for achieving objectives

To satisfy its long-term return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments, including private equities, to achieve its long-term return objectives within prudent risk constraints.

Spending policy and related investment objectives

The Foundation utilizes a "banded inflation" spend policy for the private endowment, which considers the prior year's dollar amount adjusted for inflation (CPI). The overall calculated spend dollar amount must be between 3% and 4% of market value at June 30. This policy was established in accordance with UPMIFA, which in certain circumstances allows for a reduced appropriation from an endowment fund when the current fair value may occasionally fall below original gift value. The Foundation also considers the six factors previously listed. Over the long term, the Foundation expects the spend policy to allow its endowment to grow at a rate that meets the needs of inflation, spending and fees. The Foundation's effective spend rate was 4.01% in 2025 and 3.57% in 2024.

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Funds with deficiencies

From time to time, due to market fluctuation the fair value of certain endowment funds may fall below the original gift value. These funds are considered “underwater” funds. The Foundation has interpreted UPMIFA to permit spending from underwater endowments with prudent measures required by law.

The following presents endowed funds with deficiencies principally resulting from unfavorable market fluctuations and timing of related gifts:

	<u>2025</u>	<u>2024</u>
Fair value	\$ 4,856,154	\$ 5,158,095
Original gift value	<u>(4,979,711)</u>	<u>(5,318,671)</u>
Deficiency	<u>\$ (123,557)</u>	<u>\$ (160,576)</u>

The following presents endowment net asset composition by fund type as of June 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>Invested Non-endowed</u>	<u>Endowment</u>	
Board designated endowment funds	\$ 13,834,626	\$ -	\$ -	\$ 13,834,626
Original donor restricted gift amounts	-	18,584,687	588,176,295	606,760,982
Accumulated investment gains	<u>-</u>	<u>7,789,583</u>	<u>236,874,855</u>	<u>244,664,438</u>
Invested endowment assets managed internally	13,834,626	26,374,270	825,051,150	865,260,046
Invested assets managed externally	-	-	9,619,076	9,619,076
External trusts at fair value	<u>-</u>	<u>-</u>	<u>33,942,737</u>	<u>33,942,737</u>
Total invested endowment assets	13,834,626	26,374,270	868,612,963	908,821,859
Non-invested endowed assets	-	-	80,952,437	80,952,437
Endowment liabilities	<u>-</u>	<u>-</u>	<u>(83,714)</u>	<u>(83,714)</u>
Endowment net assets	<u>\$ 13,834,626</u>	<u>\$ 26,374,270</u>	<u>\$ 949,481,686</u>	<u>\$ 989,690,582</u>

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The following presents changes in endowment net assets for the year ended June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions		
		Invested Non-endowed	Endowment	Total
Invested endowment assets, beginning of year	\$ 13,926,332	\$ 21,011,493	\$ 845,958,958	\$ 880,896,783
Investment return, net	486,487	5,813,341	35,395,778	41,695,606
Contributions	-	-	18,862,154	18,862,154
Appropriation for expenditure	(578,193)	(450,564)	(31,603,927)	(32,632,684)
Invested endowment assets, end of year	13,834,626	26,374,270	868,612,963	908,821,859
Non-invested endowed assets	-	-	80,952,437	80,952,437
Endowment liabilities	-	-	(83,714)	(83,714)
Endowment net assets	<u>\$ 13,834,626</u>	<u>\$ 26,374,270</u>	<u>\$ 949,481,686</u>	<u>\$ 989,690,582</u>

The following presents endowment net asset composition by fund type as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions		
		Invested Non-endowed	Endowment	Total
Board designated endowment funds	\$ 13,926,332	\$ -	\$ -	\$ 13,926,332
Original donor restricted gift amounts	-	13,561,659	569,314,141	582,875,800
Accumulated investment gains	-	7,449,834	231,338,808	238,788,642
Invested endowment assets managed internally	13,926,332	21,011,493	800,652,949	835,590,774
Invested assets managed externally	-	-	9,106,727	9,106,727
External trusts at fair value	-	-	36,199,282	36,199,282
Total invested endowment assets	13,926,332	21,011,493	845,958,958	880,896,783
Non-invested endowed assets	-	-	77,570,945	77,570,945
Endowment liabilities	-	-	(178,623)	(178,623)
Endowment net assets	<u>\$ 13,926,332</u>	<u>\$ 21,011,493</u>	<u>\$ 923,351,280</u>	<u>\$ 958,289,105</u>

West Virginia University Foundation, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

The following presents changes in endowment net assets for the year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions		
		Invested Non-endowed	Endowment	Total
Invested endowment assets, beginning of year	\$ 14,231,226	\$ 20,706,275	\$ 839,231,119	\$ 874,168,620
Investment return, net	212,601	688,146	13,513,913	14,414,660
Contributions	-	-	20,824,570	20,824,570
Appropriation for expenditure	(517,495)	(382,928)	(27,610,644)	(28,511,067)
Invested endowment assets, end of year	13,926,332	21,011,493	845,958,958	880,896,783
Non-invested endowed assets	-	-	77,570,945	77,570,945
Endowment liabilities	-	-	(178,623)	(178,623)
Endowment net assets	<u>\$ 13,926,332</u>	<u>\$ 21,011,493</u>	<u>\$ 923,351,280</u>	<u>\$ 958,289,105</u>

Note 7. Land, Building, and Equipment

A summary of land, building, and equipment and accumulated depreciation at June 30 follows:

	2025	2024
Land	\$ 2,610,860	\$ 2,610,860
Building	32,869,353	32,651,940
Equipment	4,916,407	4,825,088
Capital improvements (in progress)	<u>3,081,342</u>	<u>-</u>
	43,477,962	40,087,888
Accumulated depreciation	<u>(29,263,936)</u>	<u>(27,976,806)</u>
Land, building and equipment, net	<u>\$ 14,214,026</u>	<u>\$ 12,111,082</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$1,318,931 and \$1,323,803, respectively.

The Foundation owns a seven-floor office building located at One Waterfront Place. The Foundation occupies one floor of the building and leases the remainder of the building to the University through an operating lease with the West Virginia University Board of Governors on behalf of the University. The lease runs through May 31, 2031; however, it is cancelable upon 30-days' written notice. The net book value of the property leased was \$4,280,336 and \$5,140,886 as of June 30, 2025 and 2024, respectively. During 2025 and 2024, the Foundation recorded approximately \$2,000,000 of lease revenue related to this lease. Future lease payments for each of the five succeeding fiscal years are approximately \$2,000,000 each year.

Capital improvements in progress at June 30, 2025 consists of upgraded cooler and chilling towers replacements for the building and computer center located at One Waterfront Place. Construction commitments at June 30, 2025 consisted of approximately \$356,000 to the project contractors. This capital improvements project will be finalized in early fiscal year 2026.

West Virginia University Foundation, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Note 8. Other Assets

Other assets consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Cash surrender value of life insurance	\$ 3,954,111	\$ 4,019,450
Real estate and other assets	<u>2,591,519</u>	<u>3,068,709</u>
	<u>\$ 6,545,630</u>	<u>\$ 7,088,159</u>

Note 9. Split-Interest Agreements

The Foundation occasionally enters into split-interest agreements with donors, which consist primarily of charitable gift annuities, charitable remainder unitrusts, and charitable remainder annuity trusts. These agreements provide either fixed annual payments or fixed annual returns to the original donor or a designated beneficiary. Payment streams are valued at the present value of the expected future obligations after considering the applicable discount rate and actuarial mortality assumptions. Fixed payout percentages range from 4.2% to 18.0% at June 30, 2025 and at June 30, 2024, respectively. Management of WVU Foundation has estimated the reserves required for their gift annuities to be approximately \$3,100,000 at June 30, 2025 and 2024. The investment balance on the statement of financial position includes approximately \$8,200,000 and \$7,500,000 set aside in segregated accounts for gift annuities for the years ended June 30, 2025 and 2024. WVU Foundation has adequate reserves as of June 30, 2025 to fund its charitable gift annuity liability and is in compliance with Code of Maryland regulations 31.09.07.03.

The Foundation received contributions of \$677,071 and \$5,421,169 to establish new split-interest agreements for the years ended June 30, 2025 and 2024, respectively. Total assets resulting from split-interest agreements were \$34,299,204 and \$31,969,332 at June 30, 2025 and 2024, respectively. These assets are included in investments carried at fair value on the statements of financial position.

Note 10. Net Assets

Net assets without donor restrictions are available for the following purposes as of June 30:

	<u>2025</u>	<u>2024</u>
Board designated endowment funds	\$ 13,834,626	\$ 13,926,332
Board designated Foundation reserves	38,866,170	27,799,586
Financial assets available for general use	26,121,722	24,103,520
Land, building, and equipment, net of depreciation	14,214,026	12,111,082
Receivables and other	6,934,470	5,422,911
Notes payable	<u>(10,120,304)</u>	<u>(11,403,258)</u>
	<u>\$ 89,850,710</u>	<u>\$ 71,960,173</u>

West Virginia University Foundation, Inc.
Notes to Financial Statements
June 30, 2025 and 2024

Net assets released from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrence of other events specified by donors were \$106,317,636 and \$119,572,571 for the years ended June 30, 2025 and 2024, respectively. Net assets with donor restrictions at June 30 are restricted for the following purposes:

	<u>2025</u>	<u>2024</u>
Student aid	\$ 440,154,182	\$ 425,861,541
Academics	305,587,292	301,935,853
Faculty and staff	213,447,845	211,271,912
Research	92,835,419	87,044,889
Buildings and equipment	80,850,125	82,070,409
Departmental discretion	72,381,304	72,202,634
Public service	45,745,694	43,468,501
Pending donor designation	16,348,167	12,950,035
Other	<u>4,377,325</u>	<u>1,505,393</u>
	<u>\$1,271,727,353</u>	<u>\$1,238,311,167</u>

Note 11. Line of Credit

The Foundation has an unsecured line of credit with a financial institution with maximum borrowing capacity of \$10,000,000, with no fixed maturity date. The agreement will be reviewed annually by the financial institution and the Foundation. As of June 30, 2025 and 2024, there was no amount outstanding on the line. This line of credit bears interest at a variable rate based on the New York Prime rate plus 0.375% with a minimum interest rate of 3.625% and a maximum interest rate of 10%, which is payable on demand. This line of credit renews on an annual basis subject to the financial institution's review of the Foundation's financial statements and is expected to be renewed on similar terms.

Note 12. Note Payable

In May 2012, the Foundation borrowed \$24,000,000 from a West Virginia bank. The loan proceeds were used to fund the pay-off of the 2002 Series B bonds used to finance floors 1 - 6 of One Waterfront Place. The loan is payable in monthly installments of \$136,492 through May 1, 2032. The payments include principal and interest at the fixed rate of 3.28%. The loan is secured by a credit line deed of trust on One Waterfront Place, an assignment of leases on One Waterfront Place, and a security agreement encumbering the net unrestricted assets of the Foundation. The loan balance as of June 30, 2025 and 2024 was \$10,120,304 and \$11,403,258, respectively. Interest expense for the years ended June 30, 2025 and 2024 was \$354,955 and \$396,298, respectively.

Debt service for the note payable for the fiscal years ending June 30 is as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
2026	\$ 1,325,674	312,236	\$ 1,637,910
2027	1,369,816	268,094	1,637,910
2028	1,415,427	222,483	1,637,910
2029	1,462,558	175,352	1,637,910
2030	1,511,257	126,653	1,637,910
Thereafter	<u>3,035,572</u>	<u>100,666</u>	<u>3,136,238</u>
	<u>\$ 10,120,304</u>	<u>\$ 1,205,484</u>	<u>\$ 11,325,788</u>

Note 13. Retirement Benefits and Deferred Compensation

The Foundation has a contributory retirement plan covering all full time and part time employees. Employer contributions are based on a percentage of salary applied as premiums on regular retirement annuity contracts owned by each employee. Employees are immediately vested. Retirement expense was \$1,726,703 and \$1,572,769 for the years ended June 30, 2025 and 2024, respectively.

The Foundation has several supplemental retirement or deferred compensation plans covering certain employees of the University or Foundation that provide for payments upon retirement, death, or disability. The liability associated with these plans was \$1,459,562 and \$2,144,152 as of June 30, 2025 and 2024, respectively. The liability is recorded at the present value of the estimated future payments. These plans are funded through gifts, life insurance proceeds and other designated funds. Deferred compensation expense was \$23,719 and \$647,027 for the years ended June 30, 2025 and 2024, respectively.

Note 14. University Support

University directed fund raising costs of approximately \$3,300,000 in 2025 and 2024 are included in University support in the statements of activities.

Note 15. Funds Held in Custody for Others

The Foundation invests funds for West Virginia University and certain organizations affiliated with the University. These investments are held in agency relationships and are not net assets of the Foundation.

A summary of the liability for agency investments as of June 30 follows:

	<u>2025</u>	<u>2024</u>
West Virginia United Health System, Inc.	\$ 1,722,899,366	\$ 1,525,100,888
West Virginia University	130,713,968	123,874,436
West Virginia University research trust funds	43,851,112	42,661,741
WVU Alumni Association, Inc.	5,613,401	5,237,268
Other	<u>3,010,936</u>	<u>1,821,905</u>
	<u>\$ 1,906,088,783</u>	<u>\$ 1,698,696,238</u>

Note 16. Subsequent Events

Foundation management evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through September 25, 2025, the date the financial statements were available to be issued.

Supplementary Information

Independent Auditor's Report on Supplementary Information

Board of Directors
West Virginia University Foundation, Inc.
Morgantown, WV

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the West Virginia University Foundation, Inc.'s (the "Foundation") basic financial statements. The reconciliation of contributions listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The reconciliation of contributions has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

**Charleston, West Virginia
September 25, 2025**

West Virginia University Foundation, Inc.
Reconciliation of Contributions
Years Ended June 30, 2025 and 2024

The schedule below reconciles Foundation fundraising totals as reported in the Foundation's annual report (not presented herein) with contribution revenue determined in accordance with GAAP as reported in the accompanying Statements of Activities.

	Years Ended June 30,	
	2025	2024
Contributions		
Foundation fundraising totals	\$ 260,662,157	\$ 282,680,356
Bequest expectancies	(37,424,062)	(19,402,163)
Changes in contributions receivable, net of discount	(6,387,718)	(63,953,952)
Noncash contributions received directly by the University	(100,726,549)	(7,486,596)
Amounts recorded as agency liability	(8,883,578)	(7,066,638)
Contributions from perpetual trusts reclassified to interest income	(2,027,105)	(1,867,539)
Changes in life income gifts/valuations	(437,818)	(2,155,864)
Amounts reported as other revenue	(15,894,651)	(11,510,050)
Contributions Per Statements of Activities	\$ 88,880,676	\$ 169,237,554



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