

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION – PRIMARY INSTITUTION	20
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PRIMARY INSTITUTION	22
STATEMENT OF CASH FLOWS – PRIMARY INSTITUTION	23
COMBINED STATEMENT OF FINANCIAL POSITION – COMPONENT UNITS	25
COMBINED STATEMENT OF ACTIVITIES – COMPONENT UNITS	26
EXPENSES BY NATURE AND FUNCTION – COMPONENT UNITS	27
NOTES TO FINANCIAL STATEMENTS	28
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF UNIVERSITY SYSTEM PLAN OPEB LIABILITY	74
SCHEDULE OF PROPORTIONATE SHARE OF REHP NET OPEB LIABILITY AND CONTRIBUTIONS	74
SCHEDULE OF PROPORTIONATE SHARE OF PSERS NET OPEB LIABILITY AND CONTRIBUTIONS	75
SCHEDULE OF PROPORTIONATE SHARE OF SERS NET PENSION LIABILITY AND CONTRIBUTIONS	76
SCHEDULE OF PROPORTIONATE SHARE OF PSERS NET PENSION LIABILITY AND CONTRIBUTIONS	77



INDEPENDENT AUDITORS' REPORT

Council of Trustees
West Chester University of Pennsylvania
of the State System of Higher Education
West Chester, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of West Chester University of Pennsylvania of the State System of Higher Education (the University), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component units, which represent 100% of the assets, net assets, and revenues of the discretely presented component units as of June 30, 2025. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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.

Emphasis of Matter

The financial statements of the University are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities and the aggregate discretely presented component units that are attributable to the transactions of the University. The University is one of ten universities and the System Office of the Pennsylvania State System of Higher Education (the System). These financial statements do not purport to, and do not, present fairly the financial position of the System, as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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.

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 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.

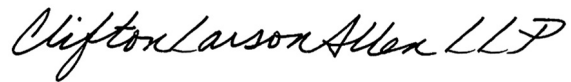
In performing an audit in accordance with GAAS, we:

- 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 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.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules of Proportionate Share of Net Pension Liability, OPEB Liability, Proportionate Share of Net OPEB Liability, and Contributions 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.

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

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
November 11, 2025

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of West Chester University of Pennsylvania of the State System of Higher Education (the University) for the year ended June 30, 2025. The University's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow.

West Chester University is a public university of the Commonwealth of Pennsylvania (Commonwealth) and a member of the Pennsylvania State System of Higher Education (State System or PASSHE). As such, the University is charged with providing high-quality education at the lowest possible cost to its students. With over 17,000 students enrolled, the University is the largest of the State System universities.

FINANCIAL HIGHLIGHTS

Following is an overview of the University's financial activities for the year ended June 30, 2025, as compared to the year ended June 30, 2024, as well as future economic factors.

Tuition and Fees

After seven years of frozen tuition, PASSHE universities remain the most affordable four-year option in Pennsylvania, even with in-state undergraduate tuition for 2025-26 set to increase modestly by \$139 per semester. To preserve affordability, the State System is requesting a 6.5% increase in state funding. If sufficient funding is received, the Board would roll back part or all of the planned increase, introducing a flexible tuition-setting approach never before used in PASSHE. These actions provide assurances and financial relief to current and potential students and ensure that the State System will maintain its place as the affordable higher education option for students of the Commonwealth. The State System will continue to monitor its funding sufficiency and propose a tuition rate for 2026-27 for the Board's consideration in 2026.

For the 2025–26 academic year, the base tuition rate for most full-time Pennsylvania resident undergraduates will increase by 3.6 percent, to \$3,997 per term, or \$7,994 for the academic year. This reflects an increase from the 2024–25 rates of \$3,858 per term, or \$7,716 annually. Tuition for nonresident undergraduates will also rise by 3.6 percent, to \$9,993 per term, or \$19,986 annually, compared with \$9,645 per term, or \$19,290 for 2024–25. Graduate tuition rates are \$534 per credit for Pennsylvania residents and \$801 per credit for nonresidents.

The technology tuition fee for 2025-26 increased to \$804 for full-time in-state students and \$1,224 for full-time out-of-state students. All funds raised by the technology tuition fee are used to directly benefit student learning. The University has used the funds to install multimedia classrooms, design online instructional materials, increase university capacity for connectivity for students, and provide hardware, software, and support for students and faculty. Beginning in academic year 2025-26, rate-approving authority for the technology tuition fee was delegated to the University's Council of Trustees.

Mandatory fees for all undergraduate students set by the University increased by 3.5% in fiscal year 2024-25 after an increase of 4.7% in fiscal year 2023-24 compared to fiscal year 2022-23. Mandatory fees for graduate students increased by 3.2% in fiscal year 2024-25 compared to an increase of 4.2% in fiscal year 2023-24 when compared to fiscal year 2022-23. Room rates (North and South Campus) both increased by 8.2% in fiscal year 2024-25 after an increase of 6% in fiscal year 2023-24 compared to fiscal year 2022-23.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

FINANCIAL HIGHLIGHTS (CONTINUED)

Tuition and Fees (Continued)

For fiscal year 2025-26 mandatory student fees set by the University will increase by 3.3% for undergraduate students and 3.3% for graduate students. Room rates (North Campus and South Campus) will increase 6.7%. West Chester University as part of the State System of Universities will remain among the lowest cost option of all four-year colleges and universities in the Commonwealth.

In fiscal year 2024–25, the State System implemented a revised methodology for estimating tuition and auxiliary discounts, in accordance with the National Association of College and University Business Officers (NACUBO) Advisory Report 2023-01, Public Institutions: Accounting for and Reporting Financial Aid as a Discount. This refinement was made possible by advancements in student information systems that now capture detailed student-level data.

Under the previous approach, institutional aid was allocated using pooled student aid and refunds, which introduced non-discountable transactions and reduced the precision of discount estimates. The updated methodology uses student-level data to allocate aid between tuition, auxiliary discounts, and student aid expense by fiscal year, resulting in a more accurate reflection of how financial aid is distributed.

This change affects the classification of amounts reported in Tuition and fees, net; Auxiliary enterprises, net; and Operating Expenses – Student aid on the Statement of Revenues, Expenses, and Changes in Net Position. While the total institutional aid for fiscal year 2024-25 of \$60.9 million remains unchanged, these reclassifications reflect improved precision and alignment with the actual flow of financial support. The change does not affect the total net position and has been applied prospectively.

Enrollment

The enrollment demand at the University remained strong in fiscal year 2024-25, with 17,989 first-year applications for 3,022 openings for the fall 2024.

The enrollment demand increased for fiscal year 2025-26, with 18,541 first-year applications, a 3% increase over prior year applications, for 3,024 openings for fall 2025.

Appropriations

For fiscal year 2024-25, the State System received General Fund appropriations of \$620.8 million from the Commonwealth, an increase of 6.0% over the \$585.6 million received in fiscal year 2023-24. In fiscal year 2024-25, these appropriations represented approximately 30% of total revenues and gains.

The University received a \$2.7 million Realty Transfer Tax allocation in fiscal year 2024-25 from the Commonwealth's Key '93 (Keystone Recreation, Park and Conservation) Fund. The University's Key '93 appropriation for fiscal year 2025-26 is \$2.7 million. With the exception of fiscal years 2009-10 and 2010-11, when no funding was received, Key '93 funds have provided a consistent revenue stream for university deferred maintenance projects since 1993.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

FINANCIAL HIGHLIGHTS (CONTINUED)

Capital Investment and Debt

The University purchased \$35.0 million in capital assets in fiscal year 2024-25, as compared to \$36.8 million in fiscal year 2023-24. Major projects in progress or completed during the fiscal year included the continued construction of the RH Modular Units project and the SOMPAC HVAC replacement. Ongoing projects cover a diverse range of areas, from building renovations to infrastructure enhancements, all with the overarching goal of enhancing and upgrading the campus environment to better support student success. The University utilizes the State System to facilitate the issuance of bonds to raise capital for major projects. Given the efficiencies of the State System acting on behalf of ten universities, the University achieves low interest rates and administrative cost savings.

During fiscal year 2024-25, there were no new bond issuances by the University or State System.

In February 2025, Moody's Investors Service, Inc. maintained the State System's bond rating of Aa3, and stable outlook. The stable outlook reflects Moody's expectations that continued successful execution of the system redesign initiative will enhance prospects for sustainability, aligning expense structures to anticipated smaller enrollment levels, as noted earlier in the Enrollment section. The outlook also reflects expectations of continued strong liquidity, growing Commonwealth financial support and steady declines in bonded debt. At the same time, Moody's maintained the State System's Environmental, Social, and Governance (ESG) and Credit Impact Scores (CIS) of CIS-3. CIS-3 reflects the State System's elevated exposure to social risks, including weak demographics and highly competitive market conditions, while strong fiscal management and robust strategic planning frameworks partly mitigates its exposure to ESG risks. In February 2025, Fitch Ratings reviewed the State System's rating of A+ with stable outlook and no rating change was made.

Component Units

The West Chester University Foundation (the Foundation), previously known as the Fund for West Chester University, was established in 2001 with the specific purpose of performing fundraising for the educational, charitable, and scientific interests of the University. The Foundation, a component unit of the University that is reflected in the audited financial statements, includes a wholly owned subsidiary, University Student Housing, LLC (USH).

- The Foundation and West Chester University Alumni Association (the Alumni Association) jointly own real estate at 202 Carter Drive, West Chester, PA. The property serves as the administrative offices of the Foundation and the Alumni Association. The loan payable on the property at June 30, 2025 was \$1.6 million.
- USH was established to develop, design, finance, construct, and operate new housing for the students of the University. USH operates six campus communities on land leased from the University under four ground leases. The ground leases expire when the bonds and loans incurred to construct and renovate the properties are fully paid. Total bonds payable, net of deferred financing costs, on the USH properties at June 30, 2025, are \$176.7 million.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

FINANCIAL HIGHLIGHTS (CONTINUED)

- The student housing facilities built and managed by USH are:

Building	Initial Project Year	Current Bond Series	Outstanding at June 30, 2025
University Hall and The Village	2003	Series 2013 and 2020	\$ 28,915,575
Allegheny and Brandywine	2008	Series 2008 A-1 and A-2	85,100,000
East Village	2012	Series 2012	14,772,686
Commonwealth	2013	Series 2013 A and 2016 C-2	48,228,286
Total, Gross			<u>177,016,547</u>
Unamortized Bond Premium			2,544,022
Unamortized Deferred Financing Costs			(2,896,897)
Total Bonds Payable, Net			<u><u>\$ 176,663,672</u></u>

THE FINANCIAL STATEMENTS

Statement of Net Position

This statement reports the balances of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the fiscal year.

- Assets include cash; investments reported at market value; the value of outstanding receivables due from students and other parties; land, buildings, and equipment reported at cost, less accumulated depreciation; and right of use and subscription assets less accumulated amortization.
- Deferred Outflows of Resources, defined as a consumption of net position that applies to future periods, reports the deferred loss on bond defeasance and certain items associated with the pension and other postemployment benefits, or OPEB liabilities (health and tuition benefits expected to be paid to eligible current and future retirees).
- Liabilities include payments due to vendors, employees, and students; revenues received but not yet earned; the balance of bonds payable; and amounts estimated to be due for items such as workers' compensation (the State System is self-insured), compensated absences (the value of sick and annual leave earned by employees), pension benefits, OPEB, and lease and subscription liabilities.
- Deferred Inflows of Resources, defined as an acquisition of net position that applies to future periods, reports the deferred gain on bond defeasance, the fair value of irrevocable split-interest agreements, certain items associated with the pension and OPEB, and deferred income associated with lessor leases.
- Net Position, informally referred to as Net Assets or Fund Balance (as it was previously called), is the sum of Assets and Deferred Outflows of Resources less Liabilities and Deferred Inflows of Resources.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Net Position (Continued)

Following is a summary of the University's statement of net position at June 30 (in millions):

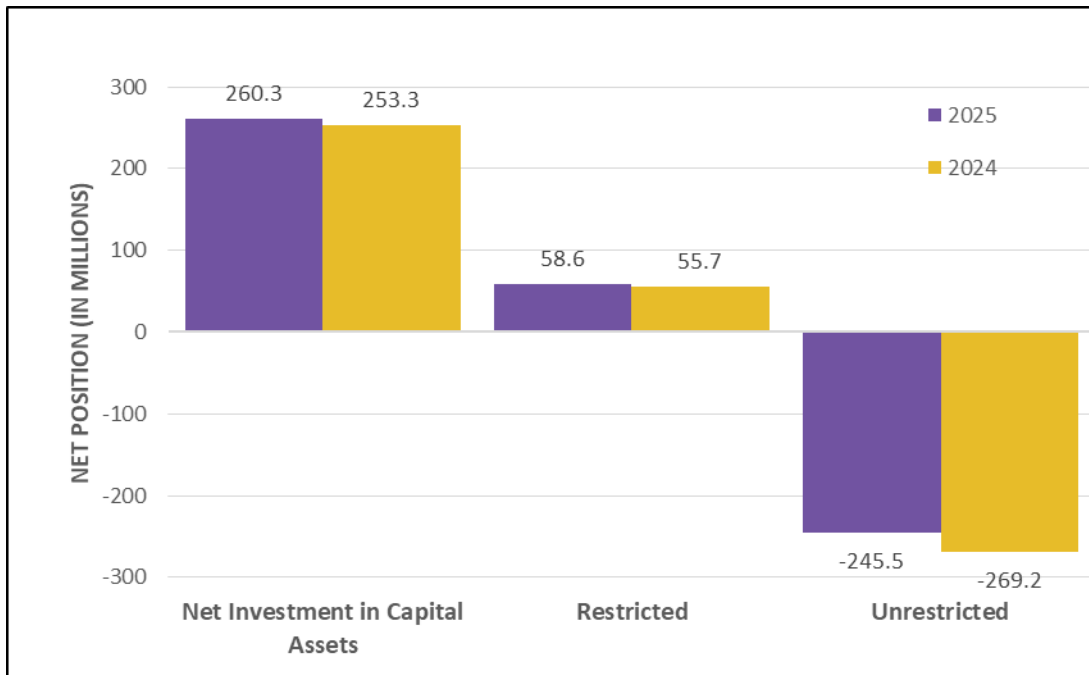
	<u>2025</u>	<u>0</u>	<u>2023</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Capital Assets, Net	\$ 361.4	\$ 354.0	\$ 342.9
Other Assets and Deferred Outflows of Resources	<u>282.0</u>	<u>292.6</u>	<u>304.5</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 643.4</u></u>	<u><u>\$ 646.6</u></u>	<u><u>\$ 647.4</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Workers' Compensation, Compensated Absences, and Postemployment Obligations	\$ 210.4	\$ 222.4	\$ 226.7
Net Pension Liability	105.5	112.3	119.8
Bonds Payable	86.1	90.7	95.2
Other Liabilities and Deferred Inflows of Resources	<u>168.0</u>	<u>181.4</u>	<u>210.5</u>
Total Liabilities and Deferred Inflows of Resources	570.0	606.8	652.2
NET POSITION			
Net Investment in Capital Assets	260.3	253.3	240.6
Restricted	58.6	55.7	51.9
Unrestricted	<u>(245.5)</u>	<u>(269.2)</u>	<u>(297.3)</u>
Total Net Position	<u><u>73.4</u></u>	<u><u>39.8</u></u>	<u><u>(4.8)</u></u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 643.4</u></u>	<u><u>\$ 646.6</u></u>	<u><u>\$ 647.4</u></u>

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Net Position (Continued)

Net Position (in millions)



Net Position

Overall, net position increased by \$33.6 million in fiscal year 2024-25 over fiscal year 2023-24. This compares to an increase of \$44.6 million in fiscal year 2023-24 over fiscal year 2022-23.

In accordance with GASB requirements, the University reports three components of net position:

- Net investment in capital assets, informally referred to as NIP (from its former name, Net Investment in Plant), is the cost of land, buildings, improvements, equipment, furnishings, library books, and right of use leases and subscription assets, net of accumulated depreciation and amortization, less any associated debt (primarily bonds payable). This balance is not available for the University's use in ongoing operations since the underlying assets would have to be sold to use the balance to pay current or long-term obligations. The Commonwealth prohibits the State System from selling University land and buildings without its prior approval.
- Restricted net position represents the portion of balances of funds received from the Commonwealth, donors, or grantors who have placed restrictions on the purpose for which the funds must be spent. Nonexpendable restricted net position represents the corpus of endowments and similar arrangements in which only the associated investment income can be spent. Expendable restricted net position represents the portion of restricted funds that is available for expenditure as long as any external purpose and time restrictions are met.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Net Position (Continued)

Net Position (Continued)

- Unrestricted net position includes funds that the Board, chancellor, or university presidents have designated for specific purposes, auxiliary funds, and all other funds not appropriately classified as restricted or invested in capital assets.

Unrestricted net position includes three liabilities that the State System does not fund, along with the respective deferred outflows and deferred inflows of resources. Because these liabilities will be realized gradually over future years, and because of their size, the universities are expected to fund these liabilities only on a "pay-as-you-go" basis, i.e., as they become due.

1. The liability for OPEB decreased by \$13.0 million to \$188.5 million at June 30, 2025, over June 30, 2024.
2. The liability for compensated absences increased from \$19.9 million at June 20, 2024, to \$21.2 million at June 30, 2025, or \$1.3 million. This compares to a \$1.2 million increase at June 30, 2024, over June 30, 2023. The University funds this liability only as cash payouts are made to employees upon termination.
3. The combined pension liability for fiscal year 2024-25 was \$105.5 million, comprised of \$92.3 million for the State Employee Retirement System (SERS) and \$13.2 million for the Public School Employees' Retirement System (PSERS). This is a decrease of \$6.8 million from fiscal year 2023-24.

Statement of Revenues, Expenses, and Changes in Net Position

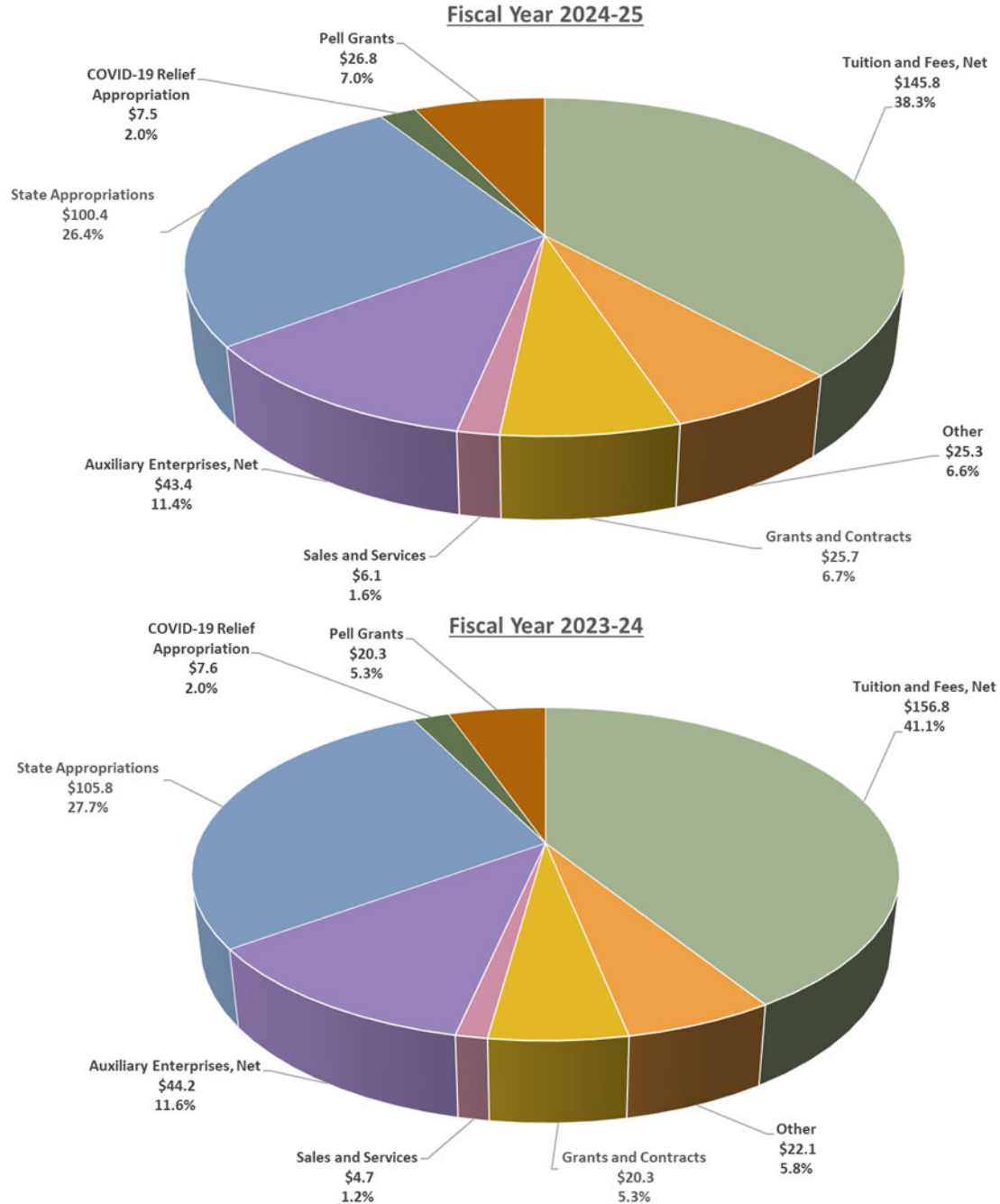
The Statement of Revenues, Expenses, and Changes in Net Position reports the revenues earned and the expenses incurred during the fiscal year. The result is reported as an increase or decrease in net position. In accordance with GASB requirements, the State System has classified revenues and expenses as either operating or nonoperating.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

THE FINANCIAL STATEMENTS (CONTINUED)

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

Operating and Nonoperating Revenues (in millions)

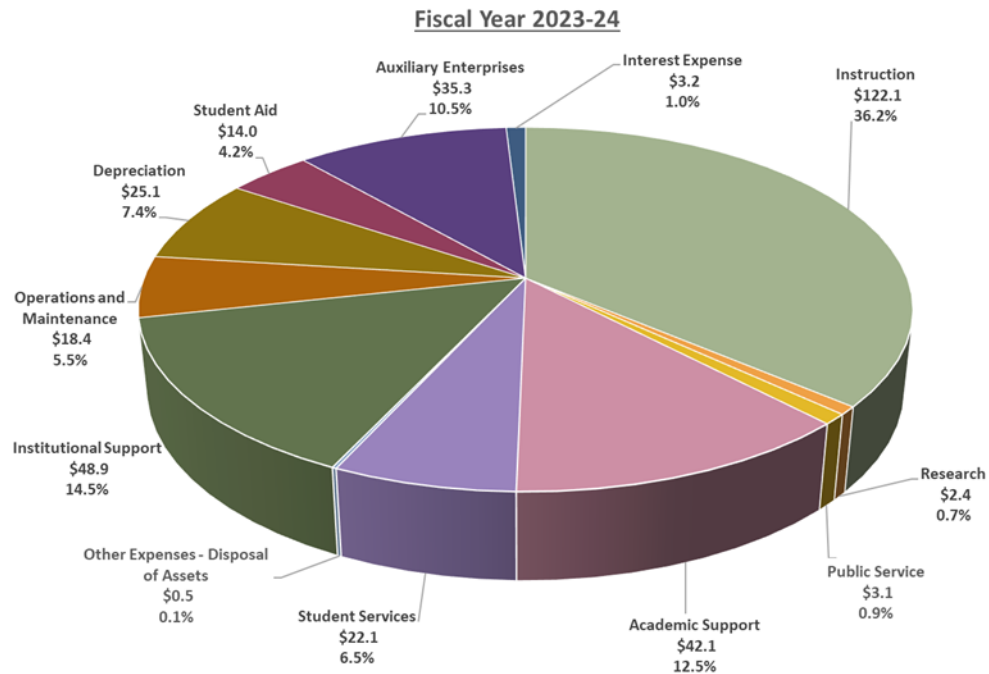
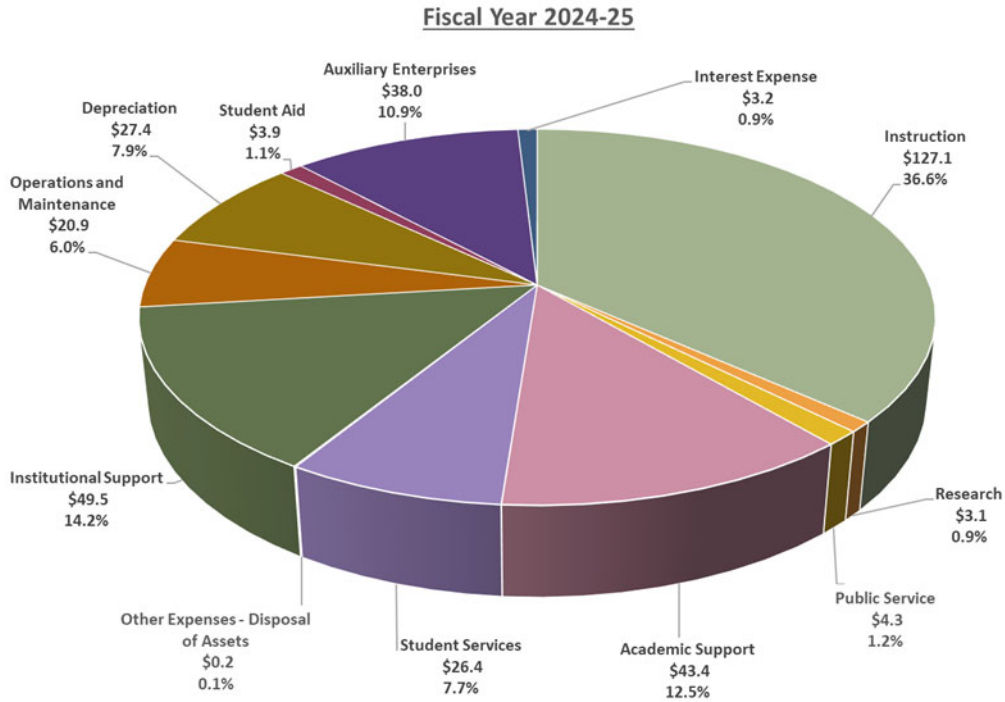


**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

THE FINANCIAL STATEMENTS (CONTINUED)

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

Operating Expenditures by Function (in millions)



**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

THE FINANCIAL STATEMENTS (CONTINUED)

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

Following is a summary of revenues, expenses, and changes in net position for the years ended June 30 (in millions):

	2025	0	2023
OPERATING REVENUES			
Tuition and Fees, Net	\$ 145.8	\$ 156.8	\$ 156.9
Grants and Contracts	25.7	20.3	19.4
Auxiliary Enterprises, Net	43.4	44.2	39.9
Other	8.0	6.3	5.1
Total Operating Revenues	<u>222.9</u>	<u>227.6</u>	<u>221.3</u>
OTHER REVENUES			
State Appropriations	100.4	105.8	84.2
Federal Appropriations - COVID-19 Relief Funds	7.5	7.6	7.2
Investment Income, Net (Includes Unrealized Gains and Losses)	14.3	13.7	9.3
Gifts, Grants, and Other	35.9	27.1	23.3
Total Other Revenues	<u>158.1</u>	<u>154.2</u>	<u>124.0</u>
Total Revenues	381.0	381.8	345.3
OPERATING EXPENSES			
Personnel Compensation:			
Salaries	168.3	159.5	142.6
Benefits	45.3	39.9	38.4
Pension Expense	23.6	22.2	23.4
Other Postemployment Benefits Expense	(12.3)	(14.2)	(17.2)
Student Wages	5.8	5.7	4.3
Total Personnel Compensation	<u>230.7</u>	<u>213.1</u>	<u>191.5</u>
Telecommunications Charges	0.5	0.4	0.4
Travel and Transportation	2.3	2.1	2.0
Computing and Data Processing	5.8	7.8	7.7
Professional and Contracted Services	21.6	19.7	14.8
Utilities	6.8	6.6	6.0
Food Supplies	18.2	16.4	14.3
Depreciation	27.4	25.1	18.3
Student Aid Expense	3.9	14.0	12.8
Supplies and Other Current Charges	26.8	28.3	28.1
Total Operating Expenses	<u>344.0</u>	<u>333.5</u>	<u>295.9</u>
OTHER EXPENSES			
Interest Expense	3.2	3.2	3.2
Loss on Disposal of Assets	0.2	0.5	-
Total Expenses	<u>347.4</u>	<u>337.2</u>	<u>299.1</u>
INCREASE IN NET POSITION	33.6	44.6	46.2
Net Position - Beginning of Year	<u>39.8</u>	<u>(4.8)</u>	<u>(51.0)</u>
NET POSITION - END OF YEAR	<u><u>\$ 73.4</u></u>	<u><u>\$ 39.8</u></u>	<u><u>\$ (4.8)</u></u>

Amounts were rounded; consequently some totals may appear not to add exactly.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

THE FINANCIAL STATEMENTS (CONTINUED)

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

Overall, fiscal year 2024-25 operating revenues decreased by 2.07% from the prior fiscal year due to a decrease in net tuition and fees. Nonoperating revenues increased by 2.53% primarily due to an increase in gifts and grants received in fiscal year 2024-25. The overall decrease in total revenues was 0.21%.

Tuition and fee revenue is shown net of discounts and allowances and bad debt expense. Discounts and allowances represent financial aid to students in the form of grants, scholarships, and waivers. Tuition was frozen again in fiscal year 2024-25 and enrollment increased slightly. In addition, there was an overall increase in discounts and allowances of \$15.4 million due to a change in allocation methodology as discussed above under Financial Highlights. These items resulted in an overall decrease in net tuition and fee revenue of \$11.0 million, or 7.0%, for fiscal year 2024-25 from fiscal year 2023-24.

Auxiliary enterprises revenue, which includes food service sales, housing fees, and fees for the operation, maintenance, debt service, and renewal of student union and recreation centers, decreased by \$0.8 million to \$43.4 million, or 1.8%, in fiscal year 2024-25 over fiscal year 2023-24 due primarily to a \$4.7 million increase in auxiliary discounts due to the change in allocation methodology.

State appropriations include cash as well as capital appropriations that are received in the form of noncash furnishings and equipment for the Commonwealth-funded construction projects. The fiscal year 2024-25 appropriation was \$100.4 million, an \$8.1 million increase from fiscal year 2023-24 which excludes capital appropriations of \$13.1 million recorded in 2023-24 for geothermal projects funded by the Commonwealth.

Net investment income (including unrealized gains and losses) for fiscal year 2024-25 was \$14.3 million, an increase of \$0.6 million from fiscal year 2023-24. Net investment income increase was driven by higher interest rates and unrealized gains in the endowment market value during fiscal year 2024-25. Non-operating revenue includes the University's portion of the Commonwealth's American Rescue Plan's Coronavirus State and Local Fiscal Recovery Funds (CSFRF) totaling \$7.5 million in 2024-25 and \$7.6 million in 2023-24. These one-time funds are being used to support key priority areas within the University, in accordance with regulations outlined in the CSFRF Final Rule guidelines. A significant portion of these funds were dedicated to financial aid initiatives aimed at assisting needy students, ensuring that they have access to quality education. Additionally, a portion of the funds was allocated for the implementation of OneSIS. This system will improve the efficiency and effectiveness of the University's administrative and academic processes while also contributing to the overall support of student success.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

THE FINANCIAL STATEMENTS (CONTINUED)

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

Overall, fiscal year 2024-25 operating expenses increased by \$10.5 million, or 3.1%, from fiscal year 2023-24 and are mainly attributable to higher salary, wages and benefit costs, and depreciation expense. The University spent \$168.3 million, or 48.9%, of its operating expenses on salaries and wages in fiscal year 2024-25 as compared to \$159.5 million in fiscal year 2023-24, or 47.8% of its operating expenses. The increase is the result of salary and wage increases granted as part of the new collective bargaining agreements. In total, the University spent \$230.7 million, or 67.1% of operating expenditures, on salaries, benefits, OPEB expense, and student wages in fiscal year 2024-25, and \$213.1 million, or 63.9% of operating expenditures, in fiscal year 2023-24.

Interest expense on capital asset-related debt was \$3.2 million, resulting in no change from fiscal year 2023-24. Interest expense is flat due to the passage of time with no additional debt instruments issued during the fiscal year.

Statement of Cash Flows

This statement's primary purpose is to provide relevant information about the cash receipts and cash payments of the University. It may be used to determine the University's ability to generate future net cash flows and meet its obligations as they come due, as well as its possible need for external financing.

FUTURE AND OTHER ECONOMIC FACTORS

West Chester University has demonstrated that it is fiscally strong, with a steady enrollment and prudent management of financial resources. However, several conditions could impact the University's financial flexibility in fiscal year 2025-26 and beyond:

1. New PASSHE Chancellor – In July 2024, Chancellor Dan Greenstein of the State System announced his resignation, effective October 11, 2024. Following his departure, Dr. Christopher M. Fiorentino, former President of West Chester University, was appointed Interim Chancellor by the Board of Governors and subsequently selected as the System's sixth Chancellor in April 2025.
2. New Modular Student Housing- In 2025, West Chester University commenced the development of new temporary modular residence facilities named "Matlack Court". This court-style modular housing will serve as temporary swing space for five years, enabling the University to initiate renovation and vertical expansion of its South Campus Apartments. Opening in August 2025, Matlack Court offers students a modern modular housing community designed around a unique court-style living experience, featuring 100 single occupancy rooms and 14 double occupancy rooms (128 beds total) plus access to the Matlack Court Community Building which includes free laundry facilities, vending machines, mailboxes, and a dedicated WCU Residence Life & Housing Office.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

FUTURE AND OTHER ECONOMIC FACTORS (CONTINUED)

3. Bond Issuance - West Chester University participated in the November 2025 Pennsylvania Higher Educational Facilities Authority (PHEFA) issued Series BA tax-exempt revenue bonds in the amount of \$67,295,000. The University's portion of the issuance proceeds will be used to finance the vertical expansion and renovation of the South Campus Apartments student housing. The additional debt is structured to align with the University's long-term capital planning and is expected to be serviced primarily through housing revenues. This financing strategy reflects the University's ongoing commitment to maintaining modern, affordable residential options while managing resources responsibly in support of student success.
4. Appropriations Delay – As of the issuance date of these financial statements, the Commonwealth of Pennsylvania has not enacted its annual budget for the fiscal year beginning July 1, 2025, resulting in a delay in the distribution of general appropriations to the State System. These appropriations, which represented approximately 28% of total revenue for the fiscal year ended June 30, 2025, are typically received monthly. During fiscal year ended June 30, 2025, monthly transfers averaged approximately \$51.73 million.

The timing of the budget resolution is uncertain, which could further delay appropriations and impact System operations. In addition, the value of appropriations for July 1, 2025 – June 30, 2026, remain unknown.

To manage the financial impact of this delay, the System has implemented a range of mitigation strategies, including the use of available reserves, adjustments to cash flow operations, and short-term internal lending. Through its centrally managed investment fund, the System may issue promissory notes to support temporary liquidity needs, under Board policy. This internal mechanism enables the System to maintain operational continuity and financial flexibility without reliance on external borrowing.

Commonwealth appropriations are a significant source of revenues to the State System. The State System's continued operational viability is substantially dependent on a consistent and proportionate level of ongoing support. Commonwealth support also directly impacts the ability of the State System to maintain affordable tuition rates. The State System further depends on the Commonwealth to provide appropriations in support of its capital program.

5. Necessary Facilities Upgrades and Campus Master Plan – Planned projects for fiscal year 2025-26 and beyond include the South Campus Apartment renovation and expansion, geothermal upgrades and various building renovations and infrastructure upgrades. The University's partnership with Ewing Cole, a nationally recognized, fully integrated architecture, engineering, interior design, and planning firm, has produced a comprehensive master plan that aligns with the University's Strategic Plan. We are currently seeking conditional use approval of the Campus Master Plan from our local municipalities, the Borough of West Chester and West Goshen Township, and a Campus Development Plan with East Bradford Township.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

FUTURE AND OTHER ECONOMIC FACTORS (CONTINUED)

6. Pension and OPEB Liabilities – The State System's liabilities related to unfunded future pension and retiree healthcare costs total \$2.52 billion when combined with the respective deferred inflows of resources (DOR) and deferred outflows of resources (DOR). The State System has virtually no control over \$1.2 billion of this amount, which represents its share of the plans administered by the Commonwealth, since the Commonwealth determines the associated benefits as well as the employer and retiree contribution rates for these plans.

The Commonwealth's combined net pension and OPEB liabilities totaled \$69.0 billion at June 30, 2025, compared to \$73.4 billion at June 30, 2024. Pension reforms enacted in 2017 for new hires beginning in 2019 have slowed liability growth but do not reduce existing obligations. No legislative action has addressed the rising OPEB liabilities, which include coverage for AFSCME employees hired since 2019. To limit future exposure, the State System closed its OPEB plan to most new employees hired after January 2016, excluding APSCUF- represented staff. While this does not reduce current liabilities, it prevents new obligations from accruing.

7. Increases in Employer Retirement Contributions – Employer contributions to SERS, a defined benefits pension plan, were 40.33% of a participating employee's salary for most participants in fiscal year 2024-25, versus 41.09% in fiscal year 2023-24. This rate for 2025-26 is anticipated to be 39.96%. This rate has been steadily and significantly increasing since fiscal year 2010-11, when the rate was 4.11% of an employee's salary. At December 31, 2024, 67.7% of the SERS liability was funded.

Employer contributions to PSERS, a defined benefits pension plan, were 16.460% of a participating employee's salary in fiscal year 2024-25, versus 16.545% in fiscal year 2023-24. The rate for 2025-26 is anticipated to be 16.480% and is expected to continue to increase each year, but at a lesser rate than recent historical experience. This rate has been significantly increasing, with some fluctuation, since fiscal year 2010-11, when the rate was 2.82% of an employee's salary. The Commonwealth makes annual pension contributions to PSERS on behalf of State System employees at the same annual rate. At June 30, 2025, 64.63% of the PSERS liability was funded.

8. Healthcare Costs – The University's share of employee healthcare contributions increased by \$4.6 million, or 21.3%, in fiscal year 2024-25. This follows an increase of \$0.9 million, or 4.2%, in fiscal year 2023-24.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

FUTURE AND OTHER ECONOMIC FACTORS (CONTINUED)

9. Energy Cost Management – The University's average annual energy cost of approximately \$5.7 million, between FY 2021 and FY 2025, is being challenged by projections of significantly higher costs into the foreseeable future. These challenges are multi-faceted - costs of the commodity, building usages with extended hours of operations during peak times, additional high demand loads in newly opened buildings, additional loads in existing buildings, and greater occupant requirements for cleaner air quality. The University incorporates enhanced building automation systems and control strategies to mitigate the challenges while maintaining the ideal learning environment. These systems will be continually enhanced by investigating and assessing High-Performance Sequences of Operations for HVAC systems aimed at reducing energy consumption and system downtime. The University will continue to identify, evaluate, and implement energy savings strategies designed to reduce energy usage and associated costs in campus buildings. Additionally, the University is actively participating with engineered sustainability features such as green roof systems, rainwater collection and reuse, daylight harvesting, CO2 and occupancy sensors for environmentally controlled spaces and sequenced variable drives for high load rotating equipment. The utility services of electricity, natural gas, water, sewer, and fuel oil will continually be evaluated to determine the most cost-effective procurement, load managed utilization strategies, and time-of-use cost profiles to be incorporated into daily operations without compromising the living and learning environments.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 (UNAUDITED)**

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

(Mr.) Todd E. Murphy
Vice President for Finance & Administration
201 Carter Drive, Suite 200
West Chester University
West Chester, PA 19383

Complete financial statements of the individual component units can be requested from their respective administrative offices, as follows:

The West Chester University Foundation

(Ms.) Deb Cornelius
Executive Director
West Chester University Foundation
202 Carter Drive
West Chester, PA 19382

Student Services, Inc.

(Ms.) Donna Snyder
Executive Director
Student Services, Inc.
Sykes Student Union, Room 259
202 Carter Drive
West Chester, PA 19382

The West Chester University Alumni Association

(Ms.) Jenna Birch
Director of Alumni Relations
West Chester University Alumni Association
202 Carter Drive
West Chester, PA 19382

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENT OF NET POSITION
PRIMARY INSTITUTION
JUNE 30, 2025**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS

Cash and Cash Equivalents	\$ 181,503,783
Accounts Receivable:	
Governmental Grants and Contracts	1,725,439
Students, Net	4,670,253
Other	6,876,345
Inventory	84,469
Prepaid Expenses	2,061,977
Investment Income Receivable	744,148
Loans Receivable, Net	129,101
Leases Receivable	456,506
Due From Component Units - Lease Receivable	72,007
Total Current Assets	<u>198,324,028</u>

NONCURRENT ASSETS

Endowment Investments	38,536,792
Beneficial Interests	5,318,216
Loans Receivable, Net	44,483
Leases Receivable	642,746
Due From Component Units - Lease Receivable	2,141,742
Capital Assets, Net	361,394,814
Other Assets	1,710,783
Total Noncurrent Assets	<u>409,789,576</u>
 Total Assets	 608,113,604

DEFERRED OUTFLOWS OF RESOURCES

Unamortized Loss on Refunding of Debt	164,652
Other Postemployment Benefits Related	17,368,902
Pension Related	17,798,161
Total Deferred Outflow of Resources	<u>35,331,715</u>

Total Assets and Deferred Outflows of Resources	<u><u>\$ 643,445,319</u></u>
---	------------------------------

See accompanying Notes to Financial Statements.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENT OF NET POSITION (CONTINUED)
PRIMARY INSTITUTION
JUNE 30, 2025**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 39,802,197
Unearned Revenue	8,784,039
Students' Deposits	2,142,997
Workers' Compensation	547,794
Compensated Absences	1,409,382
Bonds Payable, Net	4,427,987
Financed Purchase Agreement	1,136,525
Lease and Subscription Liabilities	3,059,754
Postemployment Benefit Obligations	7,532,708
Other Current Liabilities	202,522
Total Current Liabilities	<u>69,045,905</u>

NONCURRENT LIABILITIES

Workers' Compensation	203,757
Compensated Absences	19,839,666
Postemployment Benefit Obligations	180,966,906
Bonds Payable, Net	81,700,435
Financed Purchase Agreement	3,840,166
Lease and Subscription Liabilities	1,484,167
Net Pension Liability	105,512,947
Other Noncurrent Liabilities	(140,030)
Total Noncurrent Liabilities	<u>393,408,014</u>
Total Liabilities	462,453,919

DEFERRED INFLOWS OF RESOURCES

Unamortized Gain on Refunding of Debt	60,570
Split-Interest Agreement Deferred Inflows	7,276
Other Postemployment Benefits Related	99,843,683
Pension Related	4,517,855
Lease Receivable	3,067,729
Total Deferred Inflows of Resources	<u>107,497,113</u>
Total Liabilities and Deferred Inflows of Resources	569,951,032

NET POSITION

Net Investment in Capital Assets	260,324,045
Restricted for:	
Nonexpendable:	
Scholarships and Fellowships	43,776,130
Expendable:	
Scholarships and Fellowships	7,992,658
Research	(2,562)
Capital Projects	1,646,466
Other	5,216,744
Unrestricted	(245,459,194)
Total Net Position	<u>73,494,287</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 643,445,319</u>

See accompanying Notes to Financial Statements.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PRIMARY INSTITUTION
YEAR ENDED JUNE 30, 2025**

OPERATING REVENUES

Tuition and Fees	\$ 198,462,659
Less: Scholarship Discounts and Allowances	(52,647,160)
Net Tuition and Fees	<u>145,815,499</u>
Governmental Grants and Contracts:	
Federal	5,596,743
State	19,595,178
Local	138,207
Nongovernmental Grants and Contracts	328,610
Sales and Services of Educational Departments	6,051,426
Auxiliary Enterprises	43,435,346
Other Revenues	<u>1,899,422</u>
Total Operating Revenues	<u>222,860,431</u>

OPERATING EXPENSES

Instruction	127,086,667
Research	3,103,273
Public Service	4,330,502
Academic Support	43,336,672
Student Services	26,343,290
Institutional Support	49,455,032
Operations and Maintenance of Plant	20,870,542
Depreciation and Amortization	27,395,193
Student Aid	3,879,933
Auxiliary Enterprises	<u>37,991,966</u>
Total Operating Expenses	<u>343,793,070</u>

NET OPERATING LOSS

(120,932,639)

NONOPERATING REVENUES (EXPENSES)

State Appropriations, General and Restricted	97,694,529
Federal Appropriations - COVID-19 Relief Funds	7,500,827
Commonwealth On-Behalf Contributions to PSERS	1,154,238
Pell Grants	26,786,902
Investment Income, Net of Investment Expense of \$128,026 in 2025	11,949,802
Unrealized Gain on Investments	2,318,114
Gifts for Other than Capital Purposes	7,787,406
Interest Expense	(3,176,040)
Loss on Disposal of Assets	(228,948)
Other Nonoperating Revenue	<u>148,708</u>
Nonoperating Revenues, Net	<u>151,935,538</u>

INCOME BEFORE OTHER REVENUES

31,002,899

OTHER REVENUES

State Appropriations, Capital	2,719,837
Total Other Revenues	<u>2,719,837</u>

INCREASE IN NET POSITION

33,722,736

Net Position - Beginning of Year

39,771,551

NET POSITION - END OF YEAR

\$ 73,494,287

See accompanying Notes to Financial Statements.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENT OF CASH FLOWS
PRIMARY INSTITUTION
YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Net Tuition and Fees	\$ 145,376,726
Grants and Contracts	25,377,696
Payments to Suppliers for Goods and Services	(83,472,445)
Payments to Employees	(248,152,181)
Loans Collected from Students	170,973
Student Aid	(3,879,933)
Auxiliary Enterprise Charges	43,370,916
Sales and Services of Educational Departments	6,019,213
PLUS, Stafford, and Other Loans Receipts	135,217,177
PLUS, Stafford, and Other Loans Disbursements	(135,217,177)
Other Operating Receipts (Disbursements)	240,094
Net Cash Used by Operating Activities	<u>(114,948,941)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Appropriations	97,694,529
Gifts and Nonoperating Grants for Other than Capital Purposes	34,574,308
Agency Transactions, Net	(134,156)
Other	148,707
Net Cash Provided by Noncapital Financing Activities	<u>132,283,388</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Capital Appropriations	2,719,837
Purchases of Capital Assets	(22,925,826)
Principal Paid on Debt	(8,165,481)
Interest Paid on Debt	(3,557,365)
Net Cash Used by Capital Financing Activities	<u>(31,928,835)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	1,147,597
Interest on Investments	11,970,071
Purchases of Investments	(2,868,436)
Net Cash Provided by Investing Activities	<u>10,249,232</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (4,345,156)

Cash and Cash Equivalents - Beginning of Year 185,848,939

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 181,503,783

See accompanying Notes to Financial Statements.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
STATEMENT OF CASH FLOWS (CONTINUED)
PRIMARY INSTITUTION
YEAR ENDED JUNE 30, 2025**

**RECONCILIATION OF OPERATING LOSS TO
NET CASH USED BY OPERATING ACTIVITIES**

Operating Loss	\$(120,932,639)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	27,395,193
Expenses Paid by Commonwealth or Donor	1,154,238
Changes in Assets and Liabilities:	
Receivables, Net	(854,244)
Lease Receivable	534,025
Inventories	22,998
Other Assets	(2,983,144)
Accounts Payable	2,217,709
Unearned Revenue	(77,615)
Students' Deposits	(169,880)
Compensated Absences	1,402,847
Loans Collected from Students	170,973
Postemployment Benefits Liability (OPEB)	(13,047,341)
Defined Benefit Pensions	(6,816,190)
Other Liabilities	(427,292)
Deferred Outflows of Resources Related to Pensions	6,752,816
Deferred Outflows of Resources Related to OPEB	6,550,926
Deferred Inflows of Resources Related to Pensions	(1,848,501)
Deferred Inflows of Resources Related to OPEB	(13,400,210)
Deferred Inflows of Resources Related to Lease Receivable	(593,610)
Net Cash Used by Operating Activities	<u><u>\$(114,948,941)</u></u>

SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES

Capital Assets Included in Payables	<u><u>\$ 5,525,817</u></u>
Capital Assets Acquired by New Subscription Agreements	<u><u>\$ 612,096</u></u>
Capital Assets Acquired by New Lease Agreements	<u><u>\$ 43,578</u></u>
Capital Assets Acquired by Notes Payable (Financed Purchase)	<u><u>\$ 5,897,283</u></u>

See accompanying Notes to Financial Statements.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENT OF FINANCIAL POSITION
COMPONENT UNITS
JUNE 30, 2025**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 68,753,093
Accounts Receivable	134,117
Pledges Receivable, Net	1,793,897
Inventory	1,081,743
Due from the University	510,625
Prepaid Expenses	93,414
Total Current Assets	<u>72,366,889</u>

NONCURRENT ASSETS

Capital Assets, Net	131,768,489
Investments	49,516,236
Right-of-Use Assets, Net	2,005,698
Other Assets	6,893,740
Total Noncurrent Assets	<u>190,184,163</u>

Total Assets	<u><u>\$ 262,551,052</u></u>
--------------	------------------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 6,450,043
Other Deposit Liabilities	327,939
Due to the University	3,853,104
Total Current Liabilities	<u>10,631,086</u>

BONDS AND LOANS PAYABLE	178,233,028
--------------------------------	-------------

OTHER LIABILITIES	<u>2,948,042</u>
--------------------------	------------------

Total Liabilities	191,812,156
-------------------	-------------

NET ASSETS

Without Donor Restrictions	9,363,172
With Donor Restrictions	61,375,724
Total Net Assets	<u>70,738,896</u>

Total Liabilities and Net Assets	<u><u>\$ 262,551,052</u></u>
----------------------------------	------------------------------

See accompanying Notes to Financial Statements.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
COMBINED STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED JUNE 30, 2025**

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues and Gains:	
Contributions	\$ 71,824
Sales and Services	1,647,044
Student Fees	4,733,958
Grants and Contracts	4,108,354
Rental Income	33,909,829
Investment Return, Net	3,131,843
Other Revenues and Gains	2,013,814
Net Assets Released from Restriction	<u>5,724,025</u>
Total Revenues and Other Additions	55,340,691
Expenses and Other Deductions:	
Program Expenses:	
Scholarship and Grants	2,118,253
Student Activities and Programs	3,885,552
University Stores	1,251,410
Housing	26,176,896
Other Programs	5,601,981
Management and General	7,844,888
Fundraising	<u>2,970,291</u>
Total Expenses and Other Deductions	49,849,271
Change in Net Assets Without Donor Restrictions	5,491,420

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Revenues and Gains:	
Contributions	5,606,610
Investment Return, Net	4,785,766
Other Revenue and Gains	(362,501)
Other Expense and Losses	(20,008)
Net Assets Released from Restrictions	<u>(5,724,025)</u>
Total Revenues and Other Additions	4,285,842
Change in Net Assets With Donor Restrictions	<u>4,285,842</u>

CHANGE IN TOTAL NET ASSETS 9,777,262

Net Assets - Beginning of Year 60,961,634

NET ASSETS - END OF YEAR \$ 70,738,896

See accompanying Notes to Financial Statements.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
EXPENSES BY NATURE AND FUNCTION
COMPONENT UNITS
YEAR ENDED JUNE 30, 2025**

Natural Expense	Program Activities						Supporting Activities			Total Expenses
	Scholarships and Grants	Student Activities and Programs	University Stores	Housing	Other Programs	Total Programs	Management and General	Fundraising	Total Supporting	
Salaries and Benefits	\$ -	\$ 1,672,231	\$ 751,884	\$ 1,421,267	\$ 983,685	\$ 4,829,067	\$ 1,946,781	\$ 2,350,578	\$ 4,297,359	\$ 9,126,426
Gifts and Grants	2,118,253	6,755	-	1,464,170	2,204,332	5,793,510	4,392,744	-	4,392,744	10,186,254
Supplies and Travel	-	1,784,293	29,202	374,273	1,524,947	3,712,715	189,815	580,571	770,386	4,483,101
Services and Professional Fees	-	374,180	320,573	-	632,849	1,327,602	758,826	-	758,826	2,086,428
Office and Occupancy	-	48,093	85,114	9,512,891	256,168	9,902,266	212,855	39,142	251,997	10,154,263
Depreciation	-	-	64,254	6,662,676	-	6,726,930	278,347	-	278,347	7,005,277
Interest	-	-	-	6,575,136	-	6,575,136	65,353	-	65,353	6,640,489
Other	-	-	383	166,483	-	166,866	167	-	167	167,033
Total Expenses	<u>\$ 2,118,253</u>	<u>\$ 3,885,552</u>	<u>\$ 1,251,410</u>	<u>\$ 26,176,896</u>	<u>\$ 5,601,981</u>	<u>\$ 39,034,092</u>	<u>\$ 7,844,888</u>	<u>\$ 2,970,291</u>	<u>\$ 10,815,179</u>	<u>\$ 49,849,271</u>

See accompanying Notes to Financial Statements.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

West Chester University of Pennsylvania of the State System of Higher Education (the University), a public four-year institution located in West Chester, Pennsylvania, was founded in 1871. The University is one of ten universities of the Pennsylvania State System of Higher Education (State System). The State System was created by the State System of Higher Education Act of November 12, 1982, P.L. 660, No. 188, as amended (Act 188). The State System is a component unit of the Commonwealth of Pennsylvania (the Commonwealth).

Reporting Entity

The University functions as a business-type activity, as defined by the Governmental Accounting Standards Board (GASB).

The University has determined that Student Services, Inc. (SSI), a separate legal organization for which the University has oversight responsibility, and the West Chester University Foundation and Subsidiary (the Foundation) and West Chester University Alumni Association (the Association), separate legal organizations for which the University does not have oversight responsibility, but which are closely related, should be included in the University's financial statements as aggregate, discretely presented component units. A component unit is a legally separate organization for which the primary institution is financially accountable or closely related.

SSI operates the campus bookstore and manages various student activities. The Foundation promotes the charitable, scientific, and educational interests of the University by soliciting funds and other property. The Foundation also includes the operations of University Student Housing, LLC, which was formed to construct, operate, and manage student housing facilities for the benefit of the University. The Association was formed to promote the interests of the University in all areas of academic, cultural, and social needs and to increase alumni awareness of the University's needs.

Complete financial statements for SSI, the Foundation, and the Association may be obtained at the University's administrative office.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by GASB. The economic resources measurement focus reports all inflows, outflows, and balances that affect an entity's net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The accompanying financial statements of the component units, which are all private nonprofit organizations, are reported in accordance with Financial Accounting Standards Board (FASB) requirements, including Accounting Standards Update (ASU No. 2016-14), *Presentation of Financial Statements of Not-for-Profit Entities*, an amendment of FASB *Accounting Standards Codification* (ASC Topic 958), *Not-for-Profit-Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the component units' financial information presented herein.

Operating Revenues and Expenses

The University records tuition, all academic, instructional, and other student fees, student financial aid, auxiliary activity, and corporate partnerships as operating revenue. In addition, governmental and private grants and contracts in which the grantor receives equal value for the funds given to the university are recorded as operating revenue. All expenses, with the exception of interest expense and extraordinary expenses, are recorded as operating expenses. Appropriations, gifts, investment income, parking and library fines, capital grants, gains and losses on investments, gains and losses on the acquisition and disposal of assets, and governmental and private research grants and contracts in which the grantor does not receive equal value for the funds given to the University are reported as nonoperating.

Deferred Outflows and Deferred Inflows of Resources

The statement of net position reports separate sections for *Deferred Outflows of Resources* and *Deferred Inflows of Resources*.

Deferred Outflow of Resources, reported after *Total Assets*, is defined by GASB as a consumption of net position that applies to future periods. The expense is recognized in the applicable future period(s). *Deferred Inflows of Resources*, reported after *Total Liabilities*, is defined by GASB as an acquisition of net position that applies to future periods. The revenue is recognized in the applicable future period(s).

Transactions are classified as deferred outflows of resources or deferred inflows of resources only when specifically prescribed by GASB standards.

The University is required to report the following as Deferred Outflows of Resources or Deferred Inflows of Resources.

- Deferred gain or loss on bond refundings, which results when the carrying value of a refunded bond is greater or less than its reacquisition price. The difference is deferred and amortized over the remaining life of the old bond or the life of the new bond, whichever is shorter.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Deferred Outflows and Deferred Inflows of Resources (Continued)

- For defined benefit pension plans and other postemployment benefit (OPEB) plans: the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension and OPEB plan investments, changes in the University's proportion of expenses and liabilities to the pension and OPEB plans as a whole, differences between the University's pension and OPEB contributions and its proportionate share of contributions, and University pension and OPEB contributions subsequent to the respective pension or OPEB plan valuation measurement date.
- For lessor accounting: a deferred inflow of resources associated with leases where the University is a lessor, recognized as income ratably over the term of the lease.

Net Position

Net position is the residual of Assets, plus Deferred Outflows of Resources, less Liabilities, less Deferred Inflows of Resources. The University maintains the following classifications of net position.

Net investment in capital assets: Capital assets, net of accumulated depreciation/amortization and outstanding principal balances of debt attributable to the acquisition, construction, repair, or improvement of those assets.

Restricted - nonexpendable: The portion of net position subject to externally imposed conditions requiring that it be maintained by the University in perpetuity.

Restricted - expendable: The portion of net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the University or by the passage of time.

Unrestricted: All other categories of net position. Unrestricted net position may be designated for specific purposes by the University's Council of Trustees.

When both restricted and unrestricted assets are available for expenditure, the decision as to which assets are used first is left to the discretion of the University.

Cash Equivalents and Investments

The University considers all demand and time deposits and money market funds to be cash equivalents. Investments purchased are stated at fair value. Investments received as gifts are recorded at their fair value or appraised value as of the date of the gift. The University classifies investments as short-term when they are readily marketable and intended to be converted to cash within one year.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Accounts and Loans Receivable

Accounts and loans receivable consist of tuition and fees charged to current and former students, amounts due from federal and state governments in connection with reimbursements of allowable expenditures made pursuant to grants and contracts, and other miscellaneous sources.

Accounts and loans receivable are reported at net realizable value. Accounts and loans are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based upon the University's historical losses and periodic review of individual accounts and loans.

Accounts receivable are reported net of an allowance for doubtful accounts of approximately \$679,000 in 2025. Loans receivable are reported net of an allowance for doubtful accounts of approximately \$13,000 in 2025.

Inventory

Inventory consists mainly of supplies and is stated at the lower of cost or market, with cost determined principally on the weighted average method.

Capital Assets

Land and buildings at the University's campus acquired or constructed prior to the creation of the State System on July 1, 1983, are owned by the Commonwealth and made available to the University. Since the University neither owns such assets nor is responsible to service associated bond indebtedness, no value is ascribed thereto in the accompanying financial statements. Likewise, no value is ascribed to the portion of any land or buildings acquired or constructed using capital funds appropriated by the Commonwealth after June 30, 1983, and made available to the University.

All assets with a purchase cost, or fair value if acquired by gift, in excess of \$5,000, with an estimated useful life of two years or greater, are capitalized. Buildings, portions of buildings, and capital improvements acquired or constructed after June 30, 1983, through the expenditure of University funds or the incurring of debt are stated at cost less accumulated depreciation.

Equipment and furnishings are stated at cost less accumulated depreciation. Library books are capitalized on a composite basis in the year of purchase. Assets purchased under financed leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. Assets under right to use leases are recorded at the present value of the minimum lease payments plus any other amounts that must be included per the GASB standards. The University provides for depreciation on the straight-line method over the estimated useful lives of the related assets. Buildings and improvements are depreciated over useful lives ranging from 10 to 40 years. Equipment and furnishings are depreciated over useful lives ranging from 3 to 10 years. Library books are depreciated over 10 years. Normal repair and maintenance expenditures are not capitalized because they neither add to the value of the property nor materially prolong its useful life.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Capital Assets (Continued)

The University does not capitalize collections of art, rare books, historical items, etc., as they are held for public exhibition, education, or research rather than financial gain.

Impairment of Capital Assets

Management reviews capital assets for impairment whenever events or changes in circumstances indicate that the service utility of an asset has declined significantly and unexpectedly. Any write-downs due to impairment are charged to operations at the time impairment is identified. No write down of capital assets was required for fiscal year ending June 30, 2025.

Leases and Subscription-Based Information Technology Arrangements

The University routinely engages in lease or subscription-based information technology arrangements (SBITA) to meet operational needs. The University's lease contracts generally relate to land, buildings, and various equipment. For short-term leases and SBITAs with a maximum possible term of 12 months or less at commencement, the University recognizes periodic revenue or expense based on the provision of the lease or SBITA contract. For all other contracts that meet the requirements of GASB 87 or GASB 96 and were in excess of the minimum dollar threshold, the University recognized a lease or subscription liability and an intangible right to use asset based on the present value of the future lease or subscription payments over the contracted term of the lease or SBITA. Lease and subscription right to use assets are reported with capital assets, and lease and subscription liabilities are reported as current or long-term debt in the statement of net position. The right to use lease and subscription assets are amortized over the term of the agreement, as the University is not expected to have the right to use the assets beyond the underlying asset's useful life. The University also serves as a lessor for certain real estate. For those agreements deemed to be subject to GASB 87, the financial statements recognize a lease receivable and a deferred inflow of resources, based on the present value of the future lease payments expected to be received during the contracted lease term period and the deferred inflow of resources is amortized evenly over the term of the lease. Lease receivables are reported with other current assets and other noncurrent assets. Deferred inflow – lease receivable is reported as deferred inflow in the statement of net position.

The University uses its estimated incremental borrowing rate as the discount rate for leases and SBITAs unless the rate the vendor charges is known. This rate is based on the general obligation bonds' weighted average interest rate for a given year. If amendments or other certain circumstances occur that are expected to significantly affect the amount of the lease or SBITA, the present value is remeasured, and corresponding adjustments made. Payments based on future performance are not included in the measurement of the lease or subscription liability or lease receivable but recognized as expense or revenue in the period performed. Residual value guarantees and exercise options will be included in the measurement if they are reasonably certain to be paid or exercised.

A minimum dollar threshold was established for lease reporting purposes of \$30,000.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financed Purchase Agreement

Financed purchase agreement liabilities relate to fixed asset purchases made via a contract with the seller, or a lender, where the purchase is financed over a certain period of time. The ownership of the asset will transfer to the University upon completion of the contract.

Unearned Revenue

Unearned revenue includes amounts received for tuition and fees, grants, corporate sponsorship payments, and certain auxiliary activities received prior to the end of the fiscal year but earned in a subsequent accounting period.

Compensated Absences

The estimated cost of future payouts of annual leave and sick leave that employees have earned for services rendered, and which the employees may be entitled to receive upon termination or retirement, is recorded as a liability.

Pension Plans and OPEB Plans

Eligible employees of the University enroll in one of three available pension plans immediately upon employment. The University also offers healthcare and tuition benefits to eligible employees upon employment, which vary depending upon the employee's labor group.

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 State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS) and additions to/deductions from SERS and PSERS fiduciary net position have been determined on the same basis as they are reported by SERS and PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 System Plan, Retired Employees Health Program (REHP) and Premium Assistance Program (Premium Assistance) and additions to/deductions from the System Plan, REHP and Premium Assistance plans' fiduciary net position have been determined on the same basis as they are reported by the System Plan, REHP and Premium Assistance plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Scholarships and Waivers

In accordance with a formula prescribed by the National Association of College and University Business Officers (NACUBO), the University allocates the cost of scholarships, waivers and other student financial aid between scholarship discounts and allowances (netted against tuition and fees and auxiliary enterprises) and student aid expense. The cost of tuition waivers granted to employees is reported as employees' benefits expense.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The University, as a member of the State System, is tax exempt; accordingly, no provision for income taxes has been made in the accompanying financial statements.

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.

New Accounting Standards

In June 2022, GASB issued Statement No. 101, *Compensated Absences*, effective for reporting periods beginning after December 15, 2023. Statement No. 101, which supersedes Statement No. 16, *Accounting for Compensated Absences*, defines compensated absences and provides a unified model for recognition of a liability and expense for leave that has not been used, provided it meets specified criteria. The State System adopted Statement No. 101 during the fiscal year ended June 30, 2025. Implementation of the new standard resulted in the recognition of \$962,000 in reduced compensated absences expense during the current fiscal year. The impact on beginning net position as of June 30, 2024, was evaluated and determined to be immaterial; therefore, the opening net position was not restated.

NOTE 2 CONDENSED COMPONENT UNITS INFORMATION

The following represents combined condensed statement of financial position information for the discretely presented component units as of June 30, 2025:

	SSI	The Foundation	The Association	Total
Due from University	\$ 435,445	\$ 75,180	\$ -	\$ 510,625
Capital Assets, Net	298,348	133,078,857	396,982	133,774,187
Other Assets	10,248,681	115,214,455	2,803,104	128,266,240
Total Assets	<u>\$ 10,982,474</u>	<u>\$ 248,368,492</u>	<u>\$ 3,200,086</u>	<u>\$ 262,551,052</u>
Due to University	\$ 41,378	\$ 3,811,726	\$ -	\$ 3,853,104
Long-Term Debt	-	178,233,028	-	178,233,028
Other Liabilities	1,960,789	7,765,235	-	9,726,024
Total Liabilities	<u>2,002,167</u>	<u>189,809,989</u>	<u>-</u>	<u>191,812,156</u>
Net Assets:				
Without Donor Restrictions	8,980,307	(2,817,221)	3,200,086	9,363,172
With Donor Restrictions	-	61,375,724	-	61,375,724
Total Net Assets	<u>8,980,307</u>	<u>58,558,503</u>	<u>3,200,086</u>	<u>70,738,896</u>
Total Liabilities and Net Assets	<u>\$ 10,982,474</u>	<u>\$ 248,368,492</u>	<u>\$ 3,200,086</u>	<u>\$ 262,551,052</u>

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CONDENSED COMPONENT UNITS INFORMATION (CONTINUED)

The following represents combined statement of activities for the discretely presented component units for the year ended June 30, 2025:

	SSI	The Foundation	The Association	Total
Changes in Net Assets Without Donor Restrictions:				
Revenues and Other Additions:				
Contributions	\$ -	\$ 71,824	\$ -	\$ 71,824
Investment Income	966,021	1,851,161	314,661	3,131,843
Rental Income	-	33,909,829	-	33,909,829
Other Revenues	8,779,585	3,717,299	6,286	12,503,170
Net Assets Released from Restrictions	-	5,724,025	-	5,724,025
Total Revenues and Other Additions	9,745,606	45,274,138	320,947	55,340,691
Expenses and Other Deductions:				
Program Expenses	5,891,122	31,799,390	92,170	37,782,682
University Store	1,251,410	-	-	1,251,410
Management and General	5,761,156	2,060,589	23,143	7,844,888
Fundraising	-	2,970,291	-	2,970,291
Total Expenses and Other Deductions	12,903,688	36,830,270	115,313	49,849,271
Change in Net Assets Without Donor Restrictions	(3,158,082)	8,443,868	205,634	5,491,420
Changes in Net Assets With Donor Restrictions:				
Revenues and Other Additions:				
Contributions	-	5,606,610	-	5,606,610
Investment Gains	-	4,785,766	-	4,785,766
Other Revenue	-	(362,501)	-	(362,501)
Other Expense	-	(20,008)	-	(20,008)
Net Assets Released from Restrictions, Satisfaction of Program Restrictions	-	(5,724,025)	-	(5,724,025)
Total Revenues and Other Additions	-	4,285,842	-	4,285,842
Change in Net Assets With Donor Restrictions	-	4,285,842	-	4,285,842
CHANGE IN NET ASSETS	(3,158,082)	12,729,710	205,634	9,777,262
Net Assets - Beginning of Year	12,138,389	45,828,793	2,994,452	60,961,634
NET ASSETS - END OF YEAR	\$ 8,980,307	\$ 58,558,503	\$ 3,200,086	\$ 70,738,896

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DEPOSITS AND INVESTMENTS

The University predominantly maintains its cash balances on deposit with the State System. The State System maintains these and other State System funds on a pooled basis. Although the State System pools its funds in a manner similar to an internal investment pool, individual State System entities do not hold title to any assets in the fund. The State System as a whole owns title to all assets. The University does not participate in the unrealized gains or losses of the investment pool; instead, the University holds shares equal to its cash balance. Each share has a constant value of \$1, and income is allocated based on the number of shares owned. Revenue realized at the State System level is calculated on a daily basis and posted monthly to each entity's account as interest income. The University's portion of pooled funds was \$181,265,589 at June 30, 2025.

Board of Governors Policy 1986-02-A, *Investment*, authorizes the State System to invest in obligations of the U.S. Treasury, repurchase agreements, commercial paper, certificates of deposit, banker's acceptances, U.S. money market funds, municipal bonds, corporate bonds, collateralized mortgage obligations (CMOs), asset-backed securities, and internal loan funds. Restricted nonexpendable funds and amounts designated by the Board or University trustees may be invested in the investments described above as well as corporate equities and approved pooled common funds. For purposes of convenience and expedience, the University uses local financial institutions for activities such as deposits of cash. In addition, the University may accept gifts of investments from donors as long as risk is limited to the investment itself. Restricted gifts of investments fall outside the scope of the investment policy.

In keeping with its legal status as a system of public universities, the State System recognizes a fiduciary responsibility to invest all funds prudently and in accordance with ethical and prevailing legal standards. Investment decisions are intended to minimize risk while maximizing asset value. Adequate liquidity is maintained so that assets can be held to maturity. High quality investments are preferred. Reasonable portfolio diversification is pursued to ensure that no single security or investment or class of securities or investments will have a disproportionate or significant impact on the total portfolio. Investments may be made in U.S. dollar-denominated debt of high-quality U.S. and non-U.S. corporations. Investment performance is monitored on a frequent and regular basis to ensure that objectives are attained and guidelines are followed.

Safety of principal and liquidity are the top priorities for the investment of the State System's operating funds. Within those guidelines, income optimization is pursued. Speculative investment activity is not allowed; this includes investing in asset classes such as commodities, futures, short sales, equities, real or personal property, options, venture capital investments, private placements, letter stocks, and unlisted securities.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The State System's operating funds are invested and reinvested in the following types of instruments with qualifications as provided. (See Board of Governors *Policy 1986-02-A, Investment*, for a complete list of and more details on permissible investments and associated qualifications.)

Investment Categories	Qualifications/Moody's Ratings Requirements
United States Government Securities	Together with repurchase agreements must comprise at least 20% of the market value of the fund.
Repurchase Agreements	Underlying collateral must be direct obligations of the United States Treasury and be in the State System's or its agent's custody.
Commercial Paper	P-1 and P-2 notes only, with no more than 5% and 3%, respectively, of the market value of the fund invested in any single issuer. Total may not exceed 20% of the market value of the fund.
Municipal Bonds	Bonds must carry long-term debt rating of A or better. Total may not exceed 20% of the market value of the fund.
Corporate Bonds	15% must carry long-term debt rating of A or better; 5% may be rated Baa2 or better. Total may not exceed 20% of the market value of the fund.
Collateralized Mortgage Obligations (CMOs)	Must be rated Aaa and guaranteed by U.S. government. Total may not exceed 20% of the market value of the fund.
Asset-Backed Securities	Must be Aaa rated. Total may not exceed 20% of the market value of the fund, with no more than 5% invested in any single issuer.
System Investment Fund Loans (University Loans and Bridge Notes)	Total may not exceed 20% of the market value of the fund, and loan terms may not exceed 5 years.

CMO Risk: CMOs are sometimes based on cash flows from interest-only (IO) payments or principal-only (PO) payments and are sensitive to prepayment risks. The CMOs in the State System's portfolio do not have IO or PO structures; however, they are subject to extension or contraction risk based on movements in interest rates.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Moody's Rating: The State System uses ratings from Moody's Investors Service, Inc. to indicate the credit risk of investments, i.e., the risk that an issuer or other counterparty to an investment will not fulfill its obligations. An *Aaa* rating indicates the highest quality obligations with minimal credit risk. Ratings that begin with *Aa* indicate high quality obligations subject to very low credit risk; ratings that begin with *A* indicate upper-medium-grade obligations subject to low credit risk; and ratings that begin with *Baa* indicate medium-grade obligations, subject to moderate credit risk, that may possess certain speculative characteristics. Moody's appends the ratings with numerical modifiers 1, 2, and 3, with 1 indicating a higher ranking and 3 indicating a lower ranking within the category. For short-term obligations, a rating of *P-1* indicates that issuers have a superior ability to repay short-term debt obligations, and a rating of *P-2* indicates that issuers have a strong ability to repay short-term debt obligations.

Modified Duration: The State System denotes interest rate risk, or the risk that changes in interest rates will affect the fair value of an investment, using *modified duration*. *Duration* is a measurement in years of how long it takes for the price of a bond to be repaid by its internal cash flows. *Modified duration* takes into account changing interest rates. The State System maintains a portfolio duration target of 1.8 years with an upper limit of 2.5 years for the intermediate-term component of the operating portion of the investment portfolio. The State System's duration targets are not applicable to its long-term investments.

Fair Value Hierarchy: GASB Statement No. 72, *Fair Value Measurement and Application*, requires that investments be classified according to a fair value hierarchy. With respect to Statement No. 72's fair value hierarchy, GASB defines inputs as "the assumptions that market participants would use when pricing an asset or liability, including assumptions about risk." Statement No. 72 further categorizes inputs as *observable* or *unobservable*: *Observable* inputs are "inputs that are developed using market data, such as publicly available information about actual events or transactions, and which reflect the assumptions that market participants would use when pricing an asset or liability;" *Unobservable* inputs are "inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability."

Statement No. 72's fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1: Investments whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market, such as stocks listed in the S&P 500 or NASDAQ. If an up-to-date price of the investment can be found on a major exchange, it is a Level 1 investment.

Level 2: Investments whose values are based on their quoted prices in inactive markets or whose values are based on models, and the inputs to those models are observable either directly or indirectly for substantially the full term of the asset or liability.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Level 3: Investments that trade infrequently, and as a result do not have many reliable market prices. Valuations of Level 3 investments typically are based on management assumptions or expectations. For example, a private equity investment or complex derivative would likely be a Level 3 investment.

In addition, the fair value of certain investments that do not have a readily determinable fair value is classified as NAV, meaning Net Asset Value per share, when the fair value is calculated in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Securities classified in Level 3 of the fair value hierarchy lack an independent pricing source and so are valued using an internal fair value as provided by the investment manager.

At June 30, 2025, the carrying amount of the University's demand and time deposits held at local financial institutions was \$236,944, as compared to bank balances of \$236,944. Any differences would be caused primarily by items in-transit and outstanding checks. All bank balances were covered by federal depository insurance or were collateralized by a pledge of U.S. Treasury obligations held by Federal Reserve Banks in the name of the banking institutions, or uninsured but covered under the collateralization provisions of the Commonwealth's Act 72 of 1971 (Act 72), as amended. Act 72 allows banking institutions to satisfy the collateralization requirements by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institutions' trust departments.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The carrying value (fair value) of investments for the University's investments including split interest agreements at June 30, 2025 is presented below:

	Fair Value Hierarchy Level	Moody's Rating (if Applicable)	Modified Duration (Range) (if Applicable)	Fair Value
Deposits:				
Demand and Time Deposits				\$ 181,503,783
Investments:				
U.S. Government and Agency Obligations	2	N/A	5.42 to 5.78	6,863,952
Fixed Income Securities	2	A1	5.40	453,341
Fixed Income Securities	2	A2	5.40	674,052
Fixed Income Securities	2	A3	5.40	627,019
Fixed Income Securities	2	Aa2	5.40	119,852
Fixed Income Securities	2	Aa3	5.40	324,110
Fixed Income Securities	2	Aaa	5.40	104,972
Fixed Income Securities	2	Baa1	5.40	215,711
Fixed Income Securities	2	Baa2	5.40	199,683
Fixed Income Securities	2	NR	5.40	9,982
Bond Mutual Funds	2	N/A	2.30	199,238
Bond Mutual Funds	2	N/A	2.76	1,021,637
Bond Mutual Funds	2	N/A	5.20	400,769
Equity/Balanced Mutual Funds	2	N/A	N/A	27,322,474
Total Investments				<u>38,536,792</u>
Total Deposits and Investments				<u>\$ 220,040,575</u>

The University has no exposure to foreign currency risk.

NOTE 4 BENEFICIAL INTERESTS

At June 30, 2025, the fair value of beneficial interest totaled \$5,318,216. Of this amount, \$5,317,165 at June 30, 2025, represent gifts that donors placed in trust in perpetuity with third-parties, with the University receiving a restricted revenue stream in accordance with the donors' wishes; and \$1,051 at June 30, 2025, represent a split-interest agreement that a donor placed in trust with a third-party, and to which the University will take title upon the death of the donor.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 LEASE RECEIVABLES

The University routinely leases various land or facilities to third parties. The contracts, at times, may include variable payments that are not known or certain to be exercised at the time of the lease receivable valuation. These are recognized as income in the period that they occur.

The lease revenue and interest income consist of the following for the fiscal year ended June 30, 2025:

	Third Parties	Component Units
Lease Revenue	\$ 469,682	\$ 123,927
Interest Income	30,320	84,992
Total	<u>\$ 500,002</u>	<u>\$ 208,919</u>

Total future minimum lease payments to be received under lease agreements are as follows:

Fiscal Year Ending June 30,	Third Parties		Component Units		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 456,506	\$ 18,970	\$ 72,007	\$ 84,992	\$ 528,513	\$ 103,962
2027	477,771	7,339	79,519	82,388	557,290	89,727
2028	107,474	3,721	87,465	79,507	194,939	83,228
2029	57,501	640	95,863	76,333	153,364	76,973
2030	-	-	104,737	72,848	104,737	72,848
Thereafter	-	-	1,774,158	807,212	1,774,158	807,212
Total	<u>\$ 1,099,252</u>	<u>\$ 30,670</u>	<u>\$ 2,213,749</u>	<u>\$ 1,203,280</u>	<u>\$ 3,313,001</u>	<u>\$ 1,233,950</u>

The following summary provides aggregated information reported for June 30, 2025, lease receivables including additions and reductions for the years then ended.

	Balance as of June 30, 2024	2024-25 Additions	2024-25 Reductions	Balance as of June 30, 2025
Third Parties	\$ 1,568,371	\$ -	\$ (469,119)	\$ 1,099,252
Component Units	2,278,655	-	(64,906)	2,213,749
Total	<u>\$ 3,847,026</u>	<u>\$ -</u>	<u>\$ (534,025)</u>	<u>\$ 3,313,001</u>

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 CAPITAL ASSETS

Capital assets acquired or constructed by the University through the expenditures of University funds or the incurrence of debt consist of the following:

	Estimated Lives in Years	Beginning Balance July 1, 2024	Additions	Retirements	Reclassifications	Ending Balance June 30, 2025
Capital Assets Not Being Depreciated/Amortized:						
Construction in Progress		\$ 29,865,834	\$ 21,672,714	\$ (129,609)	\$ (17,829,852)	\$ 33,579,087
Land		6,886,161	-	-	-	6,886,161
Total Capital Assets Not Depreciated/Amortized		36,751,995	21,672,714	(129,609)	(17,829,852)	40,465,248
Capital Assets Being Depreciated/Amortized, Cost:						
Buildings and Improvements	10-40	501,879,721	9,519,934	-	14,913,148	526,312,803
Furnishings and Equipment	3-40	116,029,316	3,132,650	(5,441,308)	569,529	114,290,187
Right-to-Use Assets - Buildings	3-10	5,175,998	-	-	-	5,175,998
Right-to-Use Assets - Equipment	3-10	373,969	43,578	-	-	417,547
Subscription Assets	3-10	12,278,688	612,096	-	2,347,175	15,237,959
Library Books	10	7,398,991	24,229	-	-	7,423,220
Total Capital Assets Being Depreciated/Amortized		643,136,683	13,332,487	(5,441,308)	17,829,852	668,857,714
Less: Accumulated Depreciation/Amortization:						
Buildings and Improvements		(208,341,016)	(17,419,944)	-	-	(225,760,960)
Furnishings and Equipment		(103,857,117)	(4,407,578)	-	-	(108,264,695)
Right-to-Use Assets - Buildings		(2,451,789)	(817,263)	-	-	(3,269,052)
Right-to-Use Assets - Equipment		(299,607)	(59,125)	-	-	(358,732)
Subscription Assets		(3,829,485)	(4,611,169)	-	-	(8,440,654)
Library Books		(7,095,310)	(80,114)	5,341,369	-	(1,834,055)
Total Accumulated Depreciation/Amortization		(325,874,324)	(27,395,193)	5,341,369	-	(347,928,148)
Total Capital Assets Being Depreciated/Amortized, Net		317,262,359	(14,062,706)	(99,939)	17,829,852	320,929,566
Capital Assets, Net		<u>\$ 354,014,354</u>	<u>\$ 7,610,008</u>	<u>\$ (229,548)</u>	<u>\$ -</u>	<u>\$ 361,394,814</u>

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following as of June 30, 2025:

Employees	\$ 20,736,705
Suppliers and Services	3,456,166
Other	14,956,582
Interest	126,393
Component Units	526,351
Total	<u>\$ 39,802,197</u>

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 BONDS PAYABLE

Bonds payable consist of tax-exempt revenue bonds issued by the State System through the Pennsylvania Higher Educational Facilities Authority (PHEFA). In connection with the bond issuances, the State System entered into a loan agreement with PHEFA under which the State System has pledged its full faith and credit for the repayment of the bonds. The loan constitutes an unsecured general obligation of the State System. The State System's Board of Governors has allocated portions of certain bond issuances to the University to undertake various capital projects or to advance refund certain previously issued bonds. The University is responsible for the repayment of principal and interest on its applicable portion of each obligation.

The various bond series allocated to the University for the year ended June 30, 2025 are as follows:

	Weighted Average Interest Rate	Balance July 1, 0	Bonds Issued	Bonds Redeemed	Balance June 30, 2025
Series AQ used to current refund Series AC, AE (Lawrence Dining, ESCO)	4.06%	\$ 31,280	\$ -	\$ (31,280)	\$ -
Series AS used to current refund Series AF (ESCO, Rec Center)	4.07	464,537	-	(147,320)	317,217
Series AU used to build a parking structure on North Campus Drive (Commons Parking Garage)	3.42	7,085,000	-	(280,000)	6,805,000
Series AV used to build a parking structure on North Campus Drive (Commons Parking Garage), to build a mixed-use dining and academic facility (SECC), and refund Series AI (Sprinkler)	4.10	56,677,983	-	(2,177,983)	54,500,000
Series AW used to purchase three parking structures from the Borough of West Chester (Sharpless, Matlack, New Street); also to refund Series AJ (Rec Center)	4.44	11,870,000	-	(620,000)	11,250,000
Series AX used to current refund Series AL (College Arms, Parking Garage, Recreation Center)	3.58	823,544	-	(121,146)	702,398
Series AY used to partially advance refund Series AM (Recreation Center)	1.72	10,280,903	-	(780,828)	9,500,075
Total Bonds Payable		<u>\$ 87,233,247</u>	<u>\$ -</u>	<u>\$ (4,158,557)</u>	83,074,690
Plus Unamortized Bond Premium Costs, Net					3,053,732
Outstanding - End of Year					<u>\$ 86,128,422</u>

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 BONDS PAYABLE (CONTINUED)

Principal and interest maturities for each of the next five years and in subsequent five-year periods ending June 30 are as follows:

Series		2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	Total
AS	Principal	\$ 154,723	\$ 162,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 317,217
	Interest	15,861	8,125	-	-	-	-	-	-	23,986
	Total	170,584	170,619	-	-	-	-	-	-	341,203
AU	Principal	295,000	310,000	325,000	335,000	350,000	1,935,000	2,255,000	1,000,000	6,805,000
	Interest	230,525	215,775	200,275	187,275	173,875	686,725	374,688	48,463	2,117,601
	Total	525,525	525,525	525,275	522,275	523,875	2,621,725	2,629,688	1,048,463	8,922,601
AV	Principal	2,065,000	2,170,000	2,280,000	2,395,000	2,510,000	14,150,000	17,045,000	11,885,000	54,500,000
	Interest	2,195,544	2,092,294	1,983,794	1,869,794	1,750,044	7,160,419	4,270,469	902,438	22,224,796
	Total	4,260,544	4,262,294	4,263,794	4,264,794	4,260,044	21,310,419	21,315,469	12,787,438	76,724,796
AW	Principal	650,000	685,000	715,000	750,000	435,000	2,485,000	2,890,000	2,640,000	11,250,000
	Interest	411,450	378,950	344,700	308,950	271,450	1,057,100	651,713	201,000	3,625,313
	Total	1,061,450	1,063,950	1,059,700	1,058,950	706,450	3,542,100	3,541,713	2,841,000	14,875,313
AX	Principal	126,951	133,513	140,076	147,395	154,463	-	-	-	702,398
	Interest	35,120	28,772	22,097	15,093	7,723	-	-	-	108,805
	Total	162,071	162,285	162,173	162,488	162,186	-	-	-	811,203
AY	Principal	788,715	800,546	812,377	824,207	839,982	4,472,015	962,233	-	9,500,075
	Interest	195,483	184,638	172,630	159,429	145,005	445,210	24,056	-	1,326,451
	Total	984,198	985,184	985,007	983,636	984,987	4,917,225	986,289	-	10,826,526
Total	Principal	4,080,389	4,261,553	4,272,453	4,451,602	4,289,445	23,042,015	23,152,233	15,525,000	83,074,690
	Interest	3,083,983	2,908,554	2,723,496	2,540,541	2,348,097	9,349,454	5,320,926	1,151,901	29,426,952
	Total	<u>\$ 7,164,372</u>	<u>\$ 7,170,107</u>	<u>\$ 6,995,949</u>	<u>\$ 6,992,143</u>	<u>\$ 6,637,542</u>	<u>\$ 32,391,469</u>	<u>\$ 28,473,159</u>	<u>\$ 16,676,901</u>	<u>\$ 112,501,642</u>

NOTE 9 LEASES, SUBSCRIPTION OBLIGATIONS, AND FINANCED PURCHASES

The University routinely uses leases and agreements for various facilities, equipment and software instead of purchasing the assets. There were no termination penalties or residual guarantee payments expensed for the fiscal year ended June 30, 2025. Interest expense on these leases and subscription liabilities for the fiscal year ended June 30, 2025 totaled approximately \$156,754. Additionally, the University entered into a financed purchase agreement during fiscal year ended June 30, 2025. Interest expense on the financed purchase agreement for the fiscal year ended June 30, 2025 totaled approximately \$138,958.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

**NOTE 9 LEASES, SUBSCRIPTION OBLIGATIONS, AND FINANCED PURCHASES
(CONTINUED)**

The following schedule provided future minimum principal and interest payments to maturity for right of use leases, subscription liabilities, and financed purchases.

<u>Fiscal Year Ending June 30,</u>	<u>Lease Obligations</u>		<u>Subscription Agreements</u>		<u>Financed Purchase Agreement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 885,347	\$ 24,770	\$ 2,174,407	\$ 41,053	\$ 1,136,525	\$ 134,935
2027	898,561	11,287	101,573	5,920	1,172,262	99,198
2028	309,985	925	110,058	2,439	1,209,123	62,337
2029	7,314	77	56,676	293	1,247,143	24,317
2030	-	-	-	-	211,638	273
Total	<u>\$ 2,101,207</u>	<u>\$ 37,059</u>	<u>\$ 2,442,714</u>	<u>\$ 49,705</u>	<u>\$ 4,976,691</u>	<u>\$ 321,060</u>

The following summary provides aggregated information for June 30, 2025, for right of use lease, subscription liabilities, and financed purchases, including additions, reductions and reported liabilities for the year then ended.

	<u>Balance as of July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of June 30, 2025</u>
Leases, Third Parties	\$ 2,932,106	\$ 43,578	\$ (874,477)	\$ 2,101,207
Subscription Liabilities	4,042,474	612,096	(2,211,856)	2,442,714
Financed Purchase	-	5,897,283	(920,592)	4,976,691
Total	<u>\$ 6,974,580</u>	<u>\$ 6,552,957</u>	<u>\$ (4,006,925)</u>	<u>\$ 9,520,612</u>

NOTE 10 UNEARNED REVENUE

Unearned revenue consists of the following components as of June 30, 2025:

	<u>Current</u>
Student Tuition and Fees	\$ 5,662,391
Grants	452,214
Sales and Services	133,712
Federal Appropriation	1,596,758
Other	938,964
Total	<u>\$ 8,784,039</u>

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 COMPENSATED ABSENCES

Compensated absences are absences, such as vacation and sick leave, for which employees will be paid in cash at termination or retirement. The changes in compensated absences are as follows:

Balance - July 1, 2024	\$ 19,846,201
Current Changes in Estimate	3,464,763
Payouts	<u>(2,061,916)</u>
Balance - June 30, 2025	<u><u>\$ 21,249,048</u></u>

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Other postemployment benefits (OPEB) are benefits such as healthcare benefits that are paid in the period after employment and that are provided separately from a pension plan. OPEB does not include termination benefits or termination payments for sick leave (See Note 11).

University employees who retire after meeting specified service and age requirements are eligible to receive healthcare and tuition benefits in retirement. Employee members of the Association of Pennsylvania State College and University Faculties (APSCUF), the State College and University Professional Association (SCUPA), PASSHE Officers Association (POA), Security Police and Fire Professionals of America (SPFPA), Office and Professional Employees International Union (OPEIU), and nonrepresented employees participate in a defined benefit healthcare plan administered by the State System (System Plan). Employee members of the American Federation of State, County and Municipal Employees (AFSCME), Pennsylvania Doctors Alliance (PDA), and Service Employees International Union (SEIU, Local 668), formerly Pennsylvania Social Services Union (PSSU), participate in the Retired Employees Health Program (REHP), which is a defined benefit healthcare plan sponsored by the Commonwealth and administered by the Pennsylvania Employee Benefits Trust Fund (PEBTF). In addition to the above, any employee who participates in the Public School Employees' Retirement System (PSERS) pension plan is eligible to receive benefits from the PSERS Health Insurance Premium Assistance Program (Premium Assistance), a defined benefit plan, and all eligible retirees and their eligible dependents receive tuition waivers at any of the 10 State System universities.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Following is the total of the University's OPEB liabilities, deferred outflows and inflows of resources related to OPEB, and the OPEB expense for the fiscal years ended June 30, 2025.

	System Plan	REHP	Premium Assistance	Total
Net OPEB Liabilities	<u>\$ 154,102,482</u>	<u>\$ 33,848,027</u>	<u>\$ 549,105</u>	<u>\$ 188,499,614</u>
Deferred Outflows of Resources:				
Difference Between Expected and Actual Experience	\$ -	\$ 1,058,237	\$ 2,069	\$ 1,060,306
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	-	-	517	517
Changes in Assumptions	1,293,134	1,012,767	33,446	2,339,347
Changes in Proportion	-	6,390,073	14,137	6,404,210
Contributions After the Measurement Date	<u>5,056,466</u>	<u>2,476,242</u>	<u>31,814</u>	<u>7,564,522</u>
Total Deferred Outflows of Resources	<u>\$ 6,349,600</u>	<u>\$ 10,937,319</u>	<u>\$ 81,983</u>	<u>\$ 17,368,902</u>
Deferred Inflows of Resources:				
Difference Between Expected and Actual Experience	\$ 36,148,997	\$ 8,138,369	\$ 8,275	\$ 44,295,641
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	-	190,152	-	190,152
Changes in Assumptions	33,072,139	8,735,145	83,788	41,891,072
Changes in Proportion	-	13,442,509	24,309	13,466,818
Total Deferred Inflows of Resources	<u>\$ 69,221,136</u>	<u>\$ 30,506,175</u>	<u>\$ 116,372</u>	<u>\$ 99,843,683</u>
OPEB Expense	<u>\$ 4,231,287</u>	<u>\$ 8,104,869</u>	<u>\$ 22,673</u>	<u>\$ 12,358,829</u>
Contributions Recognized by OPEB Plans	<u>N/A</u>	<u>\$ 2,476,242</u>	<u>\$ 31,814</u>	<u>\$ 2,508,056</u>

The University will recognize the deferred outflows of resources resulting from contributions after the measurement date, totaling \$5,056,466 for the System Plan, \$2,476,242 for the REHP plan, and \$31,814 for the PSERS OPEB plan, as reductions of the respective net OPEB liabilities in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

	Amortization		
Year Ending June 30,	System Plan	REHP	Premium Assistance
2026	\$ (23,454,763)	\$ (7,590,511)	\$ (16,723)
2027	(20,090,851)	(7,471,735)	(21,895)
2028	(20,090,850)	(4,999,345)	(22,240)
2029	(4,291,538)	(2,363,122)	(1,897)
2030	-	379,615	(3,448)
Total	<u>\$ (67,928,002)</u>	<u>\$ (22,045,098)</u>	<u>\$ (66,203)</u>

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

System Plan

Plan Description

The System Plan is a single-employer defined benefit healthcare plan administered by the System Office. Act 188 empowers the Board to establish and amend benefit provisions and to require the System Office to pay OPEB as the benefits come due. The System Office discretely accounts for and accumulates all System Plan contributions that have been collected from the universities (employer) and retirees, but not yet been paid to the provider; however, the System Plan has no assets accumulated in a trust in which the employer contributions are irrevocable, are dedicated to providing OPEB to plan members, or are legally protected from creditors.

The System Plan provides eligible retirees and their eligible dependents with healthcare benefits, including hospital, medical/surgical, prescription drugs, and major medical coverage, as well as a Medicare supplement for individuals over age 65. Retirees receive varying coverages based on the benefits in effect when they retired, and benefits may continue for the retiree's lifetime. Spouse benefits cease upon the retiree's death, but the surviving spouse may continue coverage at full cost. Non spouse dependents may be covered until age 19 or until age 25 if a certified full-time student. SCUPA, SPFPA, OPEIU, and nonrepresented employees whose retirement date is on or after January 1, 2016, and APSCUF employees whose retirement date is on or after July 1, 2017, receive the same pre-Medicare benefits as active employees, with benefits changing as active employee benefits change. All other pre-Medicare retirees continue to receive the same benefits to which they were entitled at retirement.

A total of 10,975 individuals are covered by the benefit terms (down from 11,307 in the prior actuarial valuation), including 5,476 active employees that may be entitled to receive benefit payments upon retirement, 484 retired participants entitled to but not yet receiving benefits, and 5,015 retired participants receiving benefits.

Effective January 16, 2016, the State System OPEB plan became closed to newly hired SCUPA, SPFPA, POA, OPEIU, and nonrepresented employees, while newly hired APSCUF employees (faculty and coaches) continue to be eligible to participate in the plan.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

System Plan (Continued)

Plan Description (Continued)

Plan members receiving benefits contribute at various rates, depending upon when they retire, whether they are eligible for Medicare, the contribution rate in effect on the day of their retirement or the contribution rate for active employees, and applicable collective bargaining agreements. Following are the contribution rates of eligible plan members receiving benefits as of June 30, 2025.

- Plan members who retired prior to July 1, 2005, are not required to make contributions.
- Plan members, with the exception of nonfaculty coaches, who retired on or after July 1, 2005, and prior to July 1, 2008, and who are under age 65, pay the same dollar amount they paid as active employees on the day of retirement. When these plan members become eligible for Medicare, they pay 18% of the current cost of their Medicare coverage and current cost of coverage for covered dependents. The rate changes annually, and future adjustments will apply if contributions increase for active employees.
- Plan members, with the exception of nonfaculty coaches, who retire on or after July 1, 2008, pay 18% of the plan premium in effect for active employees on their retirement date. Future adjustments will apply if contributions increase for active employees.
- Nonfaculty coaches who retired on or after July 1, 2005, pay 3.0% of their final annual gross salary at the time of retirement.

Actuarial Assumptions and Other Inputs

The System performs actuarial valuations every two years for the System Plan and utilizes a measurement date that is the first day of its current fiscal year-end. The actuarial valuation on which the total OPEB liability as of June 30, 2025, is based is dated July 1, 2024, which is the measurement date. The total OPEB liability was measured using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Healthcare cost trend rate of 7.0% in 2024, with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later, based on the Society of Actuaries Long-Run Medical Cost Trend Model.
- Annual salary increase of 4%.
- 90% of employees eligible for a subsidy and 7.5% of employees not eligible for a subsidy are assumed to elect coverage. 2% of vested former members are assumed to return to coverage each year upon reaching age 45.
- The per capita claims cost for medical and prescription drugs is based on the expected portion of the group's overall cost attributed to individuals in specified age and gender brackets.
- Retiree premium cost sharing for retired participants covered under "Other Less Subsidized Health Coverage" is assumed to remain at 18% and increase at the same rate as the Health Care Cost Trend Rate. Otherwise, retiree premium cost sharing is not assumed to increase after retirement.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

System Plan (Continued)

Actuarial Assumptions and Other Inputs (Continued)

- APSCUF mortality rates based on PubT-2010 Above Median Income Mortality Table, including rates for disabled retirees and contingent survivors. All other groups mortality rates based on the PubG-2010 above Median Income Mortality Table, including rates for disabled retirees and contingent survivors. Both incorporate rates based on a generational projection using Scale MP-2021 to reflect mortality improvement.
- The discount rate increased from 4.13% to 4.29%, based on S&P Municipal Bond 20-Year High Grade Rate Index at July 1, 2024.
- Participant data is based on census information as of July 1, 2024.
- Rates of withdrawal vary by age and years of service.
- Costs have been loaded by 1.5% to account for tuition waiver benefits, which are offered to all eligible retirees, regardless of employee bargaining unit when active, and including those not represented when active, who meet years of service and/or age criteria.

The following presents the University's share of the System Plan's net OPEB liability at June 30, 2025, as well as what the liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.0% decreasing to 3.0%) or one percentage point higher (8.0% decreasing to 5.0%) than the current healthcare cost trend rates (7.0% decreasing to 4.0%).

Sensitivity of the University's Proportionate Share of the System Plan Net OPEB Liability to Changes in the Healthcare Cost Trend Rate		
1% Decrease (6.0% Decreasing to 3.0%)	Healthcare Cost Trend Rates (7.0% Decreasing to 4.0%)	1% Increase (8.0% Decreasing to 5.0%)
\$ 131,289,437	\$ 154,102,482	\$ 182,788,883

The following presents the University's share of the System Plan's net OPEB liability at June 30, 2025, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (3.29%) or one percentage point higher (5.29%) than the current discount rate (4.29%).

Sensitivity of the University's Proportionate Share of the System Plan Net OPEB Liability to Changes in the Discount Rate		
1% Decrease 3.29%	Current Rate 4.29%	1% Increase 5.29%
\$ 176,214,438	\$ 154,102,482	\$ 135,959,620

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

System Plan (Continued)

OPEB Liability

The University's proportionate share of the System Plan's total OPEB liability was \$154,102,482 as of June 30, 2025.

	Changes in the System Plan Total OPEB Liability Fiscal Year Ending June 30, 2025
Balance - Beginning of Year	\$ 168,228,927
Service Cost	4,725,609
Interest	6,986,695
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(20,639,183)
Changes in Assumptions	(1,884,965)
Benefit Payments	(3,314,601)
Net Changes	(14,126,445)
Balance - End of Year	<u>\$ 154,102,482</u>

REHP

Plan Description

The Retired Employees Health Program (REHP) is a single-employer defined benefit OPEB plan that includes Commonwealth agencies and some component units. The REHP is established as a trust equivalent arrangement. The REHP is administered by the Pennsylvania Employees Benefit Trust Fund (PEBTF), which acts as a third-party administrator under an agreement with the Commonwealth. The REHP is provided as part of collective bargaining agreements with most Commonwealth labor unions. All policy decisions and types and levels of benefits for the REHP fall under the purview of the Commonwealth's Executive Board and the Secretary of Administration. The REHP does not have a governing board.

The REHP is reported in the Commonwealth's Annual Comprehensive Financial Report (ACFR) as a Pension (and Other Employee Benefit) Trust. The REHP is reported using the economic resources measurement focus and the accrual basis of accounting. The ACFR is an audited financial statement and is available at www.budget.pa.gov.

The REHP provides eligible retirees and their eligible dependents with subsidized healthcare for the retiree's lifetime. Benefits include healthcare, including hospital, medical/surgical, prescription drugs, and major medical coverage, as well as a Medicare supplement for individuals over age 65. Retirees receive varying coverages based on the plan they choose. Spouse benefits cease upon the retiree's death, but the surviving spouse may continue coverage at full cost. Nonspouse dependents may be covered until age 26.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

REHP (Continued)

Plan Description (Continued)

Plan members receiving benefits contribute at various rates, depending upon when they retire, whether they are eligible for Medicare, and their salary at retirement. Following are the contribution rates of eligible plan members receiving benefits as of June 30, 2025.

- Plan members who retired prior to July 1, 2005, are not required to make contributions.
- Plan members who retired on or after July 1, 2005, and prior to July 1, 2007, pay 1% of their final annual salary.
- Plan members who retired on or after July 1, 2007, and prior to July 1, 2011, pay 3% of either final gross annual base salary or final average salary, whichever is less. Members eligible for Medicare pay 1.5% of either final gross annual base salary or final average salary, whichever is less.
- Plan members who retire on or after July 1, 2011, pay 3% of final average salary. Members eligible for Medicare pay 1.5% of final gross annual base salary.

Employer contribution requirements are established by the Commonwealth as provided by pertinent statutory authority. With the exception of certain employing agencies, employers contributed to the REHP Trust a retiree health assessment rate of \$251 per pay period for each current REHP eligible active employee during the period July 1, 2024, through June 30, 2025. The rate during the period July 1, 2023, through June 30, 2024, was \$275 per pay period.

Actuarial Assumptions and Other Inputs

The State System records its REHP pension liability annually utilizing a measurement date one year prior to its fiscal year-end. The Commonwealth's State Employees' Retirement System (SERS) performs experience studies periodically to determine reasonable and appropriate economic and demographic assumptions for purposes of valuing the defined benefit pension plan. The most recent SERS experience study covered the years 2015 through 2019 and was presented to the SERS Board in July 2020. The approved recommendations from that study were used to determine the assumptions in the REHP annual valuations, where applicable. The inflation assumption was selected by the SERS Board during a July 2020 meeting based on a review of actual plan experience and the prevalent economic outlook.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

REHP (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The total OPEB liability in the June 30, 2024, actuarial valuations was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Participant data based on census information as of December 31, 2023, for the June 30, 2024 measurement date.
- Actuarial Cost Method is Entry Age Normal, which requires an estimate of the projected benefit payable at retirement to determine costs and liabilities.
- Inflation of 2.50%.
- Healthcare cost trend rate of 8.2%, with rates gradually decreasing to 3.9% in 2075 and later, based on the SOA-Getzen trend rate model version 2024_1b.
- Average salary growth of 2.50% per year and an assumed 2.80% payroll growth rate.
- Projected benefits based on estimates of future years of service and projected health benefit costs.
- Mortality rates for active employees based on PUB-2010 General Employees Headcount-Weighted Mortality Tables and adjusted for mortality improvements using projection scale MP-2021.

The following assumptions were made with regard to the discount rate:

- Discount rate of 6.09% as of June 30, 2024.
- The discount rate was based on long-term expected rate of return on assets held in the OPEB investment pool (6.75%) and a municipal bond rate of 3.93% based on the 20-year Bond Buyer GO Index as of the end of June 2024.

The long-term expected rate of return on REHP plan investments is determined using a risk premium review. This review compares the current relationship between fixed income and equity and their relationship over long periods of time to come up with an expected rate of return. Other variables considered in the expected rates of return are a reversion to the mean for each asset class.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

REHP (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42.0 %	5.0 %
International Equity	22.0	5.1
Fixed Income	22.0	2.4
Public REITs	4.0	-
Infrastructure	4.0	4.3
Real Estate	4.0	3.8
Cash and Cash Equivalents	1.0	1.2
Private Equity	1.0	8.8
Total	100.0 %	

The Commonwealth calculated an allocated share of the REHP OPEB liability for each participating employer based upon their actual contributions made to the REHP. The State System's proportion of the collective net OPEB liability was 3.5257% and 3.0292% for the measurement dates of June 30, 2024 and 2023, respectively, an increase of 0.4965%.

The following presents the University's share of the REHP net OPEB liability at June 30, 2025, as well as what the liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.2% decreasing to 2.9%) or one percentage point higher (9.2% decreasing to 4.9%) than the current healthcare cost trend rates (8.2% decreasing to 3.9%).

Sensitivity of the University's Share of the REHP Net OPEB Liability to Changes in the Healthcare Cost Trend Rate		
1% Decrease (7.2% Decreasing to 2.9%)	Healthcare Cost Trend Rates (8.2% Decreasing to 3.9%)	1% Increase (9.2% Decreasing to 4.9%)
\$ 29,513,387	\$ 33,848,027	\$ 39,049,236

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

REHP (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The following presents the University's share of the REHP net OPEB liability at June 30, 2025, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (5.09%) or one percentage point higher (7.09%) than the current discount rate (6.09%).

Sensitivity of the University's Share of the REHP Net OPEB Liability to Changes in the Discount Rate		
1% Decrease 5.09%	Current Rate 6.09%	1% Increase 7.09%
\$ 37,954,484	\$ 33,848,027	\$ 30,321,671

The assets of the REHP are managed by the Commonwealth's Treasury in an investment pool. The REHP investments are made based upon an interagency agreement, dated June 17, 2008, and the prudent investor standard set forth in the Commonwealth of Pennsylvania's amendment to fiscal code 72 P.S. §30.1, the principles of Prudent Investors Standards.

Premium Assistance

Plan Description

The Health Insurance Premium Assistance Program (Premium Assistance) is a governmental cost sharing, multiple-employer OPEB plan administered by the administrative staff of PSERS. The members eligible to participate in the program include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. The control and management of PSERS, including the investment of its assets, is vested in the Board of Trustees (PSERS Board). The Commonwealth's General Assembly has the authority to amend the benefit terms of PSERS by passing bills in the Senate and House of Representatives and sending them to the Governor for approval. Additional plan information can be found in the PSERS Annual Comprehensive Financial Report at www.psers.pa.gov.

Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS Health Options Program. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees. Plan members receiving benefits are not required to make contributions.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Premium Assistance (Continued)

Plan Description (Continued)

Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. The contribution policy is governed by applicable provisions of the Retirement Code. The contractually required employer contribution rate was 0.64% of covered payroll for the fiscal year ended June 30, 2024, and 0.75% of covered payroll for the fiscal year ended June 30, 2023. Per §8327 of the Code, the Commonwealth is required to contribute 50% of the contribution rate directly to PSERS on behalf of the University, meaning that the amount that the University actually contributed was 0.32% of covered payroll.

Actuarial Assumptions and Other Inputs

The State System records its PSERS OPEB liability annually utilizing a measurement date one year prior to its fiscal year-end. The total OPEB liability, as of the June 30, 2024 measurement date, was determined by rolling forward the PSERS total OPEB liability as of June 30, 2023, to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2023.
- Actuarial cost method was entry age normal, level percent of pay.
- Investment return of 4.21% based on the S&P 20 Year Municipal Bond Rate.
- Effective average salary growth of 4.5%, comprising 2.50% for inflation and 2.00% for real wage growth and for merit and seniority increases.
- Premium Assistance reimbursement benefits capped at \$1,200 per year.
- Assumed healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Eligible retirees pre-age 65 are assumed to participate at 50%, while eligible retirees post-age 65 are assumed to participate at 70%.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022, determined the employer contribution rate for fiscal year 2024.
- Cost method was developed using the amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method was market value.
- Participation rate assumed that 63% of eligible retirees will elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Premium Assistance (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The following assumptions were made with regard to the discount rate:

- The discount rate used to measure the total OPEB liability was 4.21% at June 30, 2024, and 4.13% at June 30, 2023.
- Under the plan's funding policy, contributions are structured for short-term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date.
- The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments; therefore, the plan is considered to be a pay-as-you-go plan. A discount rate of 4.21%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.
- Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The OPEB plan's policy with regard to the allocation of invested plan assets is established and may be amended by the PSERS Board. Under the program, as defined in the retirement code, employer contribution rates for Premium Assistance are established to provide reserves in the health insurance account that are sufficient for the payment of premium assistance benefits for each succeeding year.

Following is the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class, as of June 30, 2024.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0 %	1.7 %
Total	100.0 %	

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the total OPEB liability as of June 30, 2023, to June 30, 2024. An employer's proportion is calculated utilizing the employer's one-year reported covered payroll as a percentage of total one-year reported covered payroll. The State System's proportion of the collective net OPEB liability was 0.1793% and 0.1821% for the measurement dates of June 30, 2024 and 2023, respectively, a decrease of 0.0028%.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Premium Assistance (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The following presents the University's share of the Premium Assistance net OPEB liability at June 30, 2025, as well as what the liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (between 4.0% and 5.8%) or one percentage point higher (between 6.0% and 7.8%) than the current healthcare cost trend rates (between 5.0% and 6.8%).

Sensitivity of the University's Share of the Premium Assistance Net OPEB Liability to Changes in the Healthcare Cost Trend Rate		
Healthcare Cost Trend Rates (Between 4.0% and 5.8%)	Healthcare Cost Trend Rates (Between 5.0% and 6.8%)	Healthcare Cost Trend Rates (Between 6.0% and 7.8)%
\$ 549,105	\$ 549,105	\$ 549,105

The following presents the University's share of the Premium Assistance net OPEB liability at June 30, 2025, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (3.21%) or one percentage point higher (5.21%) than the current healthcare cost trend rates (4.21%).

Sensitivity of the University's Share of the Premium Assistance Net OPEB Liability to Changes in the Discount Rate		
1% Decrease 3.21%	Current Rate 4.21%	1% Increase 5.21%
\$ 620,308	\$ 549,105	\$ 489,454

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 PENSION BENEFITS

Employees of the State System enroll in one of three available retirement plans immediately upon employment: the Commonwealth of Pennsylvania State Employees' Retirement System (SERS), the Public School Employees' Retirement System (PSERS), or the Alternative Retirement Plan (ARP).

Following is the total of the State System's pension liabilities, deferred outflows and inflows of resources related to pensions, and the pension expense for the fiscal year ended June 30, 2025.

	SERS	PSERS	ARP	Total
Net Pension Liabilities	<u>\$ 92,343,010</u>	<u>\$ 13,169,937</u>	<u>\$ -</u>	<u>\$ 105,512,947</u>
Deferred Outflows of Resources:				
Difference Between Expected and Actual Experience	\$ 4,185,444	\$ -	\$ -	\$ 4,185,444
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2,711,079	218,054	-	2,929,133
Changes in Assumptions	1,626,390	-	-	1,626,390
Difference Between Employer Contributions and Proportionate Share of Contributions	270,415	(21,132)	-	249,283
Changes in Proportion	-	198,942	-	198,942
Contributions After the Measurement Date	6,931,157	1,677,812	-	8,608,969
Total Deferred Outflows of Resources	<u>\$ 15,724,485</u>	<u>\$ 2,073,676</u>	<u>\$ -</u>	<u>\$ 17,798,161</u>
Deferred Inflows of Resources:				
Difference Between Expected and Actual Experience	\$ 103,087	\$ 207,108	\$ -	\$ 310,195
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	-	-	-
Difference Between Employer Contributions and Proportionate Share of Contributions	33,973	-	-	33,973
Changes in Proportion	4,044,245	129,442	-	4,173,687
Total Deferred Inflows of Resources	<u>\$ 4,181,305</u>	<u>\$ 336,550</u>	<u>\$ -</u>	<u>\$ 4,517,855</u>
Pension Expense	<u>\$ 10,436,574</u>	<u>\$ 2,007,610</u>	<u>\$ 10,501,581</u>	<u>\$ 22,945,765</u>
Contributions Recognized by Pension Plans	<u>\$ 11,542,629</u>	<u>\$ 1,677,812</u>	N/A	<u>\$ 13,220,441</u>

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 PENSION BENEFITS (CONTINUED)

The University will recognize the \$6,931,157 reported as 2025 SERS deferred outflows of resources resulting from pension contributions after the measurement date, and the \$1,677,812 reported as 2025 PSERS deferred outflows of resources resulting from pension contributions after the measurement date, as reductions of the respective net pension liabilities in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows.

<u>Fiscal Year Ending June 30,</u>	Amortization	
	SERS	PSERS
2026	\$ 1,836,806	\$ (282,031)
2027	5,689,948	381,229
2028	(2,241,981)	4,942
2029	(718,138)	(44,826)
2030	45,388	-
Total	<u>\$ 4,612,023</u>	<u>\$ 59,314</u>

SERS

Plan Description

SERS is the administrator of the State Employees' Retirement fund, a cost-sharing multiemployer defined benefit pension plan. SERS also is the administrator of the State Employees' Defined Contribution Plan, which was established as part of Commonwealth Act 2017-5. Both the defined benefit plan and the defined contribution plan were established by the Commonwealth to provide retirement benefits for employees of state government and certain independent agencies. SERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund. SERS issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the SERS website at www.sers.state.pa.us.

Membership in SERS is mandatory for most state employees. Members and employees of the General Assembly, certain elected or appointed officials in the executive branch, department heads, and certain employees in the field of education are not required, but are given the option, to participate.

Benefits Provided

SERS provides retirement, death, and disability benefits. Article II of the Commonwealth's Constitution assigns the authority to establish and amend the benefit provisions of the plan to the General Assembly. Cost of Living Adjustments (COLA) are provided ad hoc at the discretion of the General Assembly.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 PENSION BENEFITS (CONTINUED)

SERS (Continued)

Plan Description (Continued)

Employees who were hired prior to January 1, 2011, and retire at age 60 with three years of service, or with 35 years of service if under age 60, are entitled to a normal annual retirement benefit; members of the General Assembly and certain employees classified in hazardous duty positions can retire with full benefits at age 50 with at least three years of service. Act 120 of 2010 (Act 120) preserved all benefits in place for members, but mandated a number of benefit reductions for new members effective January 1, 2011, through December 31, 2018. The benefit reduction included a new class of membership that accrues benefits at 2% of members' final average salary instead of the previous 2.5%. The vesting period changed from 5 to 10 years of credited service, and the option to withdraw lump-sum accumulated deductions was eliminated. The new normal retirement age is 65 for most employees and 55 for members of the General Assembly and certain employees classified in hazardous duty positions. Act 2017-5 preserved all benefits in place for members, but fundamentally changed retirement options for new hires beginning January 1, 2019: most employees who first become SERS members on or after January 1, 2019, must choose from one of two new defined benefit/defined contribution hybrid options or a straight 401(a) defined contribution option.

According to the State Employees' Retirement Code (SERC), all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

Contributions

The contribution rate for both active members and the State System depends upon when the active member was hired and what benefits class was selected. Section 5507 of the SERC (71 Pa. C.S. §5507) requires the Commonwealth and other employers whose employees are SERS members to make contributions on behalf of all active members and annuitants to fund the liabilities and provide the annuity reserves required to pay benefits. The SERS funding policy, as set by the SERS Board, provides for periodic active member contributions at statutory rates. The SERS funding policy also provides for periodic employer contributions at actuarially determined rates based on SERS' funding valuation, expressed as a percentage of annual retirement covered payroll, such that the employer contributions, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate assets to pay benefits when due. Act 2017-5 includes a savings "plow-back" provision requiring that the annual savings achieved through SERS benefit changes flow back into the Defined Benefit Plan through the employer contributions rate rather than to other non-pension obligations.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 PENSION BENEFITS (CONTINUED)

SERS (Continued)

Contributions (Continued)

For the SERS defined benefit plan, the State System's actuarially determined contribution rate for most active members was 40.33% of active members' annual covered payroll at June 30, 2025, with less common rates ranging between 27.09% and 31.74%, depending upon the defined benefit plan chosen by the employee. For the SERS defined benefit/defined contribution hybrid plan, the State System's actuarially determined contribution rate was either 16.84% or 17.09% of annual covered payroll, depending upon the hybrid plan chosen by the employee. In addition, the State System was required to contribute to the defined benefit plan 15.54% of the annual covered payroll of employees who selected the straight 401(a) defined contribution plan. The University's contributions to SERS for the year ended June 30, 2025, was approximately \$11,543,000, equal to the required contractual contribution.

The contribution rate of most active members who participate in the SERS defined benefit plan was 6.25% of gross salary, with less common rates ranging between 5.0% and 9.3% of salary, depending upon when the member was hired and what class of membership was elected. Defined benefit contribution rates for active members who participate in the defined benefit/defined contribution hybrid plan were either 3.25% or 3.5% of gross salary, depending upon what class of membership was elected. The contribution rate to the defined contribution plan for active members who participate in the straight 401(a) defined contribution plan was 7.5% of gross salary.

For the SERS defined contribution plan, the University contributed at actuarially determined rates of between 2.0% and 3.5% of active members' annual covered payroll at June 30, 2025, depending upon the plan chosen by the employee. The University recognized \$128,095 in SERS defined contribution pension expense for the year ended June 30, 2025. The vesting period for employer contributions to the defined contribution plan, both for members who participate in the straight 401(a) defined contribution plan and those who participate in one of the defined benefit/defined contribution hybrid plans, is three years. Once money is contributed to the plan, it cannot be removed from the plan, except for making distribution payments to participants. Forfeitures of unvested employer contributions and earnings are invested in the PA Treasury short-term investment fund. The funds are forfeited to the employee's most recent employer and used to offset future contributions to the plan and correct funding discrepancies. Forfeitures seized under the Pension Forfeiture Act are used for administrative expenses of the plan.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 PENSION BENEFITS (CONTINUED)

SERS (Continued)

Actuarial Methods and Assumptions

Actuarial valuations are performed annually using a December 31 measurement date. Every five years, SERS is required to conduct an actuarial experience study to determine whether the assumptions used in its annual actuarial valuations remain accurate based on current and anticipated demographic trends and economic conditions. The 19th Investigation of Actuarial Experience study for the period 2015–2019 was released in July 2020. The actuary, under oversight of the SERS Board, reviewed economic assumptions (such as the assumed future investment returns and salary increases) as well as demographic assumptions (such as employee turnover, retirement, disability, and death rates). Some assumption adjustments increased projected cost and some decreased it, but the overall result was a slight increase to the net pension liability. The SERS Board adopted the actuarial assumptions set forth in the 19th Investigation of Actuarial Experience at its September 2020 meeting. In addition, SERS reviews its investment return assumption in light of economic conditions every year. At its June 2023 meeting, the SERS Board approved maintaining the assumed investment rate of return at 6.875%. The next SERS actuarial experience review will occur in summer 2025 and will be used for its 2025 annual valuation.

The following methods and assumptions were used in the actuarial valuation for the December 31, 2024, measurement date.

- Entry age actuarial cost method.
- Investments amortized on a straight-line, closed-period basis over five years; assumption changes and noninvestment gains/losses amortized over the average expected remaining service lives of all employees who are provided benefits.
- Inflation of 2.50%.
- Investment return of 6.875%, net of manager fees and including inflation.
- Salary increases based on an average of 4.58%, with a range of 3.30% to 6.95%, including inflation.
- Asset valuation using fair (market) value.
- Mortality rates based on the projected PubG-2010 and PubNS-2010 Mortality Tables, adjusted for actual plan experience and future improvement.
- No cost of living adjustments.

The long-term expected real 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 manager fees 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.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 PENSION BENEFITS (CONTINUED)

SERS (Continued)

Actuarial Methods and Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in SERS' target asset allocation as of December 31, 2024, are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private Equity	16.00 %	6.25 %
Real Estate	7.00	5.15
U.S. Equity	37.00	5.15
International Developed Equity	14.00	5.00
Emerging Markets Equity	2.00	5.20
Fixed Income	19.00	2.85
Inflation Protection (TIPS)	3.00	2.55
Cash	2.00	0.50
Total	100.00 %	

The discount rate used to measure the total SERS pension liability was 6.875%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each member and that employer contributions will be made based on rates determined by the actuary and as set by statute. Based on those assumptions, SERS' fiduciary net position was projected to be available to make all projected future benefit payments of current SERS members. The long-term expected rate of return on SERS' investments, therefore, was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the University's proportionate share of the SERS net pension liability at June 30, 2025, calculated using the discount rate of 6.875%, as well as what the SERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.875%) or one percentage point higher (7.875%) than the current rate.

Sensitivity of the University's Proportionate Share of the SERS Net Pension Liability to Change in the Discount Rate		
1% Decrease 5.875%	Current Rate 6.875%	1% Increase 7.875%
\$ 112,819,120	\$ 92,343,010	\$ 60,448,168

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 PENSION BENEFITS (CONTINUED)

SERS (Continued)

Proportionate Share

At June 30, 2025, the amount recognized as the University's proportionate share of the SERS net pension liability, measured at December 31, 2024, was \$92,343,010.

The allocation percentage assigned to each participating employer is based on a projected contribution method. For the allocation of the December 2024 amounts, this methodology applies the most recently calculated contribution rates for fiscal year 2025/26, from the December 31, 2024, funding valuation, to the expected funding payroll. At the December 31, 2024, measurement date, the State System's proportion was 3.9837%, a decrease of 0.0791%, from its proportion calculated as of the December 31, 2023 measurement date.

PSERS

Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement, disability, and death benefits to public school employees of the Commonwealth. The members eligible to participate in PSERS include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. The Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 Pa. C.S. §§8101–8535) (the Code) is the authority by which PSERS benefits provisions and contribution requirements are established. The Commonwealth's General Assembly has the authority to amend the benefit terms by passing bills in the Senate and House of Representatives and sending them to the Governor for approval. The Code requires contributions by active members, the employer (State System), and the Commonwealth. PSERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund.

On June 12, 2017, Commonwealth of Pennsylvania Act 5 of 2017 was signed into law. This legislation establishes a new hybrid defined benefit/defined contribution (DC) retirement benefit plan applicable to all school employees who become new members of PSERS on July 1, 2019 and thereafter. The three new plan design options under Act 5 include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. A stand-alone defined benefit plan is no longer available to new members after June 30, 2019.

PSERS issues a comprehensive annual financial report that may be obtained at www.psers.pa.gov.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

Benefits Provided

Members who joined prior to July 1, 2011, are eligible for monthly retirement benefits upon reaching age 62 with at least one year of credited service, age 60 with 30 or more years of credited service, or any age with 35 or more years of service. Act 120 of 2010 preserved the benefits of members who joined prior to July 1, 2011, and introduced benefit reductions for individuals who become new members on or after July 1, 2011, through June 30, 2019, by creating two new membership classes: Class T-E and Class T-F. To qualify for normal retirement, Class T-E and Class T-F members must complete a minimum of 35 years of service with a combination of age and service that totals 92 or greater, or they must work until age 65 with a minimum of three years of service. Act 5 of 2017 introduced benefit reductions for individuals who become new members on or after July 1, 2019, by creating two new membership classes: Class T-G and Class T-H. To qualify for normal retirement, Class T-G members must complete a minimum of 35 years of service with a combination of age and service that totals ninety-seven or greater, or they must work until age 67 with a minimum of three years of service. Class T-H must work until age 67 with a minimum of three years of service.

Depending upon membership class, benefits are generally 1% to 2.5% of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. Members who joined prior to July 1, 2011, vest after completion of five years of service and may elect early retirement benefits. Class T-E, Class T-F, Class T-G and Class T-H members vest after completion of 10 years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits vary depending upon membership class. Members over normal retirement are may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members, age 67 with at least three years of credited service for Class T-G and Class T-H members) or has at least five years of credited service (10 years for Class T-E, Class T-F, Class T-G and Class T-H members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

Member Contributions

Active members who joined PSERS prior to July 22, 1983, contribute at 5.25% (Class T-C members) or at 6.50% (Class T-D members) of the member's qualifying compensation. Members who joined PSERS on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Class T-C) or at 7.5% (Class T-D) of the member's qualifying compensation. Members who joined PSERS after June 30, 2001, and before July 1, 2011, contribute at 7.5% (Class T-D). For these hires and for members who elected Class T-D, the 7.5% contribution rate began with service rendered on or after January 1, 2002. Members who joined PSERS after June 30, 2011, contribute at the rate of 7.5% (Class T-E) or 10.3% (Class T-F) of their qualifying compensation. Class T-E and Class T-F members are subject to a "shared risk" provision in Act 120 that could cause the rate in future years to fluctuate between 7.5% and 9.5% for Class T-E and 10.3% and 12.3% for Class T-F. Members who joined PSERS after June 30, 2019, contribute at the total rate of 8.25% (Class T-G) or 7.5% (Class T-F) of their qualifying compensation. Class T-G and Class T-H members are also subject to a "shared risk" provision, as well as a "shared gain" provision in Act 5 that could cause the rate in future years to increase or decrease 3% below or 3% above the member's basic contribution rate in increments of 0.75% for Class T-G and Class T-H.

Employer Contributions

The University's contractually required contribution rate for PSERS for fiscal year ended June 30, 2025, was 33.09% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Per §8327 of the Code, the Commonwealth is required to contribute 50% of the contribution rate directly to PSERS on behalf of the University, meaning that the amount that the University actually contributed was 16.545% of covered payroll. The University's contribution to PSERS for the year ending June 30, 2025 was approximately \$1,678,000, equal to the required contractual contribution.

For the PSERS defined contribution plan, the University is required to contribute at actuarially determined average rate 0.27% of active members' annual covered payroll for the year ending June 30, 2025, depending upon the plan chosen by the employee. Members were first eligible to choose the defined contribution plan on July 1, 2019. The contributions for the year ended June 30, 2025, were approx. \$1,000.

Actuarial Assumptions

The University records its PSERS pension liability annually utilizing a measurement date one year prior to its fiscal year-end. The total PSERS pension liability, as of the June 30, 2024, measurement date, was determined by rolling forward PSERS' total pension liability at June 30, 2023, to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement.

- Valuation date - June 30, 2023
- Actuarial cost method is entry age normal, level percent of pay.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

Actuarial Assumptions (Continued)

- Investment return of 7.00% with 2.50% inflation.
- Salary increases based on an effective average of 4.5%, which comprises a 2.50% allowance for inflation and 2.00% for real wage growth and merit or seniority increases.
- Mortality rates based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP2020 Improvement Scale.

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.

PSERS' policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board of Trustees. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

Following is the PSERS Board of Trustees' adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	30.0 %	4.8 %
Private Equity	12.0	6.7
Fixed Income	33.5	3.9
Commodities	5.0	2.5
Infrastructure/MLPs	10.0	6.4
Real Estate	9.5	5.9
Total	100.0 %	

The discount rate used to measure the total PSERS pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, PSERS' 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 PSERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 PENSION BENEFITS (CONTINUED)

PSERS (Continued)

Actuarial Assumptions (Continued)

The following presents the University's proportionate share of the PSERS net pension liability at June 30, 2025, calculated using the discount rate of 7.00%, as well as what the PSERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

Sensitivity of the West Chester University's Proportionate Share of the PSERS Net Pension Liability to Change in the Discount Rate		
1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
\$ 17,348,928	\$ 13,169,937	\$ 9,641,286

Proportionate Share

The amount recognized as the University's proportionate share of the PSERS net pension liability, plus the related PSERS pension support provided by the Commonwealth, is as follows.

	2025	2024
Total PSERS Net Pension Liability Associated with the University	\$ 26,339,874	\$ 28,897,222
Commonwealth's Proportionate Share of the Pension Liability Associated with the University	<u>(13,169,937)</u>	<u>(14,448,611)</u>
University's Proportionate Share of the PSERS Net Pension Liability	<u>\$ 13,169,937</u>	<u>\$ 14,448,611</u>

PSERS measured the 2025 net pension liabilities as of June 30, 2024. PSERS calculated the employer's proportion of the net pension liability using the employer's one-year reported covered payroll in relation to all participating employers' one-year reported covered payroll. At June 30, 2024, the State System's proportion was 0.1811%, a decrease of 0.0023% from its proportion calculated as of June 30, 2023.

ARP

The ARP is a defined contribution pension plan administered by the State System. Benefits equal amounts contributed to the plan plus investment earnings. Act 188 empowers the Board to establish and amend benefits provisions. The State Employees' Retirement Code establishes the employer contribution rate for the ARP, while the Board establishes the employee contribution rates. Active members contribute at a rate of 5% of their qualifying compensation. The University recognizes annual pension expenditures equal to its contractually required contribution to the plan. The University contribution rate on June 30, 2024, was 9.29% of qualifying compensation. The contributions to the ARP for the year ended June 30, 2025, were \$10,501,581, from the University and \$5,652,089 from active members. No liability is recognized for the ARP.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 WORKERS' COMPENSATION

The University participates in the State System's self-insured workers' compensation plan. For claims occurring on or after July 1, 1995, the University must pay up to \$200,000. Claims in excess of the self-insurance limits are funded through the Workers' Compensation Collective Reserve Fund (Reserve Fund), to which all universities of the State System contribute amounts as determined by an independent actuarial study. Based on updated actuarial studies, the University contributed \$93,033 to the Reserve Fund during the year ended June 30, 2025.

For the year ended June 30, 2025, the aggregate liability for claims under the self-insurance limit was \$751,551. Changes in the workers' compensation claims liability amount in fiscal year 2025 follow:

Balance - July 1	\$ 1,087,987
Current Year Claims and Changes in Estimates	186,810
Claim Payments	<u>(523,246)</u>
Balance - June 30	<u><u>\$ 751,551</u></u>

NOTE 15 COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS

The nature of the educational industry is such that, from time to time, the University is exposed to various risks of loss related to torts; alleged negligence; acts of discrimination; breach of contract; labor disputes; disagreements arising from the interpretation of laws or regulations; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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.

The University received support from federal and Commonwealth grant programs, primarily for student financial assistance, including federal CARES, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan Act (ARPA) funding in 2020-21 and 2022-23. Entitlement to the resources requires compliance with terms of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. As of June 30, 2025, the University estimates that adjustments, if any, as a result of such audits would not have a material adverse effect on the accompanying financial statements.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS (CONTINUED)

Insurance

The University is self-insured for workers' compensation up to stated limits (Note 14). For all other risks of loss, the University pays annual premiums to the Commonwealth to participate in its Risk Management Program. The University does not participate in any public entity risk pools and does not retain risk related to any aforementioned exposure, except for those amounts incurred relative to policy deductibles that are not significant. The University has not significantly reduced any of its insurance coverage from the prior year. Settled claims have not significantly exceeded the University's insurance coverage in any of the past three years. It is not expected that the resolution of any outstanding claims and litigation will have a material adverse effect on the accompanying financial statements.

Construction Commitments

Authorized expenditures for ongoing construction projects at June 30, 2025, were approximately \$6,262,213.

Labor Concentration

Approximately 84% of PASSHE's full-time equivalent (FTE) employees are covered by nine collective bargaining agreements. Seven of those agreements are effective through June 30, 2027 and include the following: American Federation of State, County, and Municipal Employees (AFSCME); Association of Pennsylvania State College and University Faculties (APSCUF); APSCUF Non-Faculty Athletic Coaches; Office of Professional Employees International Union Healthcare Pennsylvania (OPEIU); State College & University Professional Association (SCUPA); Employees International Union (SEIU) and Pennsylvania Doctors Alliance (PDA). The current collective bargaining agreements for police supervisors and security officers with the International Union, Security, Police, and Fire Professionals of America (SPFPA) and PASSHE Officers Association (POA) expired August 31, 2025. The terms of the prior contracts remain in effect until a successor agreement is reached.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 16 GROUND LEASE

The University has ground lease agreements with University Student Housing, LLC (USH) for each of the student housing facilities constructed by USH. Payments due to the University by USH under the ground leases are 1) a base rent amount, 2) a Pennsylvania State System of Higher Education (PASSHE) system fee payment based on revenues, and 3) a rent payment due to the University based on a percentage of net available cash flow for each year.

The University has subordinated its rights to base and percentage rent payments to any payments due on the bonds. Any unpaid amounts accrue interest at prevailing prime rates.

Building	Agreement Date	Lease Expiration	Base Rent
University Hall and The Village	August 2003, amended February 2017	August 2045 or 2035 if Series 2013 bonds are satisfied at that time	\$50,000 per year with annual 3% increases
Allegheny and Brandywine	March 2008	July 2053 or 2043 if Series 2003 bonds (now Series 2008 A-1 and A-2) are satisfied at that time	\$7,058 per year with annual 3% increases
East Village	July 2012	June 2047 or earlier if the Series 2012 bonds are satisfied	\$30,650 per year with annual 1% increases through 2019, 2% through 2023, and 3% thereafter
Commonwealth	February 2013	June 2063 or earlier if the Series 2013 bonds are satisfied	\$10,000 per year with annual 1% increases through 2020, 2% through 2025, and 3% thereafter

At June 30, 2025, future minimum lease payments due under the ground leases are as follows:

<u>Year Ending June 30,</u>	<u>2003 Lease</u>	<u>2008 Lease</u>	<u>2012 Lease</u>	<u>2013 Lease</u>
2026	\$ 93,015	\$ 11,326	\$ 38,102	\$ 11,952
2027	95,805	11,666	39,245	12,311
2028	98,679	12,016	40,423	12,680
2029	101,640	12,376	41,635	13,060
2030	104,689	12,748	42,884	13,452
Thereafter	582,899	205,061	961,228	763,147
Total	<u>\$ 1,076,727</u>	<u>\$ 265,193</u>	<u>\$ 1,163,517</u>	<u>\$ 826,602</u>

USH subleases 27,740 square feet of ground floor space in Allegheny and Brandywine to the University for \$20 per year. The University reports gift-in-kind revenue, and the equivalent amount in rent expense, for the estimated fair value of the sublease, which was \$1,299,705 for the year ended June 30, 2025. The University is responsible for leasehold improvements. The lease term is 29.5 years.

The University also subleases space in the clubhouse of the East Village apartments for dining services. Payments for this sublease for the fiscal year ended June 30, 2025 were \$12,793.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 17 SUBSEQUENT EVENTS

Appropriation Delay

The State System receives monthly general appropriations from the Commonwealth of Pennsylvania. For the fiscal year ended June 30, 2025, general appropriations represented approximately 28% of total revenues. Monthly transfers from the Commonwealth during that fiscal year averaged approximately \$51.73 million.

As of the issuance date of these financial statements, the Commonwealth has not enacted its annual budget for the fiscal year beginning July 1, 2025. No general appropriations have been received in FY 2026, and the timing and amount of future funding are dependent upon the enactment of the annual budget.

The delay in general appropriations funding may affect the liquidity and financial operations of the State System and its universities. To mitigate the impact of delayed appropriations, the State System has adopted several strategies, including utilizing reserves and adjusting cash flows. When required, short-term funding is provided to universities through Appropriation Advance Notes issued from the System's Investment Fund Loan Program, in accordance with Board of Governors' Policy 1986-02-A: Investment. As of the date of issuance of these financial statements, the University has not undertaken such an Appropriation Advance Note.

Bond Issuance

In November 2025, the Pennsylvania Higher Educational Facilities Authority (PHEFA) issued Series BA tax-exempt revenue bonds in the amount of \$67,295,000. The University participated in the issuance of the Series BA revenue bonds receiving a portion of the net proceeds to finance its vertical expansion and renovation of the South Campus Apartments student housing. In connection with the bond issuance, the State System entered into a loan agreement with PHEFA under which the State System pledged its full faith and credit for repayment of the bonds.

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025
(UNAUDITED)
(SEE INDEPENDENT AUDITORS' REPORT)**

State System Plan OPEB Liability <i>Determined as of June 30 measurement dates</i>								
	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018
Changes in the System Plan Total OPEB Liability								
Total OPEB Liability-Beginning Balance	\$ 168,228,927	\$ 157,605,491	\$ 236,412,994	\$ 235,152,230	\$ 206,416,046	\$ 207,081,792	\$ 223,456,885	\$ 228,535,418
Service Cost	4,725,609	4,432,166	6,922,174	7,244,037	5,346,017	5,609,676	6,483,772	2,492,638
Interest	6,986,695	6,434,955	5,461,910	4,444,317	6,985,210	6,231,752	7,078,627	2,021,354
Changes of Benefit Terms	-	-	(1,394,221)	-	-	-	(155,864)	-
Differences Between Expected and Actual Experience	(20,639,183)	-	(35,486,437)	-	(24,240,129)	-	(26,908,772)	-
Changes of Assumptions	(1,884,965)	1,843,380	(51,959,758)	(14,809,418)	47,029,783	(10,818,130)	(1,766,501)	(7,339,152)
Benefit Payments	(3,314,601)	(2,087,065)	(2,351,170)	4,381,829	(6,384,697)	(1,689,044)	(1,106,355)	(2,253,373)
Net Changes	(14,126,445)	10,623,436	(78,807,502)	1,260,765	28,736,184	(665,746)	(16,375,093)	(5,078,533)
Total OPEB Liability-Ending Balance	\$ 154,102,482	\$ 168,228,927	\$ 157,605,492	\$ 236,412,995	\$ 235,152,230	\$ 206,416,046	\$ 207,081,792	\$ 223,456,885
Covered Employee Payroll	\$ 97,737,140	\$ 92,490,519	\$ 90,043,831	\$ 96,814,394	\$ 92,408,471	\$ 94,046,407	\$ 91,811,380	\$ 90,642,026
OPEB Liability as a Percent of Covered Payroll	157.67 %	181.89 %	175.03 %	244.19 %	254.47 %	219.48 %	225.55 %	246.53 %

Note to Schedule: The System Plan has no assets accumulated in a trust in which the employer contributions are irrevocable, are dedicated to providing OPEB to plan members, or are legally protected from creditors.

Schedule of Proportionate Share of REHP Net OPEB Liability
Determined as of June 30 REHP measurement dates

Fiscal Year	University's Proportion	University's Proportionate Share	University's Covered- Employee Payroll	University's Proportionate Share of Net OPEB Liability as a Percentage of Covered- Employee Payroll	REHP's Fiduciary Net Position as a Percentage of Total OPEB Liability
2017/18	4.374 %	\$ 103,701,326	\$ 14,137,854	733.5 %	1.4 %
2018/19	4.483	82,072,127	14,638,503	560.7	2.2
2019/20	4.370	56,817,940	14,589,552	389.4	3.8
2020/21	4.275	66,341,174	14,626,958	453.6	3.7
2021/22	4.026	53,878,830	13,697,349	393.4	3.7
2022/23	3.650	48,544,949	13,614,868	356.6	5.9
2023/24	3.029	32,736,577	14,603,698	224.2	8.8
2024/25	3.526	33,848,027	14,387,757	235.3	11.6

REHP Schedule of Contributions

Determined as of June 30 fiscal year end dates

Fiscal Year	Contractually Required Contributions	Contributions Recognized by REHP	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2017/18	\$ 2,673,466	\$ 2,673,466	\$ -	\$ 17,661,800	15.14 %
2018/19	3,219,492	3,219,492	-	18,083,629	17.80
2019/20	2,464,747	2,464,747	-	17,923,745	13.75
2020/21	1,356,201	1,356,201	-	17,044,331	7.96
2021/22	1,238,304	1,238,304	-	17,081,103	7.25
2022/23	1,152,226	1,152,226	-	17,778,836	6.48
2023/24	2,575,025	2,575,025	-	18,698,507	13.77
2024/25	2,476,242	2,476,242	-	19,004,575	13.03

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025
(UNAUDITED)
(SEE INDEPENDENT AUDITORS' REPORT)**

Schedule of Proportionate Share of PSERS Net OPEB Liability

Determined as of June 30 PSERS Measurement Date

Fiscal Year	University's Proportion	University's Proportionate Share	Commonwealth's Proportionate Share	Total	University's Covered- Employee Payroll	University's Proportionate Share of Net OPEB Liability as a Percentage of Covered- Employee Payroll	PSERS Fiduciary Net Position as a Percentage of Total OPEB Liability
2017/18	0.1811%	\$ 532,630	\$ 532,630	\$ 1,065,260	\$ 6,962,607	7.65 %	5.73 %
2018/19	0.1836%	581,968	581,968	1,163,936	7,515,805	7.74	5.56
2019/20	0.1886%	616,753	616,753	1,233,506	7,998,839	7.71	5.56
2020/21	0.1852%	646,836	646,836	1,293,672	8,403,712	7.70	5.69
2021/22	0.1770%	696,008	696,008	1,392,016	8,325,563	8.36	5.69
2022/23	0.1780%	539,936	539,936	1,079,872	8,625,756	6.26	6.86
2023/24	0.1821%	581,451	581,451	1,162,902	9,846,899	5.90	7.22
2024/25	0.1793%	549,105	549,105	1,098,210	9,816,083	5.59	7.13

PSERS OPEB Schedule of Contributions

Determined as of June 30 fiscal year end dates

Fiscal Year	Contractually Required Contributions	Contributions Recognized by PSERS	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2017/18	\$ 31,010	\$ 31,010	\$ -	\$ 7,523,157	0.41 %
2018/19	33,438	33,438	-	8,145,404	0.41
2019/20	35,559	35,559	-	8,523,237	0.42
2020/21	35,852	35,852	-	8,831,560	0.41
2021/22	34,874	34,874	-	8,847,435	0.39
2022/23	36,012	36,012	-	9,737,017	0.37
2023/24	31,782	31,782	-	10,068,635	0.32
2024/25	31,814	31,814	-	10,273,971	0.31

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025
(UNAUDITED)
(SEE INDEPENDENT AUDITORS' REPORT)**

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

Determined as of December 31 SERS Measurement Date

Fiscal Year	University's Proportion	University's Proportionate Share	University's Covered- Employee Payroll	University's Proportionate Share of NPL as a Percentage of Covered-Employee Payroll	SERS Fiduciary Net Position as a Percentage of Total Pension Liability
2015/16	4.721 %	\$ 76,758,240	\$ 26,621,048	288 %	58.9 %
2016/17	4.837	85,901,891	27,736,138	310	57.8
2017/18	4.906	82,513,710	30,063,932	275	63.0
2018/19	4.897	103,931,367	32,449,328	320	56.4
2019/20	4.773	92,052,101	33,418,767	276	63.1
2020/21	4.420	84,727,824	31,214,031	271	67.0
2021/22	4.178	66,906,048	30,719,079	218	76.0
2022/23	4.150	106,507,162	31,852,760	334	61.5
2023/24	4.063	97,880,526	32,848,495	298	65.3
2024/25	3.984	92,343,010	34,012,439	272	67.7

SERS Schedule of Contributions

Determined as of the University's June 30 fiscal year end dates

Fiscal Year	Contractually Required Contributions	Contributions Recognized by SERS	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015/16	\$ 6,364,224	\$ 6,364,224	\$ -	\$ 28,129,203	23.0 %
2016/17	8,146,695	8,146,695	-	31,108,146	26.2
2017/18	9,650,919	9,650,919	-	33,320,941	29.0
2018/19	10,340,482	10,340,482	-	35,545,740	29.1
2019/20	10,175,739	10,175,739	-	34,009,076	29.9
2020/21	10,270,958	10,270,958	-	34,134,368	30.1
2021/22	10,255,298	10,255,298	-	34,408,109	29.8
2022/23	10,548,586	10,548,586	-	35,281,039	29.9
2023/24	11,412,765	11,412,765	-	36,839,029	31.0
2024/25	11,542,629	11,542,629	-	38,756,025	29.8

**WEST CHESTER UNIVERSITY OF PENNSYLVANIA
OF THE STATE SYSTEM OF HIGHER EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025
(UNAUDITED)
(SEE INDEPENDENT AUDITORS' REPORT)**

Schedule of Proportionate Share of PSERS Net Pension Liability
Determined as of June 30 PSERS Measurement Date

Fiscal Year	University's Proportion	University's Proportionate Share	Commonwealth's Proportionate Share	Total	University's Covered-Employee Payroll	University's Proportionate Share of NPL as a Percentage of Covered-Employee Payroll	PSERS Fiduciary Net Position as a Percentage of Total Pension Liability
2015/16	0.1852 %	\$ 10,184,925	\$ 10,184,925	\$ 20,369,850	\$ 6,052,296	168.3 %	54.4 %
2016/17	0.1833	12,323,574	12,323,574	24,647,148	6,511,084	189.3	50.1
2017/18	0.1811	12,895,413	12,895,413	25,790,826	7,069,915	182.4	51.8
2018/19	0.1836	13,262,986	13,262,986	26,525,972	7,523,157	176.3	54.0
2019/20	0.1836	13,629,945	13,629,945	27,259,890	8,145,404	167.3	55.7
2020/21	0.1856	14,776,059	14,776,059	29,552,118	8,523,237	173.4	54.3
2021/22	0.1777	12,314,996	12,314,996	24,629,992	8,831,550	139.4	63.7
2022/23	0.1788	13,302,805	13,302,803	26,605,608	8,847,435	150.4	61.3
2023/24	0.1834	14,448,611	14,448,611	28,897,222	9,737,017	148.4	61.9
2024/25	0.1811	13,169,937	13,169,937	26,339,874	10,273,971	128.2	64.6

PSERS Schedule of Contributions
Determined as of the University's June 30 fiscal year end dates

Fiscal Year	Contractually Required Contributions	Contributions Recognized by PSERS	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015/16	\$ 815,609	\$ 815,609	\$ -	\$ 6,511,084	12.5 %
2016/17	1,024,730	1,024,730	-	7,069,915	14.5
2017/18	1,185,735	1,185,735	-	7,523,157	15.8
2018/19	1,323,062	1,323,062	-	8,145,404	16.2
2019/20	1,418,092	1,418,092	-	8,523,237	16.6
2020/21	1,476,362	1,476,362	-	8,831,550	16.7
2021/22	1,488,225	1,488,225	-	8,847,435	16.8
2022/23	1,654,350	1,654,350	-	9,737,017	17.0
2023/24	1,648,113	1,648,113	-	10,068,635	16.4
2024/25	1,677,812	1,677,812	-	10,273,971	16.3



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.