William Carey University

Independent Auditor's Report and Financial Statements

June 30, 2025

William Carey University
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Independent Auditor's Report

Board of Trustees
William Carey University
Hattiesburg, Mississippi

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of William Carey University, which comprise the statement of financial position as of June 30, 2025 and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of William Carey 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about William Carey University's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026 on our consideration of William Carey University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of William Carey University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering William Carey University's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Jackson, Mississippi
January 15, 2026

William Carey University
Statement of Financial Position
June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash and cash equivalents	$ 18,050,395	$ 4,444,887	$ 22,495,282
Receivables, net	6,072,255	810,377	6,882,632
Prepaid expenses	40,636	-	40,636
Endowments			
Investments	7,415,995	31,729,913	39,145,908
Beneficial Interest in external trusts	-	8,650,027	8,650,027
Other assets	1,670,373	-	1,670,373
Deferred compensation asset	3,172,987	-	3,172,987
Right of use – finance lease	2,189	-	2,189
Property, plant, and equipment, net	201,603,774	10,755,739	212,359,513
Total Assets	$ 238,028,604	$ 56,390,943	$ 294,419,547
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	$ 5,329,303	$ -	$ 5,329,303
Accrued liabilities	348	-	348
Deferred compensation liability	3,172,987	-	3,172,987
Deferred revenue and student refunds	5,492,462	-	5,492,462
Lease obligations – finance lease	2,074	-	2,074
Notes and bonds payable	39,049,622	-	39,049,622
Total Liabilities	53,046,796	-	53,046,796
Net Assets	184,981,808	56,390,943	241,372,751
Total Liabilities and Net Assets	$ 238,028,604	$ 56,390,943	$ 294,419,547

William Carey University
Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Tuition			
Undergraduate	$ 16,507,158	$ 21,508	$ 16,528,666
Graduate	10,442,596	-	10,442,596
College of Medicine & Master of Biomedical Sciences	35,889,225	-	35,889,225
Physical therapy and pharmacy	8,144,001	-	8,144,001
Student fees	4,677,747	2,960	4,680,707
Net Tuition and Fees	75,660,727	24,468	75,685,195
Gifts and grants	4,225,890	4,188,410	8,414,300
Auxiliary income	5,409,866	209,939	5,619,805
Net assets released for scholarships	1,274,985	(1,274,985)	-
Net assets released from donor restrictions	4,031,102	(4,031,102)	-
Total Operating Revenues	90,602,570	(883,270)	89,719,300
Operating Expenses			
Program			
Instructional			
Regular	21,913,352	-	21,913,352
College of Medicine & Master of Biomedical Sciences	17,107,559	-	17,107,559
Physical therapy and pharmacy	5,638,054	-	5,638,054
Support			
Academic	1,205,851	-	1,205,851
Student	5,610,008	-	5,610,008
Auxiliary	9,912,814	-	9,912,814
Total Program	61,387,638	-	61,387,638
Management and general			
Institutional support	12,462,442	-	12,462,442
Facilities	6,489,541	-	6,489,541
Depreciation and amortization expense	6,224,823	-	6,224,823
Total Management and General	25,176,806	-	25,176,806
Fundraising	565,547	-	565,547
Total Operating Expenses	87,129,991	-	87,129,991
Increase (Decrease) in Net Assets from Operating Activities	3,472,579	(883,270)	2,589,309

William Carey University
Statement of Activities
Year Ended June 30, 2025 **(Continued)**

	Without Donor Restrictions	With Donor Restrictions	Total
Nonoperating Revenues			
Investment return	$ 1,836,819	$ 4,274,581	$ 6,111,400
Other income	1,375,191	769,213	2,144,404
Grant income	-	10,755,739	10,755,739
Net assets released from donor restrictions	224	(224)	-
Total Nonoperating Revenues	3,212,234	15,799,309	19,011,543
Nonoperating Expenses			
Management and general			
Other expense	242,982	-	242,982
Interest expense	1,180,075	-	1,180,075
Total Nonoperating Expenses	1,423,057	-	1,423,057
Increase in Net Assets from Nonoperating Activities	1,789,177	15,799,309	17,588,486
Change in Net Assets	5,261,756	14,916,039	20,177,795
Net Assets			
Beginning of year	179,720,052	41,474,904	221,194,956
End of Year	$ 184,981,808	$ 56,390,943	$ 241,372,751

William Carey University
Statement of Functional Expenses
Year Ended June 30, 2025

	Total	Program	Management and General	Fundraising
Salaries and wages	$ 38,140,214	$ 34,722,816	$ 3,157,288	$ 260,110
Retirement	1,690,222	1,467,264	210,920	12,038
Other employment benefits	4,501,251	3,983,026	467,575	50,650
Payroll taxes	2,648,724	2,407,717	223,564	17,443
Other professional services	5,968,409	4,179,715	1,702,933	85,761
Advertising and promotion	1,185,520	227,527	948,872	9,121
Office expenses	934,910	313,586	606,604	14,720
Telecommunications	317,190	275,673	39,812	1,705
Utilities and property	3,187,153	2,844,824	314,949	27,380
Travel	3,177,210	3,068,678	101,909	6,623
Interest	1,180,075	1,048,247	121,197	10,631
Depreciation and amortization	6,224,823	5,529,438	639,306	56,079
Insurance	1,799,409	1,598,394	184,804	16,211
Learning resources	3,811,873	3,811,682	191	-
Subscriptions and agreements	3,551,566	3,024,004	492,455	35,107
Library	726,440	726,440	-	-
Other	9,508,059	8,799,754	573,468	134,837
	$ 88,553,048	$ 78,028,785	$ 9,785,847	$ 738,416

William Carey University
Statement of Cash Flows
Year Ended June 30, 2025

Cash Flows from Operating Activities	
Change in net assets	$ 20,177,795
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	6,224,823
Net realized gain on sale of endowment investments	(126,571)
Unrealized gain on endowment investments	(2,594,158)
Unrealized gain on benefit interest in trust	(867,641)
Gain on sale of property	(8,500)
Cash contributions restricted for long-term investment	(2,081,190)
(Increase) decrease in	
Receivables	2,702,201
Prepaid expenses	36,618
Other assets	(13,729)
Deferred compensation asset	(273,967)
Beneficial interest in external trusts	282,341
Increase (decrease) in	
Accounts payable	2,364,908
Accrued liabilities	(65,331)
Deferred compensation liability	273,966
Deferred revenue and student refunds	2,016,707
Net Cash Provided by Operating Activities	28,048,272
Cash Flows from Investing Activities	
Purchase of property and equipment	(27,523,844)
Purchase of endowment investments	(3,432,865)
Proceeds from sale of endowment investments	1,149,827
Net Cash Used in Investing Activities	(29,806,882)
Cash Flows from Financing Activities	
Proceeds from gifts restricted for endowment	2,136,679
Proceeds from issuance of long-term debt	1,157,377
Payments on finance lease liabilities	(278)
Payments on long-term debt	(3,192,483)
Net Cash Provided by Financing Activities	101,295
Net Decrease in Cash and Cash Equivalents	(1,657,315)
Cash and Cash Equivalents, Beginning of Year	24,152,597
Cash and Cash Equivalents, End of Year	$ 22,495,282

Displayed as		
Cash and cash equivalents, without donor restrictions	$	18,050,395
Cash and cash equivalents, with donor restrictions		4,444,887
Total Cash And Cash Equivalents	$	22,495,282
Supplemental Cash Flow Information		
Interest paid	$	1,180,075
Income taxes paid	$	23,837
Property and equipment in accounts payable	$	3,812,175

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

William Carey University (University) is a private, coeducational institution of higher learning which was founded in 1892. The University operates campuses in Hattiesburg, Mississippi; Biloxi, Mississippi; and Baton Rouge, Louisiana. The majority of the University's revenues comes from student tuition and fees. The University was incorporated as a not-for-profit corporation and is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code.

Basis of Presentation

The University prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The University considers available bank balances, money market accounts, and other highly liquid investments with original maturities of three months or less as cash or cash equivalents. Cash is classified as either with or without donor restrictions. Cash with donor restrictions includes financial aid monies that the University has received but not disbursed and monies restricted for educational programs.

At June 30, 2025, the University's cash accounts exceed federally insured limits by approximately $20,500,000.

Receivables

The University provides credit without collateral to students for charges such as tuition, books, fees, room, and board. These receivables are stated at unpaid balances less allowances for credit losses. The University provides for losses using the expected loss model. The allowance is based on the University's historical losses adjusted for current economic conditions, reasonable and supportable forecasts of future economic conditions, and any other factors deemed relevant by the University. Receivables are considered delinquent if full principal payments are not received in accordance with the contractual terms. It is the University's policy to charge off uncollectible receivables when management determines the receivable will not be collected. Interest income is not accrued on outstanding accounts receivable.

Promises to Give

The University records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The University determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. Promises to give are recorded as receivables in the accompanying statement of financial position.

Property, Plant, and Equipment

Property, plant, and equipment are carried at cost or, if donated, at the estimated fair market value at the date of donation. The University uses cost and asset durability as determining factors for capitalization. Depreciation is expensed over the estimated useful life of depreciable assets, which is 15 years for land improvements, 20 to 60 years for buildings and improvements, 5 to 7 years for equipment and furniture, and 20 years for library collections and is computed using the straight-line method. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Maintenance and repairs are charged to operations, and significant purchases and improvements are capitalized. Property, plant, and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Collections

Consistent with the accepted practice of not depreciating land, the Financial Accounting Standards Board (FASB) has declared that individual works of art or historical treasures whose economic benefit or service potential is not estimable should not be depreciated. The amounts included in other assets for these non-depreciable items were $1,610,783 as of June 30, 2025.

Though William Carey University holds collections of various types, it is not the University's practice to deaccession any of the collection items, and it is not anticipated that any will be sold in the foreseeable future.

Endowment and Long-Term Investments

The University records purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return or loss is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Purchases and sales of investments are reported on the trade date. The investment and spending policies for the Endowment Fund are discussed in Note 6.

Endowment investments consist of investments purchased with the following resources:

- Donor-restricted perpetual endowments, which are contributions restricted by donors to investment in perpetuity with investment income and appreciation, according to policy, being used to support the University's activities.
- Board designated endowments are purchased with funds set aside by the University's Board of Trustees (Board) to support University activities.

Endowment investments also include investments purchased with unspent investment income and net gains on these resources.

Beneficial Interest in External Trusts

The University is the beneficiary of various trusts created by donors, the assets of which are not in the possession of the University. The University has legally enforceable rights or claims to such assets, including the right to income therefrom. The fair value of these interests is recorded in the net assets with donor restrictions class, and the investment income (loss) of beneficial interest in external trusts is recorded in the with donor restrictions portion of the statement of activities.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its organizational documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

All revenues and expenses are classified as operating revenues and expenses except those determined to be nonoperating. Nonoperating revenues and expenses are defined as revenues with donor restrictions from contributions, gifts, and grants pertaining to physical plant fund assets to be constructed or acquired; investment returns, including net interest and dividend income; and realized and unrealized gains and losses; interest expense; disaster response expenses; and other identified expenses.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and, therefore, are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the University overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.*, the donor-imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

The University is a beneficiary under several donors' wills. Contributions from bequests are recognized as contributions receivable when the probate court declares that the will is valid, the University has an irrevocable right to the bequest, and the bequest amount may be calculated.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Gifts-in-Kind Contributions

The University receives contributions other than cash or investments. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use.

The University benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the University's program operations. However, the majority of the contributed services do not meet the criteria for recognition in the financial statements. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills and are provided by individuals possessing those skills. The University did not receive any volunteer services meeting requirements for recognition for the year ended June 30, 2025.

Government Grants

Support funded by grants is recognized as the University meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

During the year ended June 30, 2025, the University was awarded approximately $500,000 of federal work-study program and approximately $176,000 of federal supplemental educational opportunity grants to award during each subsequent year. These awards are not recognized in the financial statements until awarded to students.

During the year ended June 30, 2022, the College was awarded approximately $20,000,000 of American Rescue Plan (ARP) related funding from the State of Mississippi for the workforce development. At June 30, 2025, approximately $5,922,000 of funds remained. The College has until December 31, 2026 to expend the remaining balance.

Functional Allocation of Expenses

The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on allocations of labor and other methods.

Advertising Costs

Costs for advertising, including radio, television, and newspaper advertisements, are expensed as incurred. Total advertising and promotion costs for the year ended June 30, 2025 was $1,185,520.

Tax Status

The University is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as "other than a private foundation". However, income from certain activities not directly related to the University's tax-exempt purpose is subject to taxation as unrelated business income.

Deferred Financing Costs

Deferred financing costs are being amortized over the life of the debt instrument, using the effective interest method. Pursuant to Accounting Standards Update (ASU) 2015-03, amortization costs are included in interest expense, and debt is presented net of these costs. See Note 11 for additional information.

Subsequent Events

In preparing the financial statements, management has evaluated and disclosed all material subsequent events up to January 15, 2026, which is the date the financial statements were available to be issued.

Note 2. Liquidity and Availability

Financial assets without donor or other restrictions available for general expenditure within one year of June 30, 2025 are:

Cash and cash equivalents	$ 18,050,395
Receivables, net	6,072,255
	$ 24,122,650

The University's endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment, as described in Note 6, totaled $7,415,995 at June 30, 2025. Although the University does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The University also has a line of credit available to meet short-term needs. See Note 9 for information about this arrangement.

Note 3. Receivables

Receivables consist of the following:

Student accounts receivable	$ 5,223,066
Allowance for credit losses	(559,651)
Student accounts receivable, net	4,663,415
Loans to students	203,189
Allowance for credit losses	(45,001)
Loans to students, net	158,188
Other receivables	2,061,029
	$ 6,882,632

For the year ended June 30, 2025, other receivables included grants of $834,720 and promises to give of $460,000.

Note 4. Beneficial Interest in Trust

The University has been named as an irrevocable beneficiary of several perpetual trusts held and administered by independent trustees. Perpetual trusts provide for the distribution of the net income of the trusts to the University; however, the University will never receive the assets of the trusts.

At the date the University receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statement of activities. A beneficial interest in perpetual trust is recorded in the statement of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the statement of financial position, with trust distributions and changes in fair value recognized in the statement of activities. All beneficial interests are included in the University's endowment.

The estimated value of the expected future cash flows is $8,650,027, which represents the fair value of the trust assets at June 30, 2025. The income from the trusts for 2025 was $351,041.

Note 5. Disclosures About Fair Value of Assets and Liabilities

The University reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the primary, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that the University can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, the University develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the University's assessment of the quality, risk, or liquidity profile of the asset.

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025:

		Assets at Fair Value as of June 30, 2025		
	Total	Level 1	Level 2	Level 3
Equity securities	$ 4,369,126	$ 4,369,126	$ -	$ -
Pooled cash and marketable securities	30,790,075	-	-	30,790,075
Beneficial interest in external trusts	8,650,027	-	-	8,650,027
Fixed income securities	3,769,308	3,769,308	-	-
Cash portion of investments	217,399	217,399	-	-
Deferred compensation assets	3,172,987	3,172,987	-	-
	$ 50,968,922	$ 11,528,820	$ -	$ 39,440,102

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Pooled Cash and Marketable Securities

Fair value is estimated at the University's percent of fair value of the underlying assets held in the pool. Due to the perpetual existence of the pooled cash and marketable securities, the interest is classified within Level 3 of the hierarchy.

Beneficial Interest in Perpetual Trust

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Note 6. Accounting for Endowments

Endowment

The University's endowment consists of approximately 350 donor-restricted individual funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The University's Board has interpreted the Mississippi Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2025, there were no such donor stipulations. As a result of this interpretation, the University retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the University and the donor-restricted endowment funds, (3) general economic conditions, (4) the expected total return from income and the appreciation of investments, and (5) the University's investment policy.

Endowment investments are comprised of the following at June 30, 2025:

	Cost	Market Value	Unrealized Gain*
Equity securities	$ 3,692,237	$ 4,369,126	$ 676,889
Pooled cash and marketable securities	27,572,584	30,790,075	3,217,491
Beneficial interest in external trusts	7,444,952	8,650,027	1,205,075
Fixed income securities	3,357,569	3,769,308	411,739
Cash portion of investments	217,399	217,399	-
	$ 42,284,741	$ 47,795,935	$ 5,511,194

* Unrealized gains and losses are shown net.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The University has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. Deficiencies of this nature that are reported in net assets with donor restrictions are shown in the following table:

Original endowment gift	$ 2,458,471
Fair value	(2,368,122)
	$ 90,349

Endowment Investment Policy

The overall investment objective of the University's endowment is to preserve capital, while achieving an appropriate rate of return with some capital appreciation that supports the overall mission of the University. The particular mix of investments among stocks, bonds, and other financial instruments is determined by the fund's managers to achieve the overall investment objective as determined by the Committee on Budget, Finance, Investments, and Audit of the Board.

Endowment Spending Policy

The University seeks an annual endowment distribution rate of 3.00%-5.00% of market value subject to the constraints of long-term capital preservation. As conditions dictate, the University may receive distributions from underwater endowments in order to provide consistent support for scholarships and programs.

Changes in endowment net assets are as follows for the year ended June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Endowment net assets, beginning of year	$ 6,707,320	$ 35,555,037	$ 42,262,357
Contributions	-	2,081,190	2,081,190
Investment return, net	635	1,680,423	1,681,058
Amounts appropriated for expenditure	-	(1,530,868)	(1,530,868)
Net appreciation	708,040	2,594,158	3,302,198
Endowment net assets, end of year	$ 7,415,995	$ 40,379,940	$ 47,795,935

Note 7. Property, Plant, and Equipment

Property, plant, and equipment consist of the following at June 30, 2025:

Property, plant, and equipment not being depreciated	
Land	$ 14,752,848
Construction in process	22,547,411
Total property, plant, and equipment not being depreciated	37,300,259
Property, plant, and equipment being depreciated	
Land improvements	8,759,956
Buildings and improvements	209,394,527
Equipment and furniture	45,799,849
Library collections	5,008,120
Total property, plant, and equipment being depreciated	268,962,452
Accumulated depreciation	(93,903,198)
Total property, plant, and equipment being depreciated, net	175,059,254
	$ 212,359,513

Total depreciation expense for the year ended June 30, 2025 was $6,220,823.

Note 8. Deferred Revenue and Student Refunds

The activity and balances for deferred revenue and student refunds from contracts with customers for the year ended June 30, 2025 is shown in the following table:

	Summer Tuition and Housing	Other Deferred Revenue	Total
Deferred revenue balance at June 30, 2024	$ 2,739,545	$ 736,210	$ 3,475,755
Revenue recognized	(2,739,545)	(736,210)	(3,475,755)
Payments received for future performance obligations	4,522,320	663,411	5,185,731
Deferred revenue balance at June 30, 2025	4,522,320	663,411	5,185,731
Student refunds	-	306,731	306,731
	$ 4,522,320	$ 970,142	$ 5,492,462

Note 9. Line of Credit

The University has available one line of credit in the amount of $3,000,079 for general operations which will mature on March 29, 2026. The line of credit carries a variable rate of interest equal to 1.00% below *The Wall Street Journal* (WSJ) Prime Rate as reflected on the WSJ Market Page (which was 6.50% at June 30, 2025) on any outstanding principal balance adjusted daily. The line of credit is secured by real estate located in Hattiesburg, Mississippi and all of the University's present and after-acquired furniture, fixtures, and equipment located at the Hattiesburg campus. All unpaid principal and interest are due at the date of maturity.

Note 10. Leases

The University has a finance lease for a vehicle used in operations. The University's lease has a remaining lease term of approximately five months, which include options to extend the lease. The exercise of lease renewal options is at management's sole discretion. Management has determined it is unlikely that the lease will be renewed.

The University recognizes a finance lease right-of-use asset and a finance lease obligation that represents the present value of the University's obligation to make payments over the lease terms. The present value of the lease payments is calculated using the incremental borrowing rate for finance leases, which was determined using a portfolio approach based on the rate of interest that the University would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. Also, the University elected to keep short-term leases with an initial term of 12 months or less off the statement of financial position.

The University's leases cost consists of the following:

Lease cost		
Amortization of right-of-use – finance lease	$	4,379
Interest on lease obligations – finance lease		185
	$	4,564

Other lease information is as follows:

Weighted-average remaining lease term – finance lease	.5 years
Weighted-average discount rate – finance lease	4.00%

The aggregate annual lease obligations are as follows:

Year Ending June 30,		Amount
2026	$	2,074

Short-term and month-to-month rental agreements excluded from lease calculations amounted to $1,028,130 for the year ended June 30, 2025.

Note 11. Notes and Bonds Payable

Notes and bonds payable consist of the following:

Note payable, due in monthly installments of $81,250, including interest at a fixed rate of 2.89% to April 23, 2025, thereafter at a variable interest rate equal to 0.50% below the WSJ Prime Rate as reflected on the WSJ Market Page (6% at June 30, 2025) on any outstanding principal balance adjusted daily, maturing April 23, 2040, and is secured by the University's Hattiesburg Campus, including all furniture and fixtures.	$	11,738,838
Bond payable, due in monthly installments of $56,392, including interest at a fixed rate of 2.84%, to December 26, 2026, with a final balloon payment of $5,982,652. A prepayment penalty equal to 1.00% of the outstanding balance is required if paid within the first five years. The bond is secured by the Tradition Campus property, accounts with lender or lender's affiliate, Regions Bank, and all tangible personal property owned, acquired, created, or placed on property for which bond proceeds are used.		6,672,072

Bond payable, due in monthly installments of $63,865, including interest at a fixed rate of 2.84%, to June 26, 2028, with a final balloon payment of $6,728,670. A prepayment penalty equal to 1.00% of the outstanding balance is required if paid within the first five years. The bond is secured by the Tradition Campus property, accounts with lender or lender's affiliate, Regions Bank, and all tangible personal property owned, acquired, created, or placed on property for which bond proceeds are used.	$ 8,322,516
Bond payable, due in monthly installments of $66,897, including interest at a fixed rate of 1.78%, to October 24, 2031, with a final balloon payment of $7,415,624. The bond is secured by the building and contents on parcels occupied by the College of Health Sciences, accounts with lender or lender affiliate, Regions Bank, and all tangible personal property owned, acquired, created, or placed on property for which bond proceeds are used.	11,370,636
Note payable up to $10,000,000, with $1,157,377 drawn at June 30, 2025, with quarterly installments of 1.25% of the outstanding balance starting in August 8, 2025 through May 8, 2030, including variable interest rate equal to the one-month term Secured Overnight Financing Rate (SOFR) plus a margin of 2.00%, with a floor of 3.25%. The rate was 6.32% at June 30, 2025. The note payable is secured by the University's Hattiesburg Campus, including all furniture and fixtures.	1,157,377
	39,261,439
Unamortized loan origination fees	(211,817)
	$ 39,049,622

Approximate maturities of the notes and bonds payable during the next five years are as follows:

Year Ending June 30,	Amount
2026	$ 1,835,842
2027	7,753,362
2028	8,387,119
2029	1,049,667
2030	1,975,593
Thereafter	18,259,856
	39,261,439
Unamortized loan origination fees	(211,817)
	$ 39,049,622

Note 12. Net Assets Without Donor Restrictions Exclusive of Plant

Net assets without donor restrictions exclusive of plant consist of the following:

Net assets without donor restrictions	$ 184,981,808
Nondepreciable collections	(1,610,783)
Property, plant, and equipment, net	(201,603,774)
Property, plant, and equipment related debt	39,049,622
Construction accounts payable	3,812,175
	$ 24,629,048

Note 13. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for specified purpose	
Building programs	$ 11,881,350
Educational programs	2,941,040
Financial aid	1,188,613
	16,011,003
Endowments	
Subject to appropriation and expenditure when a specified event occurs	
Restricted by donors for:	
General use	3,993,707
Educational programs	8,611,656
Financial aid	14,306,390
	26,911,753
Subject to University endowment spending policy and appropriation	
General use	630,963
Educational programs	2,884,103
Financial aid	1,303,094
	4,818,160
Not subject to spending policy or appropriation	
Beneficial interests in external trusts	8,650,027
Total endowments	40,379,940
	$ 56,390,943

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows:

Net assets released from donor restrictions	
Satisfaction of purpose restrictions	
Educational programs	$ 4,031,102
Financial aid	1,274,985
Other	224
	$ 5,306,311

Note 14. Retirement Plan

The University's employees participate in two 403(b) defined contribution retirement plans. Substantially all of the University's employees participate in one of these plans. The University contributes a percentage (3.00% to 15.00%) of participating employees' salaries depending on years of service. The University contributed $1,686,976, for the year ended June 30, 2025 to these plans.

The University has a 457(b) deferred compensation plan covering a select group of key employees. Qualified employees may defer a portion of compensation as a contribution to the plan. The University does not contribute to the plan. The value of the plan assets at June 30, 2025 was $3,172,987, which are recorded as assets and liabilities on the statement of financial position.

Note 15. Revenue from Contracts with Students

Tuition and Fee Revenue

The University recognizes revenue from student tuition and fees within the fiscal year in which educational services are provided. Payment is due in full by the Thursday before the term starts. Institutional aid, in the form of scholarships and grants-in-aid, reduces the price of tuition for students receiving such aid. As such, institutional aid is referred to as a tuition discount and represents the difference between the stated charges for tuition and fees and the amount that is billed to the student and/or third parties making payment on behalf of the student. Financial aid was provided to students in the amount of $19,828,509 for the year ended June 30, 2025.

The University's summer term consists of ten instructional weeks offered during portions of June, July, and August each year. Payments of tuition and housing for all of the summer terms are recognized as performance obligations are met. Because the academic term spans two reporting periods, a portion of the payments for the term is included in deferred revenue at June 30. Under ASC 606, contract liabilities are measured at the amount of consideration received from the student prior to services being delivered and are classified as deferred revenues (see Note 8).

Revenue is recognized as performance obligations are satisfied, which is ratable over the academic term. Generally, the University bills students prior to the beginning of the semester. Under the terms, students' accounts receivable are due in full before classes begin. Students must pay the previous semester balance in full prior to beginning a new semester.

If a student withdraws prior to the beginning of the academic term or prior to the last day of the first week, the student is entitled to a full refund. If a student withdraws after the first week, the refund is reduced ratably through the third week of the term.

Auxiliary Services Revenue

Auxiliary services exist to furnish goods or services to students, faculty, staff, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of auxiliary services is that they are managed as an essentially self-supporting activity.

Auxiliary services revenue includes revenues from contracts with customers to provide student housing and dining facilities, ticket sales for athletic and community events, a coffee house, a diner, and other miscellaneous activities. Payments for these services are due during the week prior to the start of the academic term. Performance obligations for housing and dining services are delivered over the academic terms. Consequently, revenue from housing and dining services is recognized ratably as services are rendered. Ticket sales, coffee house, and diner revenue are recognized at the time of sale.

Transaction Price and Recognition

The University determines the transaction price based on standard charges for goods and services provided, reduced by certain institutional scholarships and aid provided in accordance with the University's policy for granting merit-based aid. The University determines its estimates of explicit price concessions based on its discount policies and merit awards.

Contract Balances

The following table provides information about the University's receivables, and contract liabilities from contracts with customers:

Student receivables, beginning of year	$ 5,346,270
Student receivables, end of year	$ 5,730,913
Contract liabilities, beginning of year	$ 3,475,755
Contract liabilities, end of year	$ 5,492,462

Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations

Because all of its performance obligations relate to contracts with a duration of less than one year, the University has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transactional price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to providing instruction and housing to students. The performance obligations for these contracts are generally completed when the academic term is completed.

Disaggregation of Revenue

The composition of revenue recognized over time or at a point in time for the year ended June 30, 2025 follows.

Over time	
Tuition and fees	$ 75,660,727
Student housing	$ 2,140,650
Meal plan	$ 2,736,912
Other auxiliary revenue	$ 188,407
Point in time	
Sales	$ 343,897

Financing Component

The University has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from students and third parties for the effects of a significant financing component due to the University's expectation that the period between the time the service is provided to a student and the time the student or a third-party payer pays for that service will be one year or less.

Contract Costs

The University has applied the practical expedient provided by FASB ASC 340-40-25-4, and all incremental student contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the University otherwise would have recognized is one year or less in duration.

Note 16. Commitments and Contingencies

Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's audit requirements for federal awards and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the University's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the University.

In fiscal year 1987, the University received a donation of land and timber located adjacent to the Hattiesburg campus, with a fair market value at the date of donation of $445,000. The donation included a restriction that should the property ever cease to be used for University purposes, title to the property would revert to the donor. As a condition for donating the land, the donor is requiring that the University build a three-lane boulevard to the University and to additional property owned by the donor. Future plans for financing and construction of the boulevard have not been completed and require approval of the Board.

The University works in cooperation with the Mississippi Baptist Convention (MBC), which provides funding through allocation to the University of gifts to MBC. The amount of such gifts allocated is determined based on the number of student credit hours earned and other factors related to the University's service to MBC. The University received gifts from MBC of $2,553,300 in fiscal year 2025.

Note 17. Concentrations of Risk

Financial instruments that potentially subject the University to concentrations of credit and market risk consist principally of bank deposit accounts and student accounts receivable. The University maintains its cash balances in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The University had $20,500,000 over the FDIC federally insured limits as of June 30, 2025. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to $500,000 of protection for each brokerage account, with a limit of $250,000 for claims of uninvested cash balances. Additional brokerage insurance, in addition to SIPC protection, is provided through private insurers. The SIPC insurance does not protect against market losses on investments.

Concentrations of credit risk with respect to student accounts receivable are limited due to the large number of students comprising the University's student base.

The University's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the University's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term, and such changes could materially affect the amounts reported in the financial statements. Approximately 82.51% of the total fair value of investments is held with the Mississippi Baptist Foundation. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

The University is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets, and cash flows of the University. Events could occur that would change this estimate materially in the near term.

Note 18. Related Parties

Payments for information technology services were made to a vendor owned by a member of the Board. Payments for the year ended June 30, 2025 was $111,822.

Promises to give from members of the Board were $150,000 at June 30, 2025.

William Carey University

Single Audit Report and Schedule of Expenditures of Federal Awards

June 30, 2025

William Carey University
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June 30, 2025

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William Carey University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipient	Total Federal Expenditures
Student Financial Assistance Cluster				
U.S. Department of Education				
Federal Supplemental Educational Opportunities Grants	84.007	-	$ -	$ 44,835
Federal Work-Study Program	84.033	-	-	368,089
Federal Perkins Loan Program	84.038	-	-	48,370
Federal Pell Grant Program	84.063	-	-	8,427,073
Federal Direct Student Loans	84.268	-	-	79,865,814
Teacher Education Assistance for College and Higher Education (TEACH) Grants	84.379	-	-	94,465
U.S. Department of Health and Human Services				
Nurse Faculty Loan Program	93.264	-	-	155,294
Total Student Financial Assistance Cluster			-	89,003,940
U.S. Department of Education				
Supporting Effective Educator Development	84.423A	-	-	553,049
Education Stabilization Fund				
U.S. Department of Education				
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F	-	-	331,956
Passed through the Mississippi Department of Education				
COVID-19 ARP Elementary and Secondary School Emergency Relief	84.425U	ET230681	-	56,209
Total Education Stabilization Fund			-	388,165
Total U.S. Department of Education			-	89,945,154
U.S. Department of Treasury				
Passed through Accelerate Mississippi				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP0003	-	10,752,207
Passed through the Mississippi Department of Finance and Administration				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP0003	-	3,532
Total U.S. Department of Treasury			-	10,755,739
Total Federal Expenditures			$ -	$ 100,700,893

Note 1. Basis of Accounting

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of William Carey University (University) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The University has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Federal Direct Student Loans

For purposes of the Schedule, loans made to students under the Federal Direct Loan Program are presented as federal expenditures. Neither the funds advanced to students nor the outstanding loan balance are included in the financial statements, since the loans are made and subsequently collected by the federal government.

Note 5. Federal Perkins Loan Program

The Federal Perkins Loan Program is administered directly by the University, and balances and transactions relating to these programs are included in the University's financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding under the Federal Perkins Loan Program was $44,835 at June 30, 2025.

Note 6. Nurse Faculty Loan Program

The Nurse Faculty Loan Program is administered directly by the University, and balances and transactions relating to these programs are included in the University's financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2025 was $169,401.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Management, Board of Trustees, and Audit Committee
William Carey University
Hattiesburg, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of William Carey University (University), which comprise the University's statement of financial position as of June 30, 2025 and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated January 15, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Forvis Mazars, LLP

Jackson, Mississippi
January 15, 2026

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Report on Compliance for the Major Federal Program, Report on Internal Control Over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Management, Board of Trustees, and Audit Committee
William Carey University
Hattiesburg, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited William Carey University's (University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2025. The University's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, 2025-003, 2025-004, 2025-005, and 2025-006. Our opinion on the major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-004 and 2025-006 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, 2025-003, and 2025-005 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the University's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The University is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the University, as of and for the year ended June 30, 2025 and have issued our report thereon dated January 15, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Forvis Mazars, LLP

Jackson, Mississippi
March 31, 2026

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal programs:

   Material weakness(es) identified? ☒ Yes ☐ No

   Significant deficiency(ies) identified? ☒ Yes ☐ None reported

5. Type of auditor's report issued on compliance for major federal programs:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? ☒ Yes ☐ No

7. Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
	Student Financial Assistance Cluster
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.038	Federal Perkins Loan Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.379	Teacher Education Assistance for College and Higher Education (TEACH) Grants
93.264	Nurse Faculty Loan Program

8. Dollar threshold used to distinguish between Type A and Type B programs: $750,000.

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding

2025-001 **Student Financial Assistance Cluster**

Federal Supplemental Educational Opportunity Grants, ALN 84.007
Federal Work-Study Program, ALN 84.033
Federal Pell Grant Program, ALN 84.063
Federal Direct Student Loans, ALN 84.268
Teacher Education Assistance for College and Higher Education (TEACH) Grants, ALN 84.379
Nurse Faculty Loan Program, ALN 93.264
U.S. Department of Education & U. S. Department of Health and Human Services
Program Year 2024-2025

Criteria or Specific Requirement – Special Tests and Provisions – Return of Title IV Funds (34 CFR 668.22(a)(1) through (a)(5)). Federal regulations require institutions to determine the amount of Title IV aid a student earned as of the withdrawal date using the Return of Title IV (R2T4) calculation methodology, which is based on the percentage of the payment period or period of enrollment completed. The earned percentage is then applied to determine the amount of Title IV aid earned and unearned. Department of Education guidance and standard Return of Title IV (R2T4) calculation methodology require that the earned percentage be calculated with sufficient precision prior to rounding dollar amounts, as premature rounding of the earned percentage may result in inaccurate determinations of earned and unearned Title IV aid. Accurate calculation of the earned percentage is necessary to ensure compliance with the R2T4 requirements under 34 CFR § 668.22

Condition – The University's internal controls did not ensure the calculation of amounts to be returned to the U.S. Department of Education was correct.

Questioned Costs – Pell Grant Program ALN 84.063 under-returned $2. Direct Loan Program ALN 84.268 under-returned $82.

Context – Out of the population of 108 students who withdrew, 11 were selected for testing. Our sampling method was not, and was not intended to be, statistically valid. During testing of 8 Return of Title IV (R2T4) calculations, the University rounded the earned percentage to the nearest whole number rather than calculating the percentage to an appropriate level of precision (e.g., carrying the calculation to three decimal places) prior to applying it to Title IV aid and institutional charges.

As a result, the calculated amounts of Title IV aid earned and unearned differed from auditor recalculations. The exceptions resulted in both over-returns and under-returns of Title IV funds depending on the individual student's withdrawal date and aid amounts.

Effect – Improper rounding of the earned percentage resulted in inaccurate R2T4 calculations, causing the University to return incorrect amounts of Title IV funds for affected students.

Because the errors resulted in both over-returns and under-returns, the net impact varied by student and program. Under-returns represent amounts potentially owed to the U.S. Department of Education, while over-returns may represent funds unnecessarily returned on behalf of students.

Cause – The University's internal controls did not ensure proper calculation of earned percentages used in the calculation of returns of Title IV funds.

Recommendation – Revise R2T4 policies and procedures to ensure the earned percentage is calculated using appropriate precision prior to rounding and application to Title IV aid.

Identification as a Repeat Finding, if Applicable – N/A

Views of Responsible Officials and Planned Corrective Actions – There is no disagreement with the audit finding. See corrective action plan.

2025-002 **Student Financial Assistance Cluster**

Federal Supplemental Educational Opportunity Grants, ALN 84.007
Federal Work-Study Program, ALN 84.033
Federal Pell Grant Program, ALN 84.063
Federal Direct Student Loans, ALN 84.268
Teacher Education Assistance for College and Higher Education Grants, ALN 84.379
Nurse Faculty Loan Program, ALN 93.264
U.S. Department of Education & U. S. Department of Health and Human Services
Program Year 2024-2025

Criteria or Specific Requirement – Special Tests and Provisions – Using a Servicer or Financial Institution to Deliver Title IV Credit Balances to a Card or Other Access Device (34 CFR 688.164(e) and (f)).

Condition – The University did not provide a URL for the contract to the Department of Education for publication in the Cash Management Contracts Database, and the District did not disclose conspicuously on its website the contract establishing the Tier One arrangement.

Questioned Costs – $0

Context – The University did not provide the URL or the contract for publication in the cash management contracts database, nor the link to the disclosure of contract on its website.

Effect – The University was not in compliance with the requirements noted above, and information required to be published or disclosed was not.

Cause – The University's internal controls related to compliance with Title IV requirements on use of a servicer did not ensure the required information was reported to the Department of Education and did not disclose contract on its website.

Recommendation – The University should update internal controls to ensure requirements noted above for using a servicer are followed and the servicers are properly monitored. Additionally, the University should routinely review the related compliance requirements to ensure future compliance.

Identification as a Repeat Finding, if Applicable – N/A

Views of Responsible Officials and Planned Corrective Actions – There is no disagreement with the audit finding. See corrective action plan.

2025-003 **Student Financial Assistance Cluster**

Federal Pell Grant Program, ALN 84.063
U.S. Department of Education
Program Year 2024-2025

Criteria or Specific Requirement – Eligibility - Pell Calculation – Federal Pell Grant program requires institutions to accurately calculate Pell Grant awards based on students enrollment intensity for each payment period (34 CFR 690.63 and 690.8).

Condition – The University did not accurately calculate Pell Grant awards by using the incorrect enrollment intensity percentages.

Questioned Costs – $0

Context – During testing of Pell Grant disbursements, the University incorrectly calculated Pell Grant awards for 1 out of 25 students tested. Our sample was not, and was not intended to be, statistically valid. The errors resulted from using an outdated enrollment intensity schedule, leading to incorrect disbursement amounts of Pell Grants.

Effect – One student selected for testing had incorrect Pell Grant disbursement amounts.

Cause – The University's internal controls related to compliance with Title IV requirements on eligibility did not ensure the correct enrollment intensity percentage was used.

Recommendation – The University should update internal controls to ensure requirements noted above for Pell Grant calculations are followed. Additionally, the University should routinely review the related compliance requirements to ensure future compliance.

Identification as a Repeat Finding, if Applicable – N/A

Views of Responsible Officials and Planned Corrective Actions – There is no disagreement with the audit finding. See corrective action plan.

2025-004 **Student Financial Assistance Cluster**

Federal Pell Grant Program, ALN 84.063
Federal Direct Student Loans, ALN 84.268
U.S. Department of Education
Program Year 2024-2025

Criteria or Specific Requirement – Reporting – COD Disbursement Date Accuracy (34 CFR 690.83). Federal regulations and Department of Education guidance require institutions participating in the Title IV programs to accurately report disbursement information, including disbursement dates, to the Common Origination and Disbursement (COD) system. The disbursement date reported to COD must reflect the actual date the funds were disbursed or made available to the student and must be consistent with the University's underlying records.

Condition – Disbursement dates documented in student's account statement did not agree to the disbursement dates reported in the COD system.

Specifically, for certain students tested, the University reported disbursement dates to COD that differed from the dates reflected in the student account records and/or financial aid files supporting the disbursement.

Questioned Costs – $0

Context – During testing of Title IV disbursements of the 25 students selected, the University reported disbursement dates to COD that differed from the disbursement dates reflected in the students' account records for all students selected. The discrepancies ranged from 3 to 10 days. Our sample was not, and was not intended to be, statistically valid.

Effect – For all 25 students selected for testing, the University had inaccurate reporting of disbursement dates in COD.

Cause – The University did not have adequate controls in place to ensure that disbursement dates recorded in the student system were accurately and consistently transmitted to COD, and that reported disbursement data was reviewed for agreement to supporting documentation prior to submission.

Recommendation – The University should update and strengthen internal controls to ensure disbursement dates in COD agree to the dates in the students' records. The University should also provide training to financial aid staff on accurate determination and reporting of disbursement dates and retain documentation supporting the reported dates.

Identification as a Repeat Finding, if Applicable – N/A

Views of Responsible Officials and Planned Corrective Actions – There is no disagreement with the audit finding. See corrective action plan.

2025-005 **Student Financial Assistance Cluster**

Federal Pell Grant Program, ALN 84.063
Federal Direct Student Loans, ALN 84.268
U.S. Department of Education
Program Year 2024-2025

Criteria or Specific Requirement – Special Tests and Provisions – Enrollment Reporting (34 CFR 690.93(b)(2); 34 CFR 682.610; 34 CFR 685.309). Institutions are required to report enrollment information. Institutions are required to notify Department of Education within 30 days if borrower's change in enrollment status.

Condition – The University did not report timely and accurate student status information to the National Student Loan Data System (NSLDS).

Questioned Costs – $0

Context – Out of a population of 3,106 students who received Pell Grants or Federal Direct Loans during the 2024-2025 award year and also had an increase or decrease in enrollment, graduated, or withdrew, a sample of 40 students was selected for testing. Our sample was not, and was not intended to be, statistically valid. Of the 40 students tested, 3 students' enrollment information was not reported timely.

Effect – Incorrect enrollment information was reported to NSLDS, and some of the information was not reported timely.

Cause – The University's internal controls related to NSLDS reporting did not ensure status changes were reported timely and accurately.

Recommendation – The University should update internal controls related to NSLDS reporting to ensure changes in students' enrollment status are reported in a timely and accurate manner on a recurring basis.

Identification as a Repeat Finding, if Applicable – Repeated finding. See prior year finding 2024-001.

Views of Responsible Officials and Planned Corrective Actions – There is no disagreement with the audit finding. See corrective action plan.

2025-006 **Student Financial Assistance Cluster**

Federal Supplemental Educational Opportunity Grants, ALN 84.007
Federal Work-Study Program, ALN 84.033
Federal Perkins Loan Program, ALN 84.038
Federal Pell Grant Program, ALN 84.063
Federal Direct Student Loans, ALN 84.268
Teacher Education Assistance for College and Higher Education Grants, ALN 84.379
Nurse Faculty Loan Program, ALN 93.264
U.S. Department of Education & U. S. Department of Health and Human Services
Program Year 2024-2025

Criteria or Specific Requirement – Special Tests and Provisions – Gramm-Leach-Bliley Act (GLBA) – Institutions are required to develop, implement, and maintain a comprehensive written information security program that includes reasonable administration, technical, and physical safeguards in accordance with 16 CFR 314.4.

Condition – The University did not have a written final comprehensive information security program and policies addressing the GLBA safeguards rule requirements for protecting federal student aid information.

Questioned Costs – $0

Context – The University did not finalize or formalize GLBA-required information security policies, resulting in gaps between existing IT practices and the documented safeguards mandated by federal regulation.

Effect – The absence of comprehensive written GLBA-required information security policies increases the University's exposure to several compliance and operational risks. Without formally documented safeguards, the University cannot ensure consistent protection of sensitive student financial information across departments, which heightens the likelihood of unauthorized access, data misuse, or security breaches. Additionally, the lack of established written standards undermines the University's ability to demonstrate compliance with federal regulations, potentially resulting in findings during audits, regulatory scrutiny, or financial penalties. This gap also creates operational inefficiencies, as staff may rely on inconsistent or informal practices, further weakening the overall security posture of the University.

Cause – The University's internal controls related to GLBA did not ensure written policies were in place.

Recommendation – The University should update internal controls related to GLBA reporting to written policies are in place as they relate to the required compliance data elements.

Identification as a Repeat Finding, if Applicable – N/A

Views of Responsible Officials and Planned Corrective Actions – There is no disagreement with the audit finding. See corrective action plan.

Reference Number	Finding	Status
2024-001	Special Tests and Provisions – Enrollment Reporting (34 CFR 690.93(b)(2); 34 CFR 682.610; 34 CFR 685.309). The University failed to submit enrollment reports within 60 days to the National Student Loan Data System. While the reporting software issues were corrected to allow for reporting, additional system modifications are still needed to fully adhere to the enrollment reporting requirement. The University intends to make the needed system modifications and enhance manual processes.	Partially corrected – see finding 2025-005

Office of Business Affairs

Grant Guthrie, MA, MBA, CMA
Vice President and Chief Financial Officer

Finding Reference: 2025-001

Responsible Official: Grant Guthrie, Vice President & CFO

Corrective Action Planned: The University administration concurs with this finding. The calculation formula has been amended to prevent rounding to two decimals.

Estimated Completion Date: 3/24/26

Finding Reference: 2025-002

Responsible Official: Grant Guthrie, Vice President & CFO

Corrective Action Planned: The University administration concurs with this finding. The third-party refund servicer agreement will be uploaded to the Department of Education Cash Management Contracts Database.

Estimated Completion Date: 4/30/26

Finding Reference: 2025-003

Responsible Official: Grant Guthrie, Vice President & CFO

Corrective Action Planned: The University administration concurs with this finding. The student was reported on 6/16/2025 to have withdrawn from a class officially on 6/7/2025. In between the date the withdrawal was reported and the date the withdrawal was processed, the student's Pell Grant fund was disbursed (6/9/2025). Since the student's Pell disbursed before the date that the withdrawal was reported, our system failed to return the funds for this student. We have identified the issue; in future our software system will account for the official last date of attendance and will schedule a return of funds if funds have already disbursed on the student's account by the time the withdrawal date is uploaded.

Estimated Completion Date: 3/31/26

Finding Reference: 2025-004

Responsible Official: Grant Guthrie, Vice President & CFO

Corrective Action Planned: The University administration concurs with this finding. Our current process for aligning disbursement dates in COD with the dates provided on the student's ledger has been amended and is accurate at this time. Whatever date is provided in COD as the date of disbursement is reflected on the ledger of the student. Refunds are handled appropriately with this consensus date taken into consideration when ensuring refunds, and returns are handled before any federally regulated deadline.

Estimated Completion Date: 10/31/25

Finding Reference: 2025-005

Responsible Official: Grant Guthrie, Vice President & CFO

Corrective Action Planned: The University administration concurs with this finding.

1. Student information system script for reporting to the National Clearinghouse has been amended to ensure that all students and all statuses are included.

2. Student information system will include a "Leave of Absence" field in order to ensure that the internal student enrollment status matches that of NSLDS.

3. Registrar will degree verify and report to capture students with early graduation dates and ensure all are reported to the National Clearinghouse for submission to NSLDS.

Estimated Completion Date: 4/30/26

Finding Reference: 2025-006

Responsible Official: Grant Guthrie, Vice President & CFO

Corrective Action Planned: The University administration concurs with this finding. Though the University's practices comply with the standards under the Gramm-Leach-Bliley Act, we acknowledge that a written comprehensive information security program and policies were not finalized at the time of the audit. The University leadership team will complete its development by the date below.

Estimated Completion Date: 5/31/26

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