



Finance, Audit and Facilities Planning Committee Meeting

October 8, 2025 | 11 a.m.

Shawkey Dining Room, Memorial Student Center



October 2025 Finance, Audit and Facilities Planning Committee Meeting

AGENDA

11 a.m.

Finance, Audit and Facilities Planning Committee
Kathy Eddy, Chair

Action Items

Authorization of Reallocation of Funds from the State Institutions of Higher Education Deferred Maintenance Grant Program <i>Brandi Jacobs-Jones, Senior Vice President for Operations</i>	3
Approval of Investment Portfolio Strategy for Marshall University and the Marshall University School of Medicine <i>Matt Tidd, Chief Financial Officer</i>	18

Information Items

Committee Annual Activity Calendar <i>Matt Tidd, Chief Financial Officer</i>	20
Finance Update <i>Matt Tidd, Chief Financial Officer</i>	21
Facilities and Operations Update <i>Brandi Jacobs-Jones, Senior Vice President for Operations</i>	30
Internal Audit Update <i>Perry Chaffin, Director of Audits</i>	34

Lunch

Marshall University Board of Governors
Meeting of October 8, 2025

ITEM:	Authorization of Reallocation of Funds from the State Institutions of Higher Education Deferred Maintenance Grant Program
COMMITTEE:	Finance, Audit and Facilities Planning Committee
RECOMMENDED RESOLUTION:	Resolved, that the Finance, Audit and Facilities Planning Committee hereby recommends that the Board of Governors approve the reallocation of funds from the State Institutions of Higher Education Deferred Maintenance Grant program for projects described below.
STAFF MEMBER:	Brandi Jacobs-Jones Senior Vice President for Operations

BACKGROUND:

In June 2023, the Board of Governors approved the submission of thirty-one (31) deferred maintenance projects under the State Institutions of Higher Education Deferred Maintenance Grant program.

Some of Marshall’s projects came in under budget; therefore, staff now seeks authorization to reallocate funding for a project, as follows:

- Reallocate **\$132,003** from *Morrow Library ADA Upgrades* (WVHEPC-M-010) and **\$23,997** from *MRI Building HVAC Replacement* (WVHEPC-M-017) to *Stormwater Improvements Phase I* (WVHEPC-M-016) to address unexpected underground utility conflicts, sewer line obstructions, and manhole repairs encountered during construction.
- Reallocate **\$28,000** from *MRI Building HVAC Replacement* (WVHEPC-M-017) to *Holderby Hall Demolition* (WVHEPC-M-014) for unexpected costs from State mandated supplemental bonds and drainage improvements along College Avenue.
- Reallocate **\$41,250** from *MRI Building HVAC Replacement* (WVHEPC-M-017) to *Roof Replacement* (WVHEPC-M-025) for additional costs due to expanded scope and the unexpected discovery of built-up roofing beneath the existing system.

Authorizing this request will allow Marshall to use and transfer funding from those deferred maintenance projects that came in under budget and reduce other project budgets to address critical needs in other deferred maintenance initiatives.

See attachments for supporting documentation.

**RESOLUTION AUTHORIZING APPLICATION FOR THE
STATE INSTITUTIONS OF HIGHER EDUCATION
DEFERRED MAINTENANCE GRANT**

IN THE MATTER OF AUTHORIZING Marshall University TO APPLY FOR A STATE INSTITUTIONS OF HIGHER EDUCATION DEFERRED MAINTENANCE GRANT FROM THE WEST VIRGINIA GOVERNOR'S OFFICE FOR DEFERRED MAINTENANCE AT Marshall University AND DELEGATING AUTHORITY TO THE PRESIDENT TO SIGN THE APPLICATION.

WHEREAS the West Virginia Governor's Office is accepting applications for the State Institutions of Higher Education Deferred Maintenance Grant; and

WHEREAS Marshall University desires to continue participation in this grant program as a means of providing needed maintenance to Marshall University campus facilities; and

WHEREAS, Board of Governors and Institutional Leadership have identified deferred maintenance improvements at Marshall University as a high priority need; and

WHEREAS the highest priority need identified includes the reallocation of funds for one project:

- Reallocate **\$132,003** from *Morrow Library ADA Upgrades* (WVHEPC-M-010) and **\$23,997** from *MRI Building HVAC Replacement* (WVHEPC-M-017) to *Stormwater Improvements Phase I* (WVHEPC-M-016) to address unexpected underground utility conflicts, sewer line obstructions, and manhole repairs encountered during construction.
- Reallocate **\$28,000** from *MRI Building HVAC Replacement* (WVHEPC-M-017) to *Holderby Hall Demolition* (WVHEPC-M-014) for unexpected costs from State mandated supplemental bonds and drainage improvements along College Avenue.
- Reallocate **\$41,250** from *MRI Building HVAC Replacement* (WVHEPC-M-017) to *Roof Replacement* (WVHEPC-M-025) for additional costs due to expanded scope and the unexpected discovery of built-up roofing beneath the existing system.

NOW, THEREFORE, BE RESOLVED BY THE BOARD OF GOVERNORS OF Marshall University AS FOLLOWS:

The Board of Governors demonstrates its support for the submittal of the grant application for the State Institutions of Higher Education Deferred Maintenance Grant for this project by Marshall University: and

The Board of Governors demonstrates its support to prioritize this project as the highest priority with regard to deferred maintenance at Marshall University: and

The Board of Governors authorizes its President to execute the application for the State Institutions of Higher Education Deferred Maintenance Grant and any other documentation necessary to effectuate submittal of the grant application.

This Resolution shall be effective following its adoption by the Board of Governors.

Passed by the Board of Governors this 8th of October 2025.

ATTEST:

Signature, Board of Governors Authorized Official

Printed Name Title

**RESOLUTION AUTHORIZING APPLICATION FOR THE
STATE INSTITUTIONS OF HIGHER EDUCATION
DEFERRED MAINTENANCE GRANT**

IN THE MATTER OF AUTHORIZING Marshall University TO APPLY FOR A STATE INSTITUTIONS OF HIGHER EDUCATION DEFERRED MAINTENANCE GRANT FROM THE WEST VIRGINIA GOVERNOR'S OFFICE FOR DEFERRED MAINTENANCE AT Marshall University AND DELEGATING AUTHORITY TO THE PRESIDENT TO SIGN THE APPLICATION.

WHEREAS the West Virginia Governor's Office is accepting applications for the State Institutions of Higher Education Deferred Maintenance Grant; and

WHEREAS Marshall University desires to continue participation in this grant program as a means of providing needed maintenance to Marshall University campus facilities; and

WHEREAS, Board of Governors and Institutional Leadership have identified deferred maintenance improvements at Marshall University as a high priority need; and

WHEREAS the highest priority need identified includes the reallocation of funds for one project:

- Reallocate **\$132,003** from *Morrow Library ADA Upgrades* (WVHEPC-M-010) and **\$23,997** from *MRI Building HVAC Replacement* (WVHEPC-M-017) to *Stormwater Improvements Phase I* (WVHEPC-M-016) to address unexpected underground utility conflicts, sewer line obstructions, and manhole repairs encountered during construction.
- Reallocate **\$28,000** from *MRI Building HVAC Replacement* (WVHEPC-M-017) to *Holderby Hall Demolition* (WVHEPC-M-014) for unexpected costs from State mandated supplemental bonds and drainage improvements along College Avenue.
- Reallocate **\$41,250** from *MRI Building HVAC Replacement* (WVHEPC-M-017) to *Roof Replacement* (WVHEPC-M-025) for additional costs due to expanded scope and the unexpected discovery of built-up roofing beneath the existing system.

NOW, THEREFORE, BE RESOLVED BY THE BOARD OF GOVERNORS OF Marshall University AS FOLLOWS:

The Board of Governors demonstrates its support for the submittal of the grant application for the State Institutions of Higher Education Deferred Maintenance Grant for this project by Marshall University; and

The Board of Governors demonstrates its support to prioritize this project as the highest priority with regard to deferred maintenance at Marshall University; and

The Board of Governors authorizes its President to execute the application for the State Institutions of Higher Education Deferred Maintenance Grant and any other documentation necessary to effectuate submittal of the grant application.

This Resolution shall be effective following its adoption by the Board of Governors.

Passed by the Board of Governors this 8th of October 2025.

ATTEST:

Signature, Board of Governors Authorized Official

Printed Name Title

DMGA 2024-2025

Request for Additional Funding

Institution: Marshall University Date: September 15, 2025
Project Name: Holderby Hall Demolition HEPC #/Grant #: WVHEPC-M-014/GRNT 2400001314

Project Funding distributions

Initial request 25%
2nd request 25%
3rd request 25%
4th request 15%
Final request 10% - must include pictures of the project throughout construction.

Special funding requests

Request for additional funding above specified distributions – must include justification that demonstrates the need for a larger distribution.
Budget increase – must include justification for additional money to be added to the budget.

Distribution request (Check all that apply)

Initial _____ 2nd _____ 3rd _____ 4th _____ Final _____

Special request

Distribution increase _____ Budget increase x Other _____

Funding

Amount received: \$1,557,500 Current amount being requested: \$28,000

Project Update

Percent Project Complete 90%

(25%, 50%, 75% or 90%)

Progress Report Enclosed (Y/N) N

Progress reports must include benchmarks completed, photographs and a complete accounting of grant funds expended to be submitted to State Auditor's Office

Benchmarks described (Y/N) _____

Photos enclosed (Y/N) _____

HEPC Invoice Enclosed (Y/N) _____

Comments

A fund transfer is requested for the Holderby Hall Demolition project due to additional costs incurred. The State of West Virginia has mandated the procurement of supplemental bonds, resulting in an unanticipated expense of \$33,000. Additionally, a direct inlet must be installed along College Avenue at a cost of \$1,000 to improve drainage and mitigate groundwater accumulation in the area.

This is a formal request to allow Marshall to use and transfer funding from those Deferred Maintenance projects that came in under budget to the Holderby Hall Demolition project to cover this additional cost.

HEPC Project Number	WVOASIS Grant Number	Project Name	Original Budget	Pending Transfer Requests	Transfer To	Transfer From	New Budget
WVHEPC-M-014	GRNT 2400001314	Holderby Hall Demolition	1,557,500	-	28,000	-	1,585,500
WVHEPC-M-017	GRNT 2400001317	MRI Building HVAC Replacement	387,714	(65,247)		(28,000)	294,467

Project Contact name: Brandi Jacobs-Jones

Date: _____

Confirmation that the information contained within this request is true, accurate and that the work and benchmarks completed, to date, were performed in a workmanlike manner and satisfactory is evident by your signature below.

Signature of Authorized Organization – Representative Verifying Accuracy of Information

Signature

Date

Printed Name

Title

Signature of Authorized WVHEPC Representative

Signature

Date

Printed Name

Title

Signature of Authorized Governor's Office Representative

Signature

Date

Printed Name

Title

Signature of WVHEPC Director of Facilities and Sustainability

Signature

Date

Printed Name

Title

Signature of Finance and Facilities Vice Chancellor/Grants Administrator

Signature

Date

Printed Name

Title

DMGA 2024-2025
Request for Additional Funding

Institution: Marshall University Date: September 15, 2025

Project Name: Stormwater Improvements Phase I HEPC #/Grant #: WVHEPC-M-016/

GRNT 2400001316

Project Funding distributions

Initial request 25%

2nd request 25%

3rd request 25%

4th request 15%

Final request 10% - must include pictures of the project throughout construction.

Special funding requests

Request for additional funding above specified distributions – must include justification that demonstrates the need for a larger distribution.

Budget increase – must include justification for additional money to be added to the budget.

Distribution request (Check all that apply)

Initial _____ 2nd _____ 3rd _____ 4th _____ Final _____

Special request

Distribution increase _____ Budget increase x Other _____

Funding

Amount received: \$1,266,614 Current amount being requested: \$156,000

Project Update

Percent Project Complete 25%

(25%, 50%, 75% or 90%)

Progress Report Enclosed (Y/N) N

Progress reports must include benchmarks completed, photographs and a complete accounting of grant funds expended to be submitted to State Auditor's Office

Benchmarks described (Y/N) _____

Photos enclosed (Y/N) _____

HEPC Invoice Enclosed (Y/N) _____

Comments

This is a formal request to allow Marshall to use and transfer funding from those Deferred Maintenance projects that came in under budget to the Stormwater Improvements Phase I project to cover this additional cost.

Marshall is requesting a transfer of funds for the Stormwater Improvements Phase I project due to unforeseen conditions encountered during construction. An Appalachian Power utility bank was discovered underground near the proposed location of a holding tank, requiring the tank to be modified and Manhole 15 to be relocated. Additionally, during the investigation of the existing 15-inch combined sewer line, approximately 7 inches of solidified concrete was found between Manhole 1 and Manhole 2. The drain lines in the Smith Hall mechanical room and the adjacent outdoor pit also need to be cleared due to hard debris and blockages. Furthermore, the frame of a manhole located behind the Science Building must be replaced. These unexpected issues have resulted in additional costs, prompting the request for a fund transfer.

HEPC Project Number	WVOASIS Grant Number	Project Name	Original Budget	Pending Transfer Requests	Transfer To	Transfer From	New Budget
WVHEPC-M-016	GRNT 2400001316	Stormwater Improvements Phase I	1,266,614		156,000	-	1,422,614
WVHEPC-M-010	GRNT 2400001310	Morrow Library ADA Upgrades	1,075,704			(132,003)	943,701
WVHEPC-M-017	GRNT 2400001317	MRI Building HVAC Replacement	387,714	(69,250)		(23,997)	294,467

Project Contact name: Brandi Jacobs-Jones

Date: _____

Confirmation that the information contained within this request is true, accurate and that the work and benchmarks completed, to date, were performed in a workmanlike manner and satisfactory is evident by your signature below.

Signature of Authorized Organization – Representative Verifying Accuracy of Information

Signature

Date

Printed Name

Title

Signature of Authorized WVHEPC Representative

Signature

Date

Printed Name

Title

Signature of Authorized Governor's Office Representative

Signature

Date

Printed Name

Title

Signature of WVHEPC Director of Facilities and Sustainability

Signature

Date

Printed Name

Title

Signature of Finance and Facilities Vice Chancellor/Grants Administrator

Signature

Date

Printed Name

Title

DMGA 2024-2025
Request for Additional Funding

Institution: Marshall University Date: September 15, 2025
Project Name: Roof Replacement HEPC #/Grant #: WVHEPC-M-025

Project Funding distributions

Initial request 25%

2nd request 25%

3rd request 25%

4th request 15%

Final request 10% - must include pictures of the project throughout construction.

Special funding requests

Request for additional funding above specified distributions – must include justification that demonstrates the need for a larger distribution.

Budget increase – must include justification for additional money to be added to the budget.

Distribution request (Check all that apply)

Initial _____ 2nd _____ 3rd _____ 4th _____ Final _____

Special request

Distribution increase _____ Budget increase X Other

Funding

Amount received: \$2,229,860 Current amount being requested: \$41,250

Project Update

Percent Project Complete 50%
(25%, 50%, 75% or 90%)

Progress Report Enclosed (Y/N) N

Progress reports must include benchmarks completed, photographs and a complete accounting of grant funds expended to be submitted to State Auditor's Office

Benchmarks described (Y/N) _____

Photos enclosed (Y/N) _____

HEPC Invoice Enclosed (Y/N) _____

Comments

A fund transfer is requested for the Gullickson Hall Partial Roof Replacement project to accommodate additional costs associated with expanded scope. The project was bid to include two alternatives covering additional roof sections. The base bid was \$679,000, with Alternate 1 adding \$489,000, bringing the total to \$1,168,000. An additional \$41,250 is required to complete two of the three roof sections. This increase is primarily due to the unexpected discovery of built-up roofing beneath the existing ballasted roof, which necessitated additional work and materials.

This is a formal request to allow Marshall to use and transfer funding from those Deferred Maintenance projects that came in under budget and reduce other project budgets to fund the Gullickson Hall Partial Roof Replacement.

HEPC Project Number	WVOASIS Grant Number	Project Name	Original Budget	Pending Transfer Requests	Transfer To	Transfer From	New Budget
WVHEPC-M-025	GRNT 2400001320	Roof Replacement	2,229,860		41,250		2,271,110
WVHEPC-M-017	GRNT 2400001317	MRI Building HVAC Replacement	387,714	(51,997)		(41,250)	294,467

Project Contact name: Brandi Jacobs-Jones

Date: _____

Confirmation that the information contained within this request is true, accurate and that the work and benchmarks completed, to date, were performed in a workmanlike manner and satisfactory is evident by your signature below.

Signature of Authorized Organization – Representative Verifying Accuracy of Information

Signature

Date

Printed Name

Title

Signature of Authorized WVHEPC Representative

Signature

Date

Printed Name

Title

Signature of Authorized Governor's Office Representative

Signature

Date

Printed Name

Title

Signature of WVHEPC Director of Facilities and Sustainability

Signature

Date

Printed Name

Title

Signature of Finance and Facilities Vice Chancellor/Grants Administrator

Signature

Date

Printed Name

Title

**Marshall University Board of Governors
Meeting of October 8, 2025**

ITEM:	Approval of Investment Portfolio Strategy for Marshall University and the Marshall University School of Medicine
COMMITTEE:	Finance, Audit and Facilities Planning Committee
RECOMMENDED RESOLUTION:	<i>Whereas, the Marshall University Board of Governors (“Board”) is vested with the authority to oversee and approve investment strategies for Marshall University and its affiliated entities, including the Marshall University School of Medicine, pursuant to West Virginia Code §12-1-12d;</i> <i>Whereas, the Marshall University Foundation (“Foundation”) serves as the fiduciary and investment steward for certain University and School of Medicine assets;</i> <i>Whereas, the Foundation has engaged Meketa Investment Group (“Meketa”) as its investment manager to provide strategic guidance and oversight of the investment portfolio;</i> <i>Whereas, Meketa has presented a comprehensive investment portfolio strategy designed to support the long-term financial sustainability, growth, and mission-aligned objectives of Marshall University and the Marshall University School of Medicine;</i> <i>Whereas, the Board has reviewed the proposed strategy and finds it to be prudent, diversified, and consistent with the University’s financial goals and fiduciary responsibilities;</i> <i>Now, therefore, be it resolved, that Finance, Audit and Facilities Planning Committee (“Committee”) recommends the Marshall University Board of Governors approve the investment portfolio strategy as recommended by Meketa and endorsed by the Marshall University Foundation;</i> <i>Be it further resolved, that the Committee recommends the Board authorize the Foundation and Meketa to implement the strategy and make</i>

necessary adjustments in accordance with prevailing market conditions and best practices, subject to ongoing reporting and oversight by the Board;

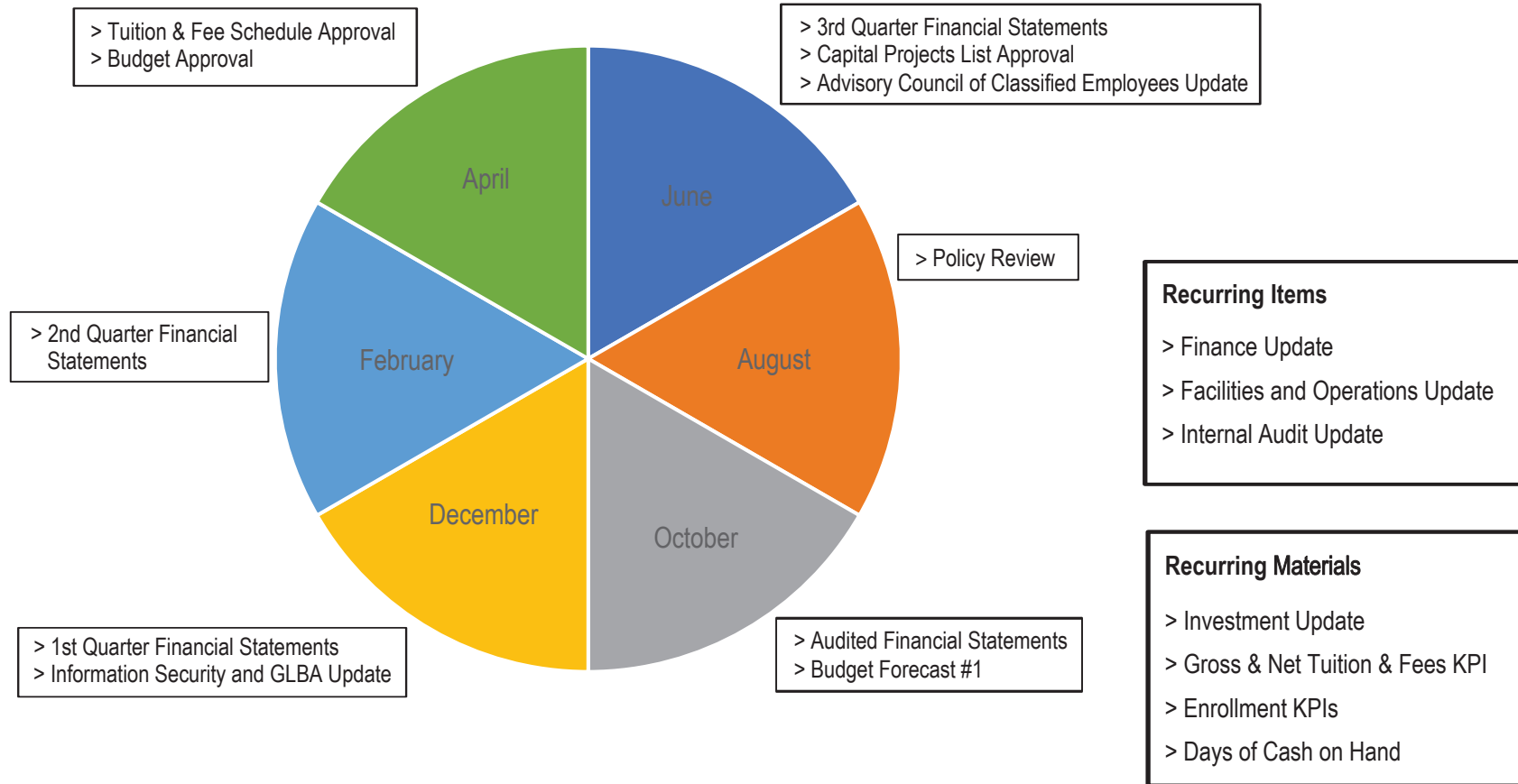
Be it further resolved, that the Committee recommends this resolution shall be entered into the official minutes of the Board and shall take effect immediately upon adoption.

STAFF MEMBER:

Matt Tidd
Chief Financial Officer

Annual Activity Calendar

Finance, Audit and Facilities Planning Committee



FY25 Financial Statements - DRAFT



FY25 Financial Statements vs Prior Year

Marshall University			
	FY25 Est	FY24 Actuals	FY25 Est vs Prior Year
Operating Revenues			
Student Tuition and Fees (net of allowance)	65,616,000	72,286,000	(6,670,000)
Grants and Contracts	122,880,000	110,202,000	12,678,000
Auxiliary Enterprise Revenue	30,242,000	38,531,000	(8,289,000)
Other Operating Revenues	12,804,000	16,987,000	(4,183,000)
Total Operating Revenues	231,542,000	238,006,000	(6,464,000)
Operating Expenses			
Salaries and Wages	164,392,000	159,747,000	4,645,000
Benefits	44,859,000	34,460,000	10,399,000
Supplies and Other Services	95,133,000	86,088,000	9,045,000
Utilities	12,277,000	11,137,000	1,140,000
Scholarships and fellowships	18,312,000	27,694,000	(9,382,000)
Depreciation	25,168,000	21,252,000	3,916,000
Other Operating Expenses	229,000	203,000	26,000
Total Operating Expenses	360,370,000	340,581,000	19,789,000
Operating Income (Loss)	(128,828,000)	(102,575,000)	(26,253,000)
Nonoperating Revenues (expenses)			
State Appropriations	76,037,000	116,418,000	(40,381,000)
Federal Pell Grants	22,872,000	18,965,000	3,907,000
Gifts	3,922,000	1,804,000	2,118,000
Investment Income	6,508,000	11,383,000	(4,875,000)
Interest on indebtedness	(7,398,000)	(7,265,000)	(133,000)
Fees assessed by Commission for Debt Service	(237,000)	(285,000)	48,000
Other nonoperating revenues (expenses)	(2,000)	(673,000)	671,000
Total Nonoperating Revenues (expenses)	101,702,000	138,348,000	(36,646,000)
Increase/Decrease in Net Assets	(27,126,000)	35,773,000	(62,899,000)
One-time adjustments	-	(50,348,866)	
Capital Grants and Gifts	11,330,000	-	11,330,000
Increase/Decrease in Net Assets - Adjusted	(15,796,000)	(14,575,866)	(1,220,134)

ANALYSIS

➤ Operating Revenue (-\$6.5M)

- **Grants and Contracts (+\$12.7M):** Due to increased Promise (+\$1.2M), WV Higher Education Grants (+\$9M), College Access Grant (+\$1.7M), School of Medicine Private Grants (+\$7M) offset by decreases in Federal Grants at MURC (-\$3.6M)
- **Auxiliary Revenue (-\$8.3M):** Due to increase in scholarship allowance (-\$10M) offset by increases in Housing (+\$1.2M) and Athletics (+\$1.7M)
- **Tuition and Fees (-\$6.7M):** Due to increase in scholarship allowance (-\$11M) offset by increase in tuition and fees (+\$4M)
- **Other Revenue (-\$4.2M):** Decrease due to one-time support received from the State of West Virginia in FY24 related to PEIA/BRIM

➤ Non-Operating Revenues (-\$39.3M)

- **State Appropriations (-\$40.4M):** Decrease due FY24 support for the Cybersecurity building (+\$45M) offset by increase in base appropriations in FY25 (+\$3.2M)
- **Pell Grants (+\$3.9M):** Due to increase in Pell student enrollment in FY25
- **Investment Income (-\$4.9M):** Due to Meketa portfolio performance year over year
- **Gifts (+\$2.1M):** Increase primarily due to the Big Green payment of the Baseball Stadium Lease (+\$1.7M)

➤ Operating Expenses (+\$19.8M)

- **Salaries & Wages (+\$4.6M):** Salaries increased \$4.6M year over year primarily due to FY25 raise program combined with headcount growth
- **Benefits (+\$10.4M):** Increase due to increased PEIA premiums (+\$1.5M), lower OPEB expense credit in FY25 (+\$7.1M) and other increases including increased employee tuition waivers, increased Social Security matching, and increased retirement contributions all driven by increased employee headcount
- **Scholarships (-\$9.4M):** Due to change in scholarship allowance calculation shifting more to net tuition and fees
- **Supplies & Other Services (+\$9M):** Primarily due to timing of a 3rd party contract at the School of Medicine; offset by revenue included in Private Grants and contracts
- **Misc. Other (+\$5M):** Due to increases in Utilities (+\$1.1M) and Depreciation (+\$3.9M)



FY25 Financials vs Budget/Projection

Marshall University			
	FY25 Est	FY25 Budget	FY25 Est vs FY25 Budget
Operating Revenues			
Student Tuition and Fees (net of allowance)	65,616,000	74,679,000	(9,063,000)
Grants and Contracts	122,880,000	110,150,000	12,730,000
Auxiliary Enterprise Revenue	30,242,000	35,085,000	(4,843,000)
Other Operating Revenues	12,804,000	10,299,000	2,505,000
Total Operating Revenues	231,542,000	230,213,000	1,329,000
Operating Expenses			
Salaries and Wages	164,392,000	159,623,000	4,769,000
Benefits	44,859,000	38,643,000	6,216,000
Supplies and Other Services	95,133,000	87,003,000	8,130,000
Utilities	12,277,000	10,044,000	2,233,000
Scholarships and fellowships	18,312,000	23,813,000	(5,501,000)
Depreciation	25,168,000	18,600,000	6,568,000
Other Operating Expenses	229,000	-	229,000
Total Operating Expenses	360,370,000	337,726,000	22,644,000
Operating Income (Loss)	(128,828,000)	(107,513,000)	(21,315,000)
Nonoperating Revenues (expenses)			
State Appropriations	76,037,000	75,435,000	602,000
Federal Pell Grants	22,872,000	17,500,000	5,372,000
Gifts	3,922,000	1,500,000	2,422,000
Investment Income	6,508,000	2,500,000	4,008,000
Interest on indebtedness	(7,398,000)	(6,882,000)	(516,000)
Fees assessed by Commission for Debt Service	(237,000)	(332,000)	95,000
Other nonoperating revenues (expenses)	(2,000)	-	(2,000)
Total Nonoperating Revenues (expenses)	101,702,000	89,721,000	11,981,000
Increase/Decrease in Net Assets	(27,126,000)	(17,792,000)	(9,334,000)
One-time adjustments	-	-	-
Capital Grants and Gifts	11,330,000	-	-
Increase/Decrease in Net Assets - Adjusted	(15,796,000)	(17,792,000)	1,996,000

ANALYSIS

➤ Operating Revenue (+\$1.3M)

- **Other Revenue (+\$2.5M):** University (+\$1.5M) and MURC (+\$1M)
- **Tuition and Fees (-\$9.1M):** Due to increase in scholarship allowance (-\$11M) offset by increase in tuition and fees (+\$2M). Increase in State Grants offsets decrease in tuition and fees
- **Auxiliary Revenue (-\$4.8M):** Primarily due to change in scholarship allowance calculation. Offsets captured in Grants and Contracts and lower scholarship expense.
- **Grants and Contracts (+\$12.7M):** Primarily due increased WV Higher Education Grants (+\$9M) and Promise Scholarships (+\$1.2M)

➤ Non-Operating Revenues (+\$12.4M)

- **State Appropriations (+\$0.6M):** State Appropriations are in line with Budget
- **Pell Grants (+\$5.4M):** Due to increase in Pell student enrollment in FY25
- **Investment Income (+\$4M):** Due to Meketa portfolio performance vs conservative budget estimate. Important to note this is non-cash revenue.

➤ Operating Expenses (+\$22.6M)

- **Salaries and Benefits (+\$10.9M):** Due to ending FY24 higher combined with increased headcount
- **Scholarships (-\$5.5M):** Due to change in scholarship allowance calculation shifting more to net tuition and fees
- **Supplies & Other Services (+\$8.1M)** Primarily due to timing of a 3rd party contract at the School of Medicine; offset by revenue included in Private Grants and contracts
- **Misc. Other (+\$8.8M):** Due to increases in Depreciation and Utilities



FY26 Projection



FY26 Projection vs Budget

Marshall University			
	FY26 Projection	FY26 Budget	FY26 Proj vs FY26 Budget
Operating Revenues			
Student Tuition and Fees (net of allowance)	77,500,000	76,146,000	1,354,000
Grants and Contracts	123,730,000	122,439,000	1,291,000
Auxiliary Enterprise Revenue	40,609,000	43,827,000	(3,218,000)
Other Operating Revenues	12,573,000	12,303,000	270,000
Total Operating Revenues	254,412,000	254,715,000	(303,000)
Operating Expenses			
Salaries and Wages	166,072,000	166,072,000	-
Benefits	43,018,000	41,518,000	1,500,000
Supplies and Other Services	95,954,000	95,954,000	-
Utilities	12,450,000	12,450,000	-
Scholarships and fellowships	24,600,000	27,100,000	(2,500,000)
Depreciation	20,500,000	20,500,000	-
Other Operating Expenses	-	-	-
Total Operating Expenses	362,594,000	363,594,000	(1,000,000)
Operating Income (Loss)	(108,182,000)	(108,879,000)	697,000
Nonoperating Revenues (expenses)			
State Appropriations	76,188,000	76,188,000	-
Federal Pell Grants	22,600,000	22,500,000	100,000
Gifts	3,922,000	2,550,000	1,372,000
Investment Income	2,750,000	2,750,000	-
Interest on indebtedness	(7,242,000)	(7,242,000)	-
Fees assessed by Commission for Debt Service	(285,000)	(285,000)	-
Other nonoperating revenues (expenses)	-	-	-
Total Nonoperating Revenues (expenses)	97,933,000	96,461,000	1,472,000
Increase/Decrease in Net Assets	(10,249,000)	(12,418,000)	2,169,000

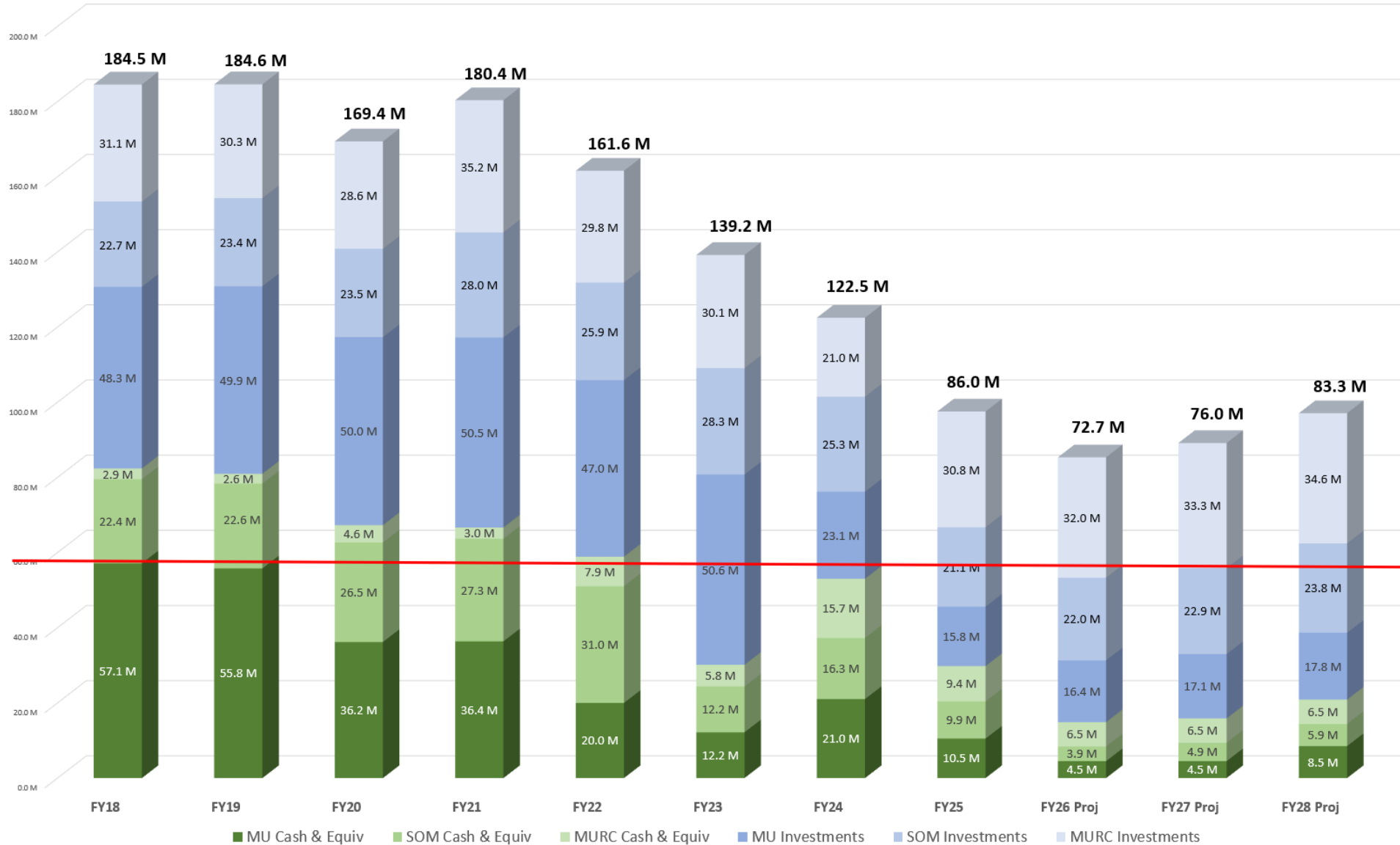
ANALYSIS

- **Operating Revenue (-\$1.5M)**
 - **Auxiliary Revenue (-\$3.2M):** Primarily due to the change in scholarship allowance calculation
 - **Tuition and Fees (+\$1.3M):** Increased gross tuition offset offset by change in scholarship allowance calculation
- **Non-Operating Revenues (+\$1.5M)**
 - **Gifts (+\$1.4M):** Increase due to recording of Big Green payment of baseball stadium lease
- **Operating Expenses (-\$1M)**
 - **Benefits (+\$1.5M):** Increased projection to align with FY25 actuals
 - **Scholarships (-\$2.5M):** Due to change in scholarship allowance calculation. Scholarship expense decreased while the tuition and fee allowance increased.



Cash and Investments

Marshall University Financial Resiliency



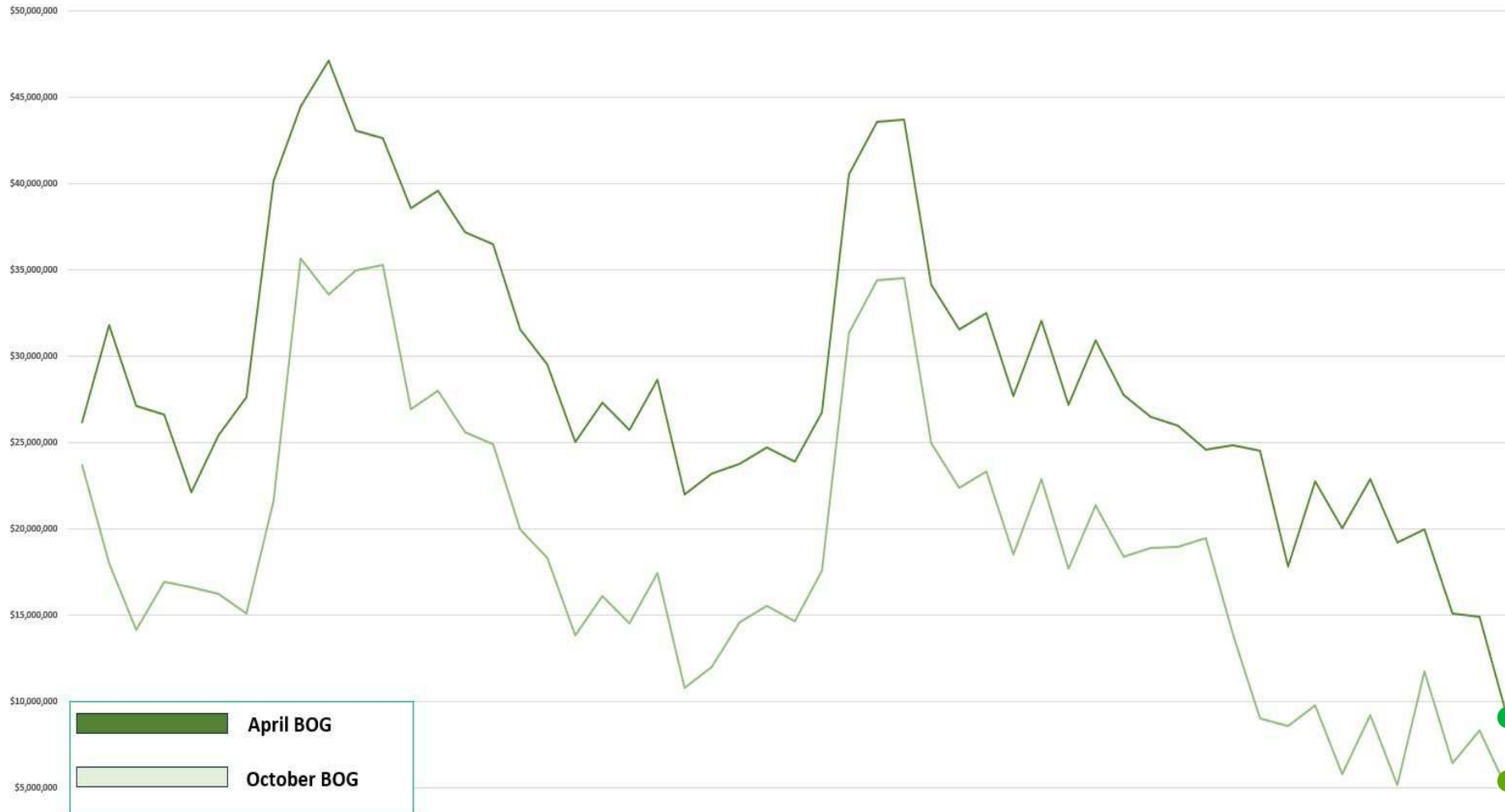
Benchmark - 2 Months
Operating
Expenditures + Debt
Service - **\$55M**



Cash Flow Forecast

October BOG vs April BOG

April BOG vs Current Cash Flow



FY26 Analysis

● October BOG = ~\$5M

● April BOG = ~\$9M

Variance = **~\$4M**

Drivers:

- Aviation Grant Not Yet Received: **-\$2M**
- Meketa Withdrawal of \$20M vs \$21.5M: **-\$1.5M**
- People Costs: **-\$1.7M**



FY25 – FY28 Financial Plan

Key Assumptions

REVENUES

	Original	Current
✓ Grants and Contracts	+3.5%	+3.5%
✓ Net Tuition/Fees		
• FY26	+2.5%	+18.1% *
• FY27	+2.5%	+6.5% **
• FY28	+2.5%	+5.1% **
✓ State Appropriations		
• FY26	+\$3.3M	Flat
• FY27	+\$1.5M	Flat
• FY28	+\$1.5M	Flat
✓ Auxiliary Revenue		
• FY26	+3.5%	+5.0%
• FY27	+3.5%	+5.0%
• FY28	+3.5%	+5.0%

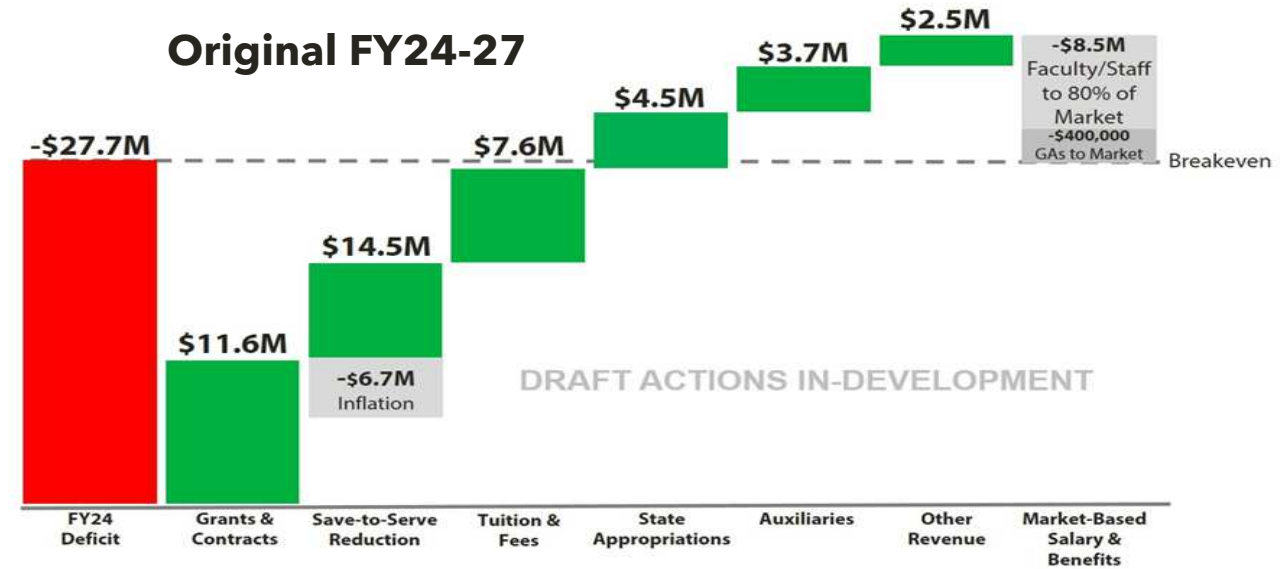
EXPENSES

✓ Salaries and Benefits		
✓ FY26 - FY28	+\$3.5M	+\$3.5M
✓ Supplies and Other Services: 5% reduction offset by School of Medicine and grant-funded spending		

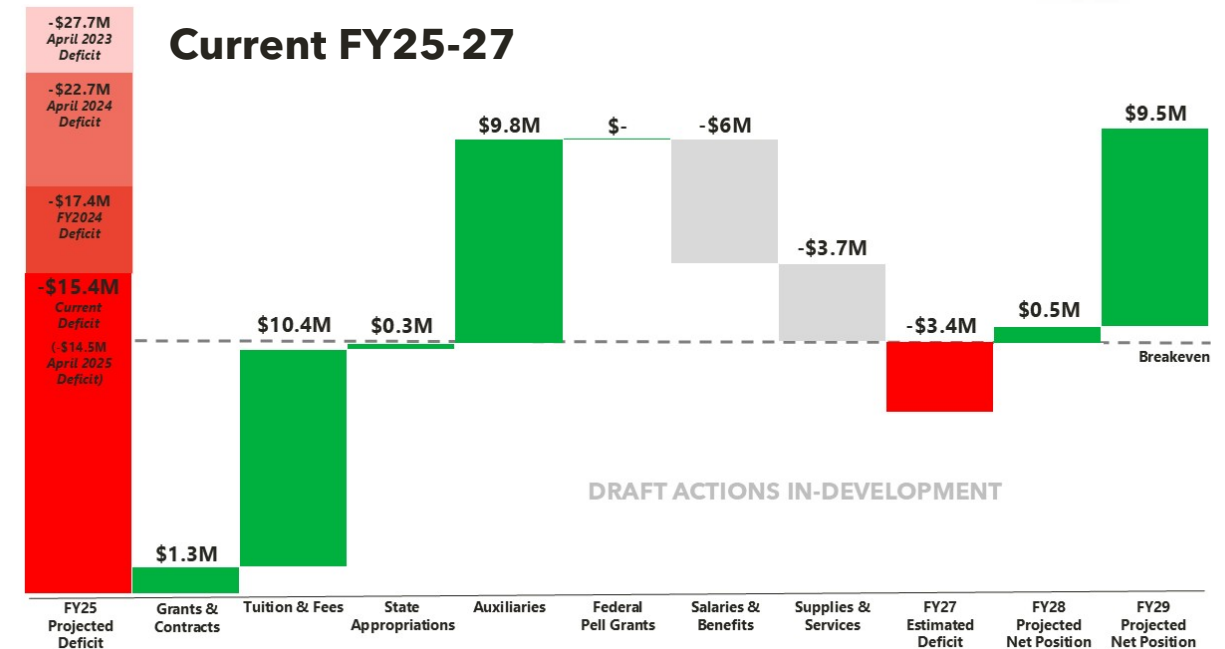
*Growth in FY26 Net Tuition and Fees driven by the doubling of WV Higher Education Grants in FY25 (\$9M) that decreased net tuition and fees. WVHEG returns to normal levels in FY26.

** Growth in FY27-FY28 Net Tuition and Fees being driven by the School of Medicine revised tuition model.

Original FY24-27



Current FY25-27



Upcoming Key Finance Items

- **Year-End Audit**
 - On schedule as of September 26, 2025
 - Financial statements to be delivered on October 15, 2025
- **FY27 Budget Meetings**
 - Budget Advisory Committee meetings commenced September 29, 2025





Marshall University

Accelerating Individual Success, Innovative Ideas and Economic Impact

October 8, 2025
Board of Governors Meeting
Facilities and Operations
Update



Enduring Financial **PRINCIPLES**

1. Grow STUDENTS, Not Fees.

- ✓ Minimize tuition and fee increases.
- ✓ Institutional success is measured by our accessibility, affordability and lifetime value for the students we serve.

2. Invest in our TEAM.

- ✓ Align employee compensation with market.
- ✓ Incentivize for performance and living the Marshall University Creed.

3. Take Care of the HOUSE.

- ✓ Investments in facilities are essential to the university mission.
- ✓ Invest in innovative technologies to meet modern challenges.

4. Manage our Strategic RESOURCES.

- ✓ Build key reserves for fiscal and operational resiliency.
- ✓ Invest available resources to new market-driven opportunities.

Take Care of the House

PROJECT UPDATES

HEPC Project Number	Project Name	Projected timeline	Status
WVHEPC-M-001	Electrical Sys Upgrades-Emergency Generators/Safety - Phase I	February 2024 to November 2025	
	Emergency Generators/Safety - Phase I-Public Safety	March 2026	Design Phase Paused - Purchasing authorized direct award, vendor looking for exterior switch.
	Emergency Generators/Safety - Phase I-Drinko Library		Budgets have come in higher than anticipated, project paused, discussion regarding need for possible larger fuel tank system, Fuel tank controls to be installed by DSO.
	Emergency Generators/Safety - Phase I-Prichard Hall		100% Complete, awaiting final paperwork
WVHEPC-M-002	Campus Buildings Fire Alarm System Upgrades	February 2024 to November 2025	
	Corbly Hall		On Schedule - Work is complete
	Morrow Library		On Schedule - PO Complete, parts delivered.
	Myers Hall		On Schedule - PO Complete, Parts stored on campus; next project
	Prichard Hall		On Schedule -Work is complete
	Smith		On Schedule - PO Complete; parts delivered and billed
	Sorrell		On Schedule - PO Complete; parts delivered and billed
WVHEPC-M-003R	Elevator Modernization	February 2024 to January 2026	
	Elevator Modernization-Corbly Hall		On Schedule - Site visits completed by potential vendors; Kone selected to complete work, (update) work will begin 9/8
	Elevator Modernization-Harris Hall		On Schedule - Site visits completed by potential vendors; TKE selected to complete work, 8/30 pre-construction meeting; work will begin 9/29
	Elevator Modernization-Science Building		On Schedule - Site visits completed by potential vendors; Otis selected to complete work; final paperwork rec'd from vendor and PO received and shared with vendor on 2/28. Vendor notified projects are delayed, materials to arrive in September.
WVHEPC-M-04	Chiller Replacement	January 2024 to August 1, 2025	
	Smith Hall Chiller Replacement		Chiller installed and operational; punch list received from A&E, and vendor is completing
	Drinko Library Chiller Replacement		Chiller installed and operational; punch list received from A&E, and vendor is completing
WVHEPC-M-005	Laidley Hall Demolition	February 2024 to May 2024	Project Completed
WVHEPC-M-007	Henderson Center E Level Sanitary Pipe Replacement	February 2024 to January 2026	Work ongoing, 90% of horizontal pipes have been replaced, waiting on drawings for E Level restrooms
WVHEPC-M-008	South Charleston Roof Replacement (Both Buildings)	February 2024 to September 2025	Work is ongoing, minor delays due to Winter weather events
	South Charleston Roof Replacement-Academic		On Schedule = Roof complete, Kalwall to be delivered mid-August
	South Charleston Roof Replacement-Administration		Building complete

Take Care of the House

PROJECT UPDATES

HEPC Project Number	Project Name	Projected timeline	Status
WVHEPC-M-009	Fine Arts Renovations	February 2024 to October 2025	On Schedule - work is ongoing, rear and side windows complete; front glass 50% complete; air handler installed, ceiling grid being installed; lighting installation occurring on lower level
WVHEPC-M-010	Morrow Library ADA Upgrades	February 2024 to February 2026	(Change); waiting on PO
WVHEPC-M-011	Smith Hall Classroom Locks	May 2024 to January 2025	Completing building
	Fine Arts Locks	May 2024 to January 2025	Completed
WVHEPC-M-012	Erma Ora Byrd Floor Renovations	March 2024 to March 2025	Project complete, awaiting final paperwork
WVHEPC-M-013	Smith Hall Concrete Work (Exterior ADA Ramp)	May 2024 to April 2025	Project complete, awaiting final paperwork
	Henderson Center Concrete Work	May 2024 to January 2026	Pickering is reviewing steps for repair
WVHEPC-M-014	Holderby Hall Demolition	February 2024 to November 2025	On Schedule - Demo began June, building is down, Sullivan is conducting clean up of remaining debris
WVHEPC-M-015	Memorial Student Center Restroom Repairs & Renovations	February 2024 to November 2025	On Schedule - Finished tile and grout, lay LVT in hallway and storage, install doors at storage, remove temp wall at storage and relocate hallway entrance, floor prep complete.
WVHEPC-M-016	Stormwater Improvements Phase I	February 2024 to December 2025	On Schedule -Work began 8/4; currently cleaning and documenting storm lines beginning at Smith Garage using vac truck and robotic cameras
WVHEPC-M-017	MRI Building HVAC Replacement	January 2024 to March 2025	100% Complete, awaiting final paperwork
WVHEPC-M-019	Classroom Repair/Renewal Campus-wide Phase I	Feb, 2024 to Aug, 2025	CH436,435,408,407,467,304,302,330,336,243,244 near completion
	Restroom Repair/Renewal Campus-wide Phase I	March, 2024 to March 2025	Complete
WVHEPC-M-023	Old Main Structure Repairs - Phase I	January 2024 to January 2025	Neighborgall on site, work ongoing
WVHEPC-M-024	Science Building Air Handler Units	January 2024 to October 2025	On Schedule - Final installation occurring 7/31; awaiting owner training and close out documents
WVHEPC-M-025	Drinko Library/ Gullickson Hall Roof Replacement	March 2024 to November 2025	On Schedule - Drinko work on ongoing; Gullickson Hall Harris Bros. successful vendor, waiting on PO
WVHEPC-M-026	Student/Band Bleacher Replacement	March 2024 to March 2025	All bleachers installed, 100% Complete

MU Internal Audit BOG Informational Report October 8, 2025

1 ACTIVITY SINCE THE LAST MEETING

- A. Advisory Services – Research on salary data contained in Fringe Rate Proposal.
- B. Audit Projects – Year-end data collection and audit schedule preparation for Compensated Absences, both Annual Leave and Sick Leave, and Tuition Revenue estimation.
- C. Other – No significant Whistleblower Hotline activity for this reporting period.

2 PLANNED ACTIVITIES BEFORE THE NEXT MEETING

- A. Monitoring of Whistleblower Hotline.
- B. Adhere to planned activities in the approved Audit Plan and Continued Monitoring of other Institutional Activities.
- C. Review of accounting controls at one program financially administered by MURC, as requested.

3 PROFESSIONAL DEVELOPMENT ACTIVITIES

- A. Nothing attended in the current reporting period.