

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2025 AND 2024



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**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
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YEARS ENDED JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Marshall University Research Corporation
(A Blended Component Unit of Marshall University)
Huntington, West Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Marshall University Research Corporation (the Corporation), a blended component unit of Marshall University, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Corporation as of June 30, 2025 and 2024, and the changes in financial position and cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

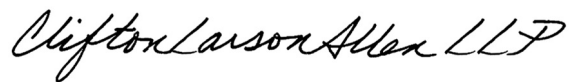
Board of Directors
Marshall University Research Corporation
(A Blended Component Unit of Marshall University)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2025, our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation'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 Corporation's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 13, 2025

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
MANAGEMENTS' DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED JUNE 30, 2025 AND 2024**

INTRODUCTION

The Marshall University Research Corporation (MURC or the Corporation) is a nonprofit state entity created by the West Virginia Legislature to further research and economic development activities within the State of West Virginia. MURC is a component unit of Marshall University (Marshall) and is included as an integral part of Marshall's annual combined financial statements.

OVERVIEW

The Management's Discussion and Analysis is required supplementary information and has been prepared in accordance with the requirements of Governmental Accounting Standard Board (GASB). This section of MURC's annual financial report provides an overview of MURC's financial performance during the year ended June 30, 2025, as compared to the previous fiscal year. Comparative analysis is also presented for fiscal year 2024 compared to fiscal year 2023.

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

NET POSITION

The statements of net position present the assets (current and noncurrent), liabilities (current and noncurrent), and net position (assets minus liabilities) of the Corporation as of the end of the fiscal year. Assets denote the resources available to continue the operations of the Corporation. Liabilities indicate how much the Corporation owes vendors, employees, and lenders. Net position measures the equity or the availability of funds of the Corporation for future periods.

Net position is displayed in three major categories:

Net Investments in Capital Assets. This category represents the Corporation's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted Net Position. This category includes net position, the use of which is restricted either due to externally imposed constraints or because of restrictions imposed by law. They are further divided into two additional components - nonexpendable and expendable. Nonexpendable components of restricted net position include endowment and similar type funds for which donors or other outside sources have stipulated, as a condition of the gift or grant instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal. Expendable components of restricted net position include resources for which the Corporation is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
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YEARS ENDED JUNE 30, 2025 AND 2024**

Unrestricted Net Position. This category includes resources that are not subject to externally imposed stipulations. Such resources are derived primarily from facilities and administrative earnings and revenues from investments. Unrestricted components of net position are used for transactions related to the educational and general operations of the Corporation and may be designated for specific purposes by the Corporation's Board of Directors. While the Corporation has not specifically designated Net Position balances at June 30, 2025, certain amounts are reserved for specific programs.

**CONDENSED STATEMENTS OF NET POSITION
AS OF JUNE 30
(IN THOUSANDS)**

	2025	2024	2023
Assets:			
Current Assets	\$ 32,203	\$ 38,941	\$ 28,104
Other Noncurrent Assets	30,801	21,009	30,325
Capital Assets, Net	16,436	15,298	11,522
Total Assets	79,440	75,248	69,951
Liabilities:			
Current Liabilities	21,570	19,584	23,589
Noncurrent Liabilities	565	845	940
Total Liabilities	22,135	20,429	24,529
Net Position:			
Net Investment in Capital Assets	15,683	14,383	10,714
Restricted:			
Nonexpendable	15,000	15,000	15,000
Expendable	24,188	20,721	19,550
Unrestricted	2,434	4,715	158
Total Net Position	57,305	54,819	45,422
Total Liabilities and Net Position	\$ 79,440	\$ 75,248	\$ 69,951

Changes to Net Position

The increase in net position of \$2,486,161 in FY2025 was due to an increase in grant revenue exceeding the increase in operating expenditures. The increase in net position of \$9,396,911 in FY2024 was due an increase in grants exceeding the increase in operating expenditures.

The first component is the Corporation's equity in capital assets, which increased \$1,299,282 during FY2025 and increased \$3,571,256 during FY2024.

Restricted nonexpendable net assets were earned in connection with the "Bucks for Brains" West Virginia Research Trust Fund. Private donations were received by the Marshall University Foundation (the "Foundation") and were matched by a corresponding draw from the State on the project for each year. These funds are held in two nonexpendable funds – one at the Foundation and the other at MURC.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
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MANAGEMENTS' DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED JUNE 30, 2025 AND 2024**

Restricted expendable assets increased \$3,467,501 during FY2025 and increased \$1,170,182 during FY2024. These monies have been restricted for use by entities outside the Corporation, mainly by granting agencies. Restricted expendable assets are generally produced through program income, which totaled \$1,645,986 for FY2025 and \$1,254,781 for FY2024.

Finally, unrestricted net assets decreased by \$2,280,622 for FY2025 and increased by \$4,557,564 for FY2024 and over the prior year total. Activity in Cost Recovery and Operating Funds accounts for the monies attributable to this component. These monies can be expended for any legal purpose.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position present the revenues and expenses, both operating and non-operating, as well as other gains and losses of the Corporation.

Operating revenues are received for providing goods and services to the various customers and constituencies of the Corporation. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the Corporation. Revenues received for which goods and services are not provided are reported as non-operating revenues. For example, gifts are non-operating because they are provided by the donor to the Corporation without the donor directly receiving commensurate goods and services for those revenues.

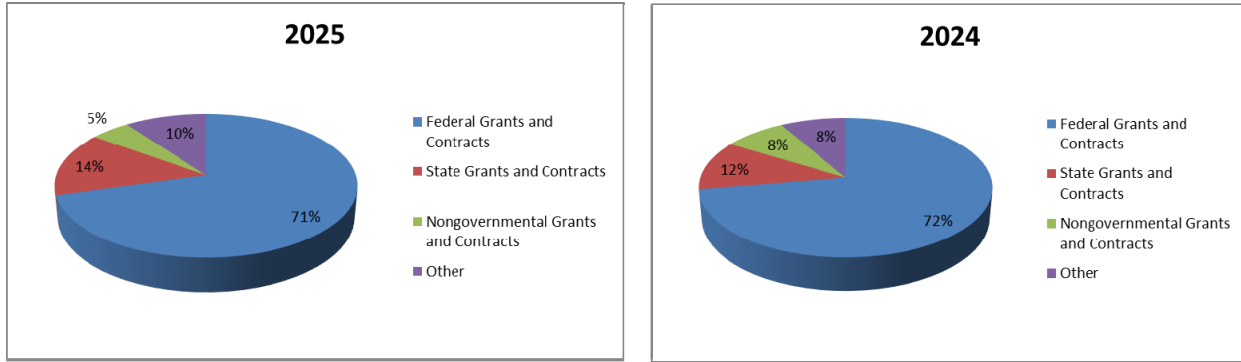
**CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30
(IN THOUSANDS)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenues	\$ 68,913	\$ 72,236	\$ 58,628
Operating Expenses	<u>(68,134)</u>	<u>(66,245)</u>	<u>(60,845)</u>
Operating Income (Loss)	779	5,991	(2,217)
Nonoperating Revenues	<u>1,707</u>	<u>3,406</u>	<u>2,903</u>
Increase in Net Position	2,486	9,397	686
Net Position - Beginning of Year	<u>54,819</u>	<u>45,422</u>	<u>44,736</u>
Net Position - End of Year	<u><u>\$ 57,305</u></u>	<u><u>\$ 54,819</u></u>	<u><u>\$ 45,422</u></u>

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
MANAGEMENTS' DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED JUNE 30, 2025 AND 2024**

Revenues

The following charts illustrate the composition of revenues by source for 2025 and 2024:



Changes to Operating Revenues and Expenses

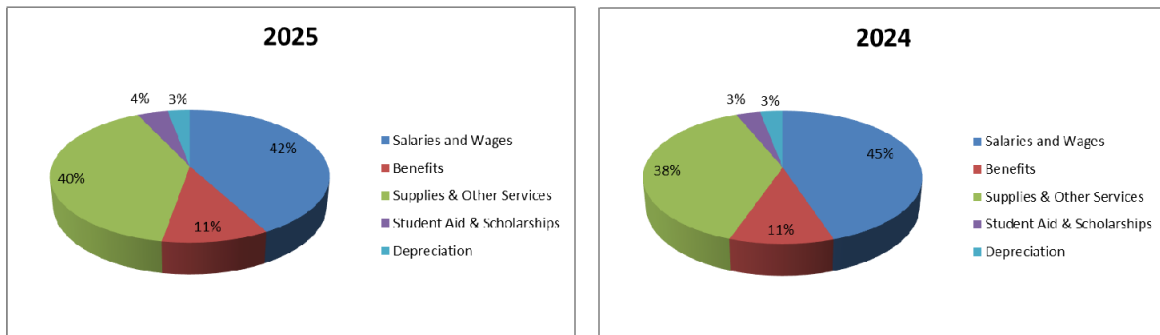
For FY2025, Operating Revenues were \$68,913,673, a decrease of \$3,322,246 compared to FY2024. This is primarily the result of a decrease in federal government grants and contracts totaling \$3,637,826.

For FY2024, Operating Revenues were \$72,235,919, an increase of \$13,608,403 compared to FY2023. This is primarily the result of an increase in government grants and contracts totaling \$11,876,266.

There was no construction related grant revenue in either year.

EXPENSES

The following is a graphic comparison of total expenses by category between 2025 and 2024:



Operating Expenses were \$68,134,125 for FY2025 as compared to \$66,245,040 for FY2024, an increase of \$1,889,085.

Operating Expenses were \$66,245,040 for FY2024 as compared to \$60,845,190 for FY2023, an increase of \$5,399,850.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
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MANAGEMENTS' DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED JUNE 30, 2025 AND 2024**

STATEMENT OF CASH FLOWS

The statement of cash flows presents detailed information about the cash activity during the year. The statement helps users assess the Corporation's ability to generate net cash flows, its ability to meet obligations as they come due, and its need for external financing.

The statement of cash flows is divided into five sections:

Cash flows from operating activities show the net cash provided or used by the operating activities of the Corporation.

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

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

Cash flows from investing activities show the purchases, proceeds, and interest received from investing activities.

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities provides a schedule that reconciles the accrual-based operating income (loss) and net cash provided by (used in) operating activities.

**CONDENSED STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30
(IN THOUSANDS)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash Provided (Used) by:			
Operating Activities	\$ 5,077	\$ 3,103	\$ (1,781)
Capital and Related Financing Activities	(3,378)	(5,716)	(2,891)
Investing Activities	<u>(8,031)</u>	<u>12,550</u>	<u>2,580</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,332)	9,937	(2,092)
Cash and Cash Equivalents - Beginning of Year	<u>15,740</u>	<u>5,803</u>	<u>7,895</u>
Cash and Cash Equivalents - End of Year	<u>\$ 9,408</u>	<u>\$ 15,740</u>	<u>\$ 5,803</u>

The decrease in cash balance in 2025 is due to the purchase of new investment assets.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
MANAGEMENTS' DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED JUNE 30, 2025 AND 2024**

CAPITAL ASSET AND DEBT ADMINISTRATION

The Corporation completed construction for an addition to the Forensic Science Center in September, 2009. Funding for the Forensic Science Center addition resulted in the Corporation incurring a note payable in the amount of \$3,000,000, which had a principal balance of \$642,087 at June 30, 2024. Other capital assets owned by the Corporation are primarily comprised of equipment purchased with funds provided directly within grant agreements or using indirect costs recovery funds. During FY2024, \$5,364,900 in capital assets was purchased, which was research equipment. The Corporation has no other debt obligations.

ECONOMIC OUTLOOK

Marshall University Research Corporation had another strong year. Grant awards decreased to FY24 levels, but an unusually high level of commitments continuing into FY26 and FY27 portend well for those years.

Faculty competitive grant activity was high, with major activity from NSF and NIH. Marshall continued to focus its research investments on its six pillars: health care, aviation, advanced manufacturing, cybersecurity, advanced energy, and entrepreneurship.

Construction of the new Cybersecurity building is expected to begin early in FY26, and significant federal investment in Marshall's cybersecurity effort is anticipated in this time frame.

The federal budget situation impacted grant volume in several ways: a significant level of potential congressionally-directed spending was lost with the adoption of the continuing resolution, and cancellation of probable but not-yet awarded funding from EPA and DOE erased several significant grants. Cancellation of existing awards did not impact MURC significantly in FY25 but remains a possibility for FY26.

All-in-all, Marshall's focus on high-demand research areas is sustaining its grant activity now and into the future.

Requests for any information may be directed to the Chief Financial officer One John Marshall Drive, Huntington, West Virginia 25755.

MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 9,408,897	\$ 15,740,970
Grants and Contracts Receivable - Net of Allowance of \$1,560,619 for 2024 and \$2,245,684 for 2023	21,805,558	22,529,610
Other Accounts Receivable	398,375	218,252
Prepaid Expenses	589,650	451,645
Total Current Assets	32,202,480	38,940,477
Noncurrent Assets:		
Investments	30,800,800	21,009,281
Capital Assets, Net	16,436,420	15,298,367
Total Noncurrent Assets	47,237,220	36,307,648
 Total Assets	 \$ 79,439,700	 \$ 75,248,125
 LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 3,888,444	\$ 3,638,558
Accrued Liabilities	1,818,591	1,779,920
Notes Payable - Current Portion	161,018	161,018
Lease Liability - Current Portion	177,135	108,072
Compensated Absences	1,451,892	1,202,052
Unearned Revenue	14,072,778	12,694,827
Total Current Liabilities	21,569,858	19,584,447
Noncurrent Liabilities:		
Notes Payable	320,051	481,069
Lease Liability	95,716	164,990
Unearned Rent Revenue	149,116	198,821
Total Noncurrent Liabilities	564,883	844,880
Total Liabilities	22,134,741	20,429,327
 NET POSITION		
Net Investment in Capital Assets	15,682,498	14,383,216
Restricted for:		
Nonexpendable	15,000,000	15,000,000
Expendable - Sponsored Projects	24,188,064	20,720,563
Unrestricted	2,434,397	4,715,019
Total Net Position	57,304,959	54,818,798
 Total Liabilities and Net Position	 \$ 79,439,700	 \$ 75,248,125

See accompanying Notes to Financial Statements.

MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Contracts and Grants:		
Federal	\$ 48,628,215	\$ 52,266,043
State	9,978,490	8,301,919
Private and Local	3,358,196	5,686,371
Program Income	1,645,896	1,254,781
Miscellaneous	5,302,876	4,726,805
Total Operating Revenues	68,913,673	72,235,919
OPERATING EXPENSES		
Salaries and Wages	28,605,054	29,717,846
Benefits	7,345,196	6,958,093
Supplies and Other Services	27,182,737	25,254,532
Utilities	198,730	173,656
Student Financial Aid - Scholarships and Fellowships	2,777,139	2,128,360
Depreciation and Amortization	2,025,269	2,012,553
Total Operating Expenses	68,134,125	66,245,040
NET OPERATING INCOME	779,548	5,990,879
NONOPERATING REVENUES (EXPENSES)		
Investment Income (Loss) - Including Unrealized Gain (Loss) of \$2,336,773 for 2025 and (\$6,671,092) for 2024	1,759,835	3,440,419
Interest on Indebtedness	(34,082)	(24,837)
PPP Loan Forgiveness	-	-
Loss on Disposal of Equipment	(19,140)	(9,550)
Nonoperating Revenues, Net	1,706,613	3,406,032
INCREASE IN NET POSITION	2,486,161	9,396,911
Net Position - Beginning of Year	54,818,798	45,421,887
NET POSITION - END OF YEAR	\$ 57,304,959	\$ 54,818,798

See accompanying Notes to Financial Statements.

MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Contracts and Grants	\$ 63,688,803	\$ 62,894,733
Payment to and on Behalf of Employees	(35,580,080)	(36,225,401)
Payments to Suppliers	(26,954,532)	(27,196,293)
Payments for Utilities	(198,733)	(173,652)
Payments from Scholarship and Fellowships	(2,777,139)	(2,128,360)
Program Income	1,645,896	1,254,781
Other Receipts, Net	5,253,170	4,677,095
Net Cash Provided by Operating Activities	5,077,385	3,102,903
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Payments on Notes Payable	(161,018)	(163,003)
Purchases of Capital Assets	(3,089,467)	(5,364,901)
Proceeds from Sale of Capital Assets	-	36,000
Interest Paid on Notes Payable	(13,994)	(17,825)
Interest Paid on Leases	(20,088)	(7,011)
Principal Payments on Leases	(93,207)	(199,363)
Net Cash Used by Capital Financing Activities	(3,377,774)	(5,716,103)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(96,264,392)	(23,441,451)
Sales/Maturities of Investments	83,512,334	35,438,126
Investment Income	4,720,374	554,002
Net Cash Provided (Used) by Investing Activities	(8,031,684)	12,550,677
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,332,073)	9,937,477
Cash and Cash Equivalents - Beginning of Year	15,740,970	5,803,493
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 9,408,897	\$ 15,740,970

See accompanying Notes to Financial Statements.

MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net Operating Income	\$ 779,548	\$ 5,990,879
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization Expense	2,025,269	2,012,553
Changes in Assets and Liabilities:		
Accounts Receivable, Net	543,925	(1,072,682)
Prepaid Expenses	(138,005)	173,663
Accounts Payable	249,889	(1,130,586)
Accrued Liabilities	38,671	225,379
Unearned Revenue	1,377,951	(3,175,509)
Unearned Rent Revenue	(49,705)	(49,705)
Compensated Absences	249,840	128,911
Net Cash Provided by Operating Activities	\$ 5,077,383	\$ 3,102,903
SUPPLEMENTAL DISCLOSURES OF NONCASH TRANSACTIONS		
Acquisition of Right-of-Use Assets Under Lease Arrangements	\$ 92,996	\$ 264,457
Loss on Disposal of Equipment	\$ 19,142	\$ 45,550
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 15,143	\$ 18,975

See accompanying Notes to Financial Statements.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Marshall University Research Corporation (A Blended Component Unit of Marshall University) (the Corporation) is a nonprofit corporation incorporated in 1987, pursuant to the laws of the state of West Virginia (the State). The purpose of the Corporation is to foster, support, and assist in any research and economic development activities consistent with the educational objectives and mission of Marshall University (the University). The Corporation, designated by the University, fulfills the role of public institutions to work in partnership with business, industry, or government. The Corporation encourages the acceptance of gifts, grants, contracts, and equipment, and the sharing of facilities, equipment, and skilled personnel to promote and develop joint applied research and development, technical assistance, and instructional programs in the State. The Corporation is a component unit of the University.

The financial statements of the Corporation have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board standards (GASB). The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the Corporation's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows, and replaces the fund-group perspective previously required.

Reporting Entity

The Corporation is a blended component unit of the University, as the University is the sole member of the nonstock, nonprofit corporation. The University is a blended component unit of the West Virginia Higher Education Fund and represents separate funds of the State that are not included in the State's general fund. The University is a separate entity, which, along with all State institutions of higher education, the West Virginia Higher Education Policy Commission (which includes West Virginia Network for Educational Tele-Computing) (the Commission), and the West Virginia Council for Community and Technical College Education, form the Higher Education Fund of the State. The Higher Education Fund is a component unit of the State, and its financial statements are discretely presented in the State's comprehensive annual financial report.

The accompanying financial statements present all funds under the authority of the Corporation, including Marshall Institute for Interdisciplinary Research, Inc. (MIIR). The basic criteria for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the Corporation's ability to significantly influence operations and accountability for fiscal matters of related entities.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

GASB establishes standards for external financial reporting for public colleges and universities and requires that financial statements to be presented on a combined basis to focus on the Corporation as a whole. The components of net position are classified into four categories according to external donor restrictions or availability of assets for satisfaction of Corporation obligations. The Corporation's components of net position are classified as follows:

Net Investment in Capital Assets – This represents the Corporation's total investment in capital assets, net of depreciation and outstanding debt used to fund those capital assets.

Restricted, Expendable – This includes resources for which the Corporation is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

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

Unrestricted – This represents resources derived from student tuition and fees, state appropriations, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the Corporation, and may be used at the discretion of the board of directors to meet current expenses for any purpose.

Basis of Accounting

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

Cash and Cash Equivalents

For purposes of the statements of net position, the Corporation considers all liquid investments with an original maturity of three months or less to be cash equivalents.

Cash Flows

Any cash and cash equivalents escrowed, restricted for noncurrent assets, or in funded reserves have not been included as cash and cash equivalents for the purpose of the statements of cash flows.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in corporate bonds, mutual funds, and government securities are presented at fair value based on quoted market prices. These valuations include assumptions and methods that were reviewed by Corporation management and are primarily based on quoted market prices for the underlying investments or other observable market data. The Corporation has other investments recorded at cost.

Allowance for Doubtful Accounts

It is the Corporation's policy to provide for future losses on uncollectible accounts, contracts, grants, and loans receivable based on an evaluation of the underlying account, contract, grant, and loan balances, the historical collectability experienced by the Corporation on such balances and such other factors which, in the Corporation's judgment, require consideration in estimating doubtful accounts.

Capital Assets

Capital assets include equipment, buildings, and construction in progress. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Donated capital assets acquired prior to July 1, 2015 are stated at fair value as of the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 5 to 12 years for furniture and equipment and 50 years for buildings. The Corporation's capitalization threshold was \$5,000 for the years ended June 30, 2025 and 2024.

Unearned Revenue

Revenues for programs or activities to be conducted in the next fiscal year are classified as unearned revenue.

Unearned Rent Revenue

Unearned rent revenue represents the monies received from Huntington Area Development Council (HADCO). Recognition of this revenue was deferred during the construction of a business start-up incubator. The beginning total \$994,101 of unearned rent received from HADCO is being recognized evenly over a 20-year period commencing July 2010.

Compensated Absences

The liability for compensated absences reported in the statement of net position consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
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NOTES TO FINANCIAL STATEMENTS
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management

The State's Board of Risk and Insurance Management (BRIM) provides general liability coverage to the Corporation and its employees. Such coverage may be provided to the Corporation by BRIM through self-insurance programs maintained by BRIM or policies underwritten by BRIM that may involve experience-related premiums or adjustments to BRIM.

BRIM engages an independent actuary to assist in the determination of its premiums to minimize the likelihood of premium adjustments to the Corporation or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums the Corporation is currently charged by BRIM and the ultimate cost of that insurance based on the Corporation's actual loss experience. In the event such differences arise between estimated premiums currently charged by BRIM to the Corporation and the Corporation's ultimate actual loss experience, the difference will be recorded as the change in estimate becomes known.

Classification of Revenues

The Corporation has classified its revenues according to the following criteria:

Operating Revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) most federal, state, local, and nongovernmental grants and contracts, (2) federal appropriations, and (3) sales and services of educational activities.

Nonoperating Revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB, such as investment income.

Other Revenues – Other revenues primarily consist of capital grants and gifts.

Use of Restricted Components of Net Position

The Corporation has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Generally, the Corporation attempts to utilize restricted funds first when practicable.

Government Grants and Contracts

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

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NOTES TO FINANCIAL STATEMENTS
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

The Corporation has applied for and received from the Internal Revenue Service an exemption from taxation under Section 501(c)(3) of the Internal Revenue Code as an entity organized for educational, research, and economic development purposes.

Use of Estimates

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

Risk and Uncertainties

Investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain securities, it is reasonably possible that changes in risk and values could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Change in Accounting Policy

Effective July 1, 2023, the Corporation implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. The adoption of the standard had no material impact on the financial statements.

NOTE 2 CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents is as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Money Market and Cash Equivalents	\$ 9,400,545	\$ 15,732,618
In Bank	8,352	8,352
Total	<u>\$ 9,408,897</u>	<u>\$ 15,740,970</u>

The carrying amount of cash in bank at June 30, 2025 and 2024, was \$8,352 and \$8,352, respectively, as compared with a bank balance of \$8,352 and \$8,352, respectively. The bank balances were secured by federal depository insurance, as noted below, or collateralized by securities held by the State's agent. The Federal Deposit Insurance Corporation (FDIC) insures interest-bearing accounts for \$250,000.

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JUNE 30, 2025 AND 2024

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

At June 30, 2025 and 2024, \$1,645,841 was held in an uninsured and uncollateralized custodian account. At June 30, 2024, \$10,531,353 was held in a cash account insured by the Security Investor Protection Corporation (SIPC). These funds are held in 19 distinct accounts, each having \$250,000 of SIPC coverage.

Cash equivalents totaling \$7,754,704 and \$5,201,265, compared with bank balances of \$9,678,072 and \$8,213,631 at June 30, 2025 and 2024, respectively, are held in a business checking account collateralized at 143% and 163%, respectively. The collateral was held in the name of the Corporation. The difference is primarily caused by outstanding checks.

NOTE 3 INVESTMENTS

Investments consist of the following at June 30:

	2025	2024
Investments held by Marshall University Foundation	\$ 30,800,800	\$ -
Corporate Bonds	-	-
Supranational Bonds	-	-
Equity Mutual Funds	-	20,060,352
Fixed Income Mutual Funds	-	948,929
U.S. Government Agency Obligations	-	-
U.S. Treasury Obligations	-	-
Total Investments	\$ 30,800,800	\$ 21,009,281

The Marshall University Foundation (the Foundation) is a discretely presented component unit of Marshall University. On April 1, 2024, the Research Corporation and the Foundation executed the Investment Management Agency Agreement (the Agreement) in which the Foundation was appointed as the Research Corporation's investment agency. Under the Agreement the Foundation has full power and authority to make purchases and sales of securities on behalf of the Research Corporation. Other responsibilities of the Foundation, in part, are to account for Research Corporation assets separately from Foundation assets, provide monthly investment reports to the Research Corporation, and engage third-party investment managers to invest Research Corporation assets in accordance with the asset allocation provisions established by the Research Corporation's Investment Committee. The Research Corporation's investments are held in the name of the Foundation. In return for the above noted services, the Research Corporation pays the Foundation investment advisory fees as defined in the Agreement.

The Research Corporation's investments held by the Foundation are classified as Level 2 of the fair value hierarchy and are valued at quoted prices for the underlying assets which are considered to be similar assets in active markets.

MARSHALL UNIVERSITY RESEARCH CORPORATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The Corporation's investment policy (not approved by the board of directors as of June 30, 2025 and 2024) will be to invest according to an asset allocation strategy designed to meet the goals of the Investment Objective. As a result, the following asset allocation targets and ranges have been presented for the Investment Pool:

<u>Representative Asset Class</u>	<u>Target Weight</u>	<u>Maximum Weight</u>
Fixed Income/Government Securities	60 %	100%
Money Market	20	20
Equity Securities/Derivatives/Hedge	20	20

The Corporation has investments in a single issuer greater than 5% as of June 30, 2024 as follows:

iShares Russell Mid-Cap Growth	\$ 1,168,717
iShares Core MSCI Emerging Markets	1,695,135
TIAA-CREF Large-Cap Growth Index Fund	5,749,314
TIAA-CREF Large-Cap Value Index Fund	4,298,836
Harding Loevner Institutional Emerging Markets	-
iShares Core MSCI EAFE	4,593,826
DFA Inflation Protected Securities Portfolio	-
iShares Russell Mid-Cap Value	1,391,166
Total	<u>\$ 18,896,994</u>

Interest Rate Risk

This is the risk of potential variability in the fair value of debt and fixed income securities resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The Corporation does not have an investment policy limiting the duration of investments.

NOTE 4 FAIR VALUE MEASUREMENTS

Investments have been reported at fair value and categorized as Level 1, 2, or 3. Level 1 represents investments that have a quoted price in the active market. Level 2 represents investments with direct or indirect market inputs. Level 3 represents investments with no observable market.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Assets classified as Level 2 are valued using quoted prices for identical or similar assets in markets that are not active.

	2025			
	Level 1	Level 2	Level 3	Total
University Foundation	\$ -	\$ 30,800,800	\$ -	\$ 30,800,800
Total Investments	\$ -	\$ 30,800,800	\$ -	\$ 30,800,800
	2024			
	Level 1	Level 2	Level 3	Total
Equity Mutual Funds	\$ 20,060,352	\$ -	\$ -	\$ 20,060,352
Fixed Income Mutual Funds	948,929	-	-	948,929
Total Investments	\$ 21,009,281	\$ -	\$ -	\$ 21,009,281

NOTE 5 CAPITAL ASSETS

The summary of capital asset transactions is as follows for the years ended June 30:

	2025			
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year
Capital Assets:				
Building	\$ 4,932,619	\$ -	\$ -	\$ 4,932,619
Equipment	34,077,056	3,089,465	(1,067,846)	36,098,675
Right-to-Use Leased Assets	441,896	92,996	-	534,892
Total Capital Assets	39,451,571	3,182,461	(1,067,846)	41,566,186
Less: Accumulated Depreciation and Amortization:				
Building	1,455,121	98,652	-	1,553,773
Equipment	22,526,555	1,920,590	(1,048,706)	23,398,439
Right-to-Use Leased Assets	171,528	6,026	-	177,554
Total Accumulated Depreciation and Amortization	24,153,204	2,025,268	(1,048,706)	25,129,766
Capital Assets, Net	\$ 15,298,367	\$ 1,157,193	\$ (19,140)	\$ 16,436,420

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NOTE 5 CAPITAL ASSETS (CONTINUED)

	2024			
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year
Capital Assets:				
Building	\$ 4,932,619	\$ -	\$ -	\$ 4,932,619
Equipment	29,321,187	5,364,900	(609,031)	34,077,056
Right to Use Leased Assets	528,105	-	(86,209)	441,896
Total Capital Assets	34,781,911	5,364,900	(695,240)	39,451,571
Less: Accumulated Depreciation:				
Building	1,356,469	98,652	-	1,455,121
Equipment	21,375,298	1,714,739	(563,482)	22,526,555
Right to Use Leased Assets	323,033	-	(151,505)	171,528
Total Accumulated Depreciation	23,054,800	1,813,391	(714,987)	24,153,204
Capital Assets, Net	\$ 11,727,111	\$ 3,551,509	\$ 19,747	\$ 15,298,367

NOTE 6 LONG-TERM LIABILITIES

The summary of long-term obligation transactions is as follows for the years ended June 30:

	2025				
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Current Portion
Notes Payable	\$ 642,087	\$ -	\$ (161,018)	\$ 481,069	\$ 161,018
Unearned Rent	248,527	-	(49,706)	198,821	49,705
Lease Liabilities	273,062	92,996	(93,207)	272,851	177,135
Total Long-Term Liabilities	\$ 1,163,676	\$ 92,996	\$ (303,931)	\$ 952,741	\$ 387,858
	2024				
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Current Portion
Notes Payable	\$ 805,090	\$ -	\$ (163,003)	\$ 642,087	\$ 161,018
Unearned Rent	298,232	-	(49,705)	248,527	49,705
Lease Liabilities	207,968	264,457	(199,363)	273,062	108,072
Total Long-Term Liabilities	\$ 1,311,290	\$ 264,457	\$ (412,071)	\$ 1,163,676	\$ 318,795

**MARSHALL UNIVERSITY RESEARCH CORPORATION
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NOTES TO FINANCIAL STATEMENTS
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NOTE 7 NOTES PAYABLE

In 2008, the Corporation executed a Loan Agreement and borrowed the proceeds of a bond issuance by the Cabell County Commission for the construction of an addition to the Marshall University Forensic Science Center (the Center). The Corporation's repayment terms are the same as the bond repayment term. The Corporation made the first interest payments on October 10, 2008, for the interest due on the loans semi-annually and first annual principal payment on April 1, 2009, based on a hypothetical amortization of the then-remaining principal balance at the then-applicable interest rate for the then-remaining years of the original 20-year amortization period ending April 10, 2028. Any remaining principal balance shall be payable in full on April 10, 2028.

However, any unspent mortgage proceeds would go to pay the first amounts due for interest and principal. The rate for the period April 1, 2014 to April 1, 2018 was 1.6415%. The rate for the period April 1, 2018 to April 1, 2022 was 2.854%. The rate is subject to change each subsequent five-year period to the rate per annum equal to 67% of the five-year Treasury Constant Maturity in effect on that date, plus 1.67% per annum. The Loan Agreement defines various events of default and related cures. If an event of default were to occur, the issuer may take possession of the Center and or declare all amounts outstanding due and payable.

The scheduled maturities on notes payable are as follows at June 30, 2025:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 161,018
2027	161,018
2028	159,033
Total	<u>\$ 481,069</u>

On April 10, 2020, Marshall University Research Corporation was granted a loan from JPMorgan Chase Bank, N.A. in the aggregate amount of \$3,115,000, pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated April 9, 2020, issued by the Borrower, matures on April 9, 2022, and bears interest at a rate of 0.98% per annum, payable monthly commencing on November 6, 2020. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. The Corporation repaid \$560,000 of the Loan on May 13, 2020.

MARSHALL UNIVERSITY RESEARCH CORPORATION
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NOTES TO FINANCIAL STATEMENTS
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NOTE 7 NOTES PAYABLE (CONTINUED)

Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Corporation intends to use the entire Loan balance for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. In September 2021, the Corporation received forgiveness for the entire amount outstanding on the PPP Loan from the Small Business Administration. The Small Business Association may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors for a period of six years. The amount of liability, if any, from potential noncompliance cannot be determined with certainty, however, management is of the opinion that any review will not have any impact on the Corporation's statement of net position or statement of revenues, expenses, and changes in net position, as the PPP loan was used for its intended purpose.

NOTE 8 LEASES

The Corporation leases equipment, as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through April 2027 and bear interest at a rate of 5.90%.

Total future minimum lease payments under lease arrangements are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 177,135	\$ 13,411	\$ 190,546
2026	77,015	4,338	81,353
2027	18,701	99	18,800
Total	<u>\$ 272,851</u>	<u>\$ 17,848</u>	<u>\$ 290,699</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

Buildings	\$ 159,156
Equipment	375,736
Less: Accumulated Amortization	<u>(177,554)</u>
Total	<u>\$ 357,338</u>

**MARSHALL UNIVERSITY RESEARCH CORPORATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 9 RELATED-PARTY TRANSACTIONS

A summary of balances and transactions with the University is as follows as of June 30:

	2025	2024
Statement of Net Position Balances:		
Advances Receivable	\$ 250,000	\$ 250,000
Due from the University	436,786	252,178
Due to the University	1,039,858	936,879
Statement of Revenues, Expenses, and Changes in Net Position Transactions:		
Grants and Contracts Revenue	2,643,077	2,321,061
Other Sources of Revenue	216,926	185,106
Payroll and Benefits Expense	6,799,418	7,508,678
Other Expenses	2,067,236	1,478,019

The Corporation leases approximately 12,900 square feet of office space located in the Weisberg Family Applied Engineering Complex from the University. The lease requires the Corporation to pay a minimum rental of \$90,276 per year and expires on April 30, 2027. The rental includes \$15,000 per year for furniture located in the premises. Rent expense for the years ended June 30, 2025 and 2024, was \$90,276.

NOTE 10 UNRESTRICTED COMPONENTS OF NET POSITION

At June 30, 2025 and 2024, the Corporation has no designated components of net position.

NOTE 11 RETIREMENT PLAN

All eligible employees of the Corporation participate in the Teachers Insurance and Annuities Association – College Retirement Equities Fund (TIAA-CREF). The TIAA-CREF is a defined contribution plan in which benefits are based solely upon amounts contributed, plus investment earnings. Each employee participating in this plan is required to contribute 6% of total annual compensation. The Corporation matches the employees' 6% contributions. Contributions are immediately and fully vested. In addition, employees may elect to make additional contributions to TIAA-CREF not matched by the Corporation.

Total contributions to the TIAA-CREF for the years ended June 30, 2025, 2024, and 2023, were \$2,838,746, \$2,774,500, and \$2,363,890, respectively, which consisted of \$1,345,317, \$1,339,521, and \$1,130,808, respectively, from the Corporation and \$1,493,429, \$1,434,979, and \$1,233,172, respectively, from employees.

The Corporation's total payroll for the years ended June 30, 2025, 2024, and 2023, was \$26,319,611, \$25,899,144, and \$21,903,403, respectively. Total covered employees' salaries in TIAA-CREF were \$22,460,995, \$22,233,855, and \$18,798,917 for the years ended June 30, 2025, 2024, and 2023, respectively.

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NOTE 12 CONTINGENCIES

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

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

NOTE 13 DONOR-RESTRICTED ENDOWMENTS

The Corporation's permanent funds include donor-restricted endowments. The Net Position – Nonexpendable amounts of \$15,000,000 represent the principal portions of the endowments. The amount of interest earnings on donor-restricted investments is available for expenditure by the governing board, for purposes consistent with endowment's intent.

NOTE 14 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

The following tables represents operating expenses within both natural and functional classifications for the years ended June 30:

	2025						
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation/ Amortization	Total
Instruction	\$ 2,708,674	\$ 657,213	\$ 1,381,502	\$ 5,513	\$ 414,560	-	\$ 5,167,462
Research	7,504,920	1,373,539	8,974,975	-	479,359	-	18,332,793
Public Service	13,051,896	3,069,459	12,375,929	144,657	1,659,757	-	30,301,698
Academic Support	173,010	43,887	69,956	480	32,100	-	319,433
Student Activities	504,674	119,566	387,750	2,700	112,371	-	1,127,061
General							-
Institutional							-
Support	4,661,880	2,081,532	3,992,625	45,380	78,992	-	10,860,409
Depreciation and							-
Amortization	-	-	-	-	-	2,025,269	2,025,269
Total	<u>\$ 28,605,054</u>	<u>\$ 7,345,196</u>	<u>\$ 27,182,737</u>	<u>\$ 198,730</u>	<u>\$ 2,777,139</u>	<u>\$ 2,025,269</u>	<u>\$ 68,134,125</u>

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NOTE 14 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS (CONTINUED)

	2024						
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 3,279,221	\$ 765,089	\$ 4,102,291	\$ 2,185	\$ 774,688	\$ -	\$ 8,923,474
Research	8,340,398	1,642,992	9,715,147	3,450	245,270	-	19,947,257
Public Service	13,028,384	3,278,503	8,743,536	120,281	890,124	-	26,060,828
Academic Support	50,772	14,551	74,027	40	74,986	-	214,376
Student Activities	536,306	135,184	348,846	159	106,864	-	1,127,359
General							
Institutional							
Support	4,482,765	1,121,774	2,270,685	47,541	36,428	-	7,959,193
Depreciation	-	-	-	-	-	2,012,553	2,012,553
Total	\$ 29,717,846	\$ 6,958,093	\$ 25,254,532	\$ 173,656	\$ 2,128,360	\$ 2,012,553	\$ 66,245,040

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
RESEARCH AND DEVELOPMENT CLUSTER						
Department of Agriculture						
Agricultural Research Service	D	10.001			\$ 123,854	\$ -
Specialty Crop Block Grant Program	I	10.170	Future Generations University Corporation	202112-552-APRCB-01	7,858	-
Agricultural Research Service	I	10.310	Utah State University	205560-926; 20246701942506	18,550	-
National Institute of Food and Agriculture	D	10.326			15,001	-
Total Department of Agriculture					<u>165,263</u>	<u>-</u>
Department of Commerce						
Economic Adjustment Assistance	I	11.307	Coalfield Development Corporation	01-79-15293	217,190	-
Total Department of Commerce					<u>217,190</u>	<u>-</u>
Department of Defense						
Basic Scientific Research	I	12.431	Civil-Military Innovation Institute	2022-ARL-TRACA-PP-MURC-001	310,902	290,245
Basic, Applied, & Advanced Research in Science/Engineering	D	12.630			694,743	385,398
Research and Technology Development	I	12.910	The Florida International Board of Trustees	800018648	237,509	-
Total Department of Defense					<u>1,243,154</u>	<u>675,643</u>
Department of Housing and Urban Development						
CDBG/State & Non-Entitlement Grants in Hawaii	I	14.228	WV Department of Economic Development	RPMTPLNMID0018	(50)	-
Total Department Housing and Urban Development					<u>(50)</u>	<u>-</u>
Department of the Interior						
U.S. Fish and Wildlife Service	I	15.634	South Carolina Department of Natural Resources	P24014306020	(1,046)	-
U.S. Geological Survey Research & Data Collection	D	15.808			26,165	-
Total Department of the Interior					<u>25,119</u>	<u>-</u>
Department of Justice						
NIJ Research, Evaluation & Development Project Grants	I	16.560	RTI International	2-312-0218404-67091L	16,671	-
Congressionally Recommended Awards	D	16.753			1,263,471	-
Justice Reinvestment Initiative	I	16.827	West Virginia University	09-097QQQ-MURC	8,542	-
Justice Reinvestment Initiative	I	16.842	WV Division of Administrative Services	25-RSCH-01	144,629	-
Total Department of Justice					<u>1,433,313</u>	<u>-</u>
Department of Labor						
Occupational Safety & Health Susan Hardwood Training Grants	D	17.502			55,793	-
Brookwood-Sago Grant	D	17.603			78,755	-
Total Department of Labor					<u>134,548</u>	<u>-</u>
Department of Transportation						
Federal Motor Carrier Safety Administration	D	20.232			122,778	-
Total Department of Transportation					<u>122,778</u>	<u>-</u>
Appalachian Regional Commission						
Appalachian Research, Tech Assist & Demo Projects	D	23.011			119,321	30,476
Appalachian Research, Tech Assist & Demo Projects	I	23.011	East Tennessee State University	P24-0166-1-S6.1	7,996	-
Total Appalachian Regional Commission					<u>127,317</u>	<u>30,476</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
RESEARCH AND DEVELOPMENT CLUSTER (CONTINUED)						
National Aeronautics and Space Administration						
National Aeronautics and Space Administration	I	43.001	West Virginia University	80MSSC20M005	\$ 15,548	
Office of Stem Engagement	I	43.008	West Virginia University		1,241	
Office of Stem Engagement	I	43.008	West Virginia University	15-683-MURC-2	58,680	
Office of Stem Engagement	I	43.008	West Virginia University	22-634-MURC	6,394	
Office of Stem Engagement	I	43.008	West Virginia University	24-575-MURC	49,900	\$ -
Office of Stem Engagement	I	43.008	West Virginia University	80NSSC22M0027	2,000	-
Office of Stem Engagement	I	43.008	West Virginia University	91-175C-MURC-2	72,591	-
Office of Stem Engagement	I	43.008	West Virginia University		2,909	-
		Subtotal 43.008			<u>193,715</u>	-
Total National Aeronautics and Space Administration					<u>209,263</u>	-
National Science Foundation						
Engineering	D	47.041			232,571	-
Mathematical and Physical Sciences	D	47.049			89,284	-
Computer and Information Science and Engineering	D	47.070			41,243	-
Computer and Information Science and Engineering	I	47.070	West Virginia University	21-395-MURC	34,231	-
		Subtotal 47.070			<u>75,474</u>	-
Biological Sciences	D	47.074			199,153	-
Biological Sciences	I	47.074	West Virginia University	23-609-MURC	144,663	-
		Subtotal 47.074			<u>343,816</u>	-
STEM Education	D	47.076			185,450	-
STEM Education	I	47.076	University of Kentucky	3200002015-19-046	10,013	-
STEM Education	I	47.076	University of Kentucky	3200004325-22-133	12,918	-
STEM Education	I	47.076	University of Kentucky	3200004888-23-022	34,606	-
STEM Education	I	47.076	Mountwest Community and Technical College	2202015-DUE	32,844	-
STEM Education	I	47.076	Fairmont State University	FSUOGSP-2023-04	823	-
STEM Education	I	47.076	WV Higher Education Policy Commission	PO#24199	7,541	-
		Subtotal 47.076			<u>284,195</u>	-
Office of International Science and Engineering	D	47.079			22,797	-
Integrative Activities	D	47.083			569,678	-
Integrative Activities	I	47.083	WV Higher Education Policy Commission	NSF2023 TRACK1-002	809,215	-
		Subtotal 47.083			<u>1,378,893</u>	-
Total National Science Foundation					<u>2,427,030</u>	-
Environmental Protection Agency						
Brownfields Training, Research & Tech Assist Grants	I	66.814	West Virginia University	23-613-MURC	101,362	-
Total Environmental Protection Agency					<u>101,362</u>	-
Department of Energy						
State Energy Program	I	81.057	University of Utah	10058252-01	(435)	-
Conservation Research and Development	I	81.086	WV Office of Energy	EE0009544	38,676	-
Conservation Research and Development	I	81.086	Commonwealth of Virginia Department of Energy	C21-6035	53,016	-
		Subtotal 81.086			<u>91,692</u>	-
Total Department of Energy					<u>91,257</u>	-
Department of Education						
Fund Improvement of Postsecondary Education	D	84.116Z			188,632	44,590
Total Department of Education					<u>188,632</u>	<u>44,590</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
RESEARCH AND DEVELOPMENT CLUSTER (CONTINUED):						
Department of Health and Human Services						
Administration for Community Living	I	93.044	WV Bureau of Senior Services	22599	\$ 56,837	
National Institutes of Health	D	93.077			43,653	
Oral Diseases and Disorders Research	D	93.121			148,909	\$ -
National Center on Sleep Disorders Research	I	93.233	Board of Trustees of the University of Illinois	19983	26,605	-
Mental Health Research Grants	D	93.242			68,681	-
Alcohol Research Programs	D	93.273			139,405	-
Drug Use and Addiction Research Programs	D	93.279			1,090,680	4,637
Drug Use and Addiction Research Programs	I	93.279	Pennsylvania State University	MARUDA056764	199	-
Drug Use and Addiction Research Programs	I	93.279	SpaceRx LLC		72,962	-
Drug Use and Addiction Research Programs	I	93.279	University of Cincinnati	013764-00037	(2,893)	-
Drug Use and Addiction Research Programs	I	93.279	University of Cincinnati	013764-00046	25,279	-
Drug Use and Addiction Research Programs	I	93.279	University of Cincinnati	013764-00050	208,081	-
Drug Use and Addiction Research Programs	I	93.279	Yale School of Medicine	CON-80004801 (GR122531)	(64,030)	-
Drug Use and Addiction Research Programs	I	93.279	Yale School of Medicine	CON-80005058 (GR123753)	240,364	-
		Subtotal 93.279			1,570,642	4,637
National Institutes of Health	I	93.310	Harvard Medical College	RF00250-SUB00067	3,421	-
Epidemiology and Laboratory Capacity for Infectious Diseases	I	93.323	WV Department of Health and Human Resources	G231006	2,748	-
Epidemiology and Laboratory Capacity for Infectious Diseases	I	93.323	WV Department of Health and Human Resources	G241111	(8,621)	-
		Subtotal 93.323			(5,873)	-
National Institutes of Health	I	93.350	University of Kentucky		(99,324)	-
Cancer Cause and Prevention Research	D	93.393			64,141	-
Cardiovascular Diseases Research	I	93.837	Medical College of Wisconsin	1R01HL164460-01A1	188,078	-
Cardiovascular Diseases Research	I	93.837	The Curators of the University of Missouri	C00081507-1	18,048	-
Cardiovascular Diseases Research	I	93.837	The Curators of the University of Missouri	C00086010-1	12,281	-
		Subtotal 93.837			218,407	-
National Institutes of Health	I	93.838	Duke University	SPS 282235	290	-
National Institutes of Health	I	93.838	Duke University	SPS 282236	10	-
National Institutes of Health	I	93.838	University of Chicago	sub00001371	7,137	-
		Subtotal 93.838			7,437	-
Blood Diseases and Resources Research	D	93.839			231,838	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	D	93.847			190,445	-
Extramural Neuroscience & Neurological Disorders Research	D	93.853			(422)	-
Extramural Neuroscience & Neurological Disorders Research	I	93.853	Virginia Commonwealth University	FP00017404_SA001	6,807	-
		Subtotal 93.853			6,385	-
Allergy and Infectious Diseases Research	D	93.855			16,558	-
Biomedical Research and Research Training	D	93.859			4,361,055	2,069,081
Biomedical Research and Research Training	I	93.859	West Virginia University	12-303-MURC-2	962,941	-
		Subtotal 93.859			5,323,996	2,069,081
Total Department of Health and Human Services					8,012,163	2,073,718
Subtotal Research and Development Cluster					14,498,339	2,824,427

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
OTHER PROGRAMS						
Department of Agriculture						
Rural Business Development Grant	D	10.351			\$ 90,415	\$ -
Supplemental Nutrition Assistance Program	I	10.561	West Virginia University	14-895-MURC-9	151,839	-
Supplemental Nutrition Assistance Program	I	10.561	West Virginia University	SUB00002653	331,086	-
		Subtotal 10.561			<u>482,925</u>	<u>-</u>
Rural Business Cooperative Service	D	10.868			40,282	-
Total Department of Agriculture					613,622	-
Department of Commerce						
Regional Technology and Innovation Hubs	I	11.039	Allegheny Science & Technology	WV-AEIM-1082-001-07	164,013	72,793
Regional Technology and Innovation Hubs	I	11.039	WV Department of Economic Development		41,098	-
		Subtotal 11.039			<u>205,111</u>	<u>72,793</u>
Economic Development Technical Assistance	D	11.303			94,199	-
Economic Adjustment Assistance	D	11.307			597,627	-
Economic Adjustment Assistance	D	11.307	Advantage Valley Inc	EDA #01-79-15125	25,355	-
COVID-19-Economic Adjustment Assistance	I	11.307	Generation West Virginia Inc	01-79-152941	160,049	-
Economic Adjustment Assistance	I	11.307	West Virginia Community Development Hub Inc	01-79-15290	437,438	-
Economic Adjustment Assistance	I	11.307	Coalfield Development Corporation	GROW Now - MURC	158,999	-
Economic Adjustment Assistance	I	11.307	WV High Technology Consortium Foundation	ED24PHI0G0344	34,323	-
Economic Adjustment Assistance	I	11.307	Advantage Valley Inc		24,941	-
		Subtotal 11.307			<u>1,438,732</u>	<u>-</u>
Total Department of Commerce					1,738,042	72,793
Department of Defense						
Office of Naval research	D	12.902			38,161	-
National Security Agency	D	12.903			(30,486)	-
Total Department of Defense					<u>7,675</u>	<u>-</u>
Department of Housing and Urban Development						
CDBG/State & Non-Entitlement Grants in Hawaii	I	14.228	WV Department of Economic Development	AMA DEV2300000003	62,961	-
Total Department of Housing and Urban Development					<u>62,961</u>	<u>-</u>
Department of Interior						
Historic Preservation Fund Grants-In-Aid	D	15.904			236	-
Total Department of Interior					<u>236</u>	<u>-</u>
Department of Justice						
Juvenile Justice and Delinquency Prevention	I	16.540	WV Division of Administrative Services	21-JJP-03	(2,003)	-
Juvenile Justice and Delinquency Prevention	I	16.540	WV Division of Administrative Services	23-JJP-05	27,895	-
Juvenile Justice and Delinquency Prevention	I	16.540	WV Division of Administrative Services	25-JJP-04	26,325	-
		Subtotal 16.540			<u>52,217</u>	<u>-</u>
Congressionally Recommended Awards	D	16.753			370,083	27,164
Second Chance Act Reentry Initiative	I	16.812	Lifeshouse WV	2020-RC-BX-003	5,222	-
Comprehensive Opioid, Stimulant & Substance Use Program	I	16.838	WV Department of Health and Human Resources	G240706	14,722	-
Opioid Affected Youth Initiative	D	16.842			35,868	-
Total Department of Justice					<u>478,112</u>	<u>27,164</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
OTHER PROGRAMS (CONTINUED)						
Department of Labor						
WIOA Dislocated Worker National Reserve Demonstration Grants	D	17.280			\$ 266,441	\$ 74,563
Employment and Training Administration	D	17.285			106,610	-
Community Project Funding/Congressionally Directed Spending	D	17.289			906,014	107,921
Community Project Funding/Congressionally Directed Spending	I	17.289	WV Higher Education Policy Commission	24*3361	9,040	-
Community Project Funding/Congressionally Directed Spending	I	17.289	WV Higher Education Policy Commission	25*435	43,491	-
		Subtotal 17.289			958,545	107,921
Occupational Safety and Health Administration	D	17.502			49,308	-
Safety and Health Grants	D	17.604			32,100	-
Total Department of Labor					1,413,004	182,484
Department of State						
Special Academic Exchange Programs	I	19.009	Word Learning Inc	IDEAS23-Marshall01	31,535	-
Total Department of State					31,535	-
Department of Transportation						
Motor Carrier Safety Assistance High Priority Grants	D	20.237			154,532	-
Total Department of Transportation					154,532	-
Appalachian Regional Commission						
Appalachian Regional Development	D	23.001			463,150	97,380
Appalachian Regional Development	I	23.001	Region 2 Planning and Development Council	ARC AV1	102,809	-
Appalachian Regional Development	I	23.001	Cabell Huntington Hospital Foundation	IS-20789-22	13,545	-
Appalachian Regional Development	I	23.001	East Tennessee State University	P24-0122-1-S2.1; MU-21672-24	7,986	-
		Subtotal 23.001			587,490	97,380
Appalachian Area Development	D	23.002			420,024	105,941
Appalachian Area Development	I	23.002	Shawnee State University	SSU006	(60)	-
Appalachian Area Development	I	23.002	WV Regional Technology Park Corp	PWR-MURC	253,089	-
Appalachian Area Development	I	23.002	Lawrence Economic Development Corporation	PW-20831	16,870	15,336
Appalachian Area Development	I	23.002	WV Department of Economic Development		103,908	-
Appalachian Area Development	I	23.002	West Virginia Food & Farm Coalition		933	-
		Subtotal 23.002			794,764	121,277
Total Appalachian Regional Commission					1,382,254	218,657
National Aeronautics and Space Administration						
National Aeronautics and Space Administration	I	43.008	West Virginia University	80NSSC20M0055	4,429	-
Total National Aeronautics and Space Administration					4,429	-
National Endowment for the Humanities						
National Endowment for the Arts	I	45.024	Mid-America Arts Alliance	FY2025:COO94-00117426	10,000	-
Promotion of the Humanities Federal/State Partnership	D	45.129			2,000	-
Promotion of the Humanities Federal/State Partnership	I	45.129	WV Humanities Council	24.2.13241;SO-289836-23	1,500	-
Promotion of the Humanities Federal/State Partnership	I	45.129	WV Humanities Council	24.1.13228;SO-289836-23	11,963	-
Promotion of the Humanities Federal/State Partnership	I	45.129	WV Humanities Council	24.2.13289;SO-289836-23	1,854	-
		Subtotal 45.129			17,317	-
Humanities Teaching & Learning Resources Grants	I	45.162	The Teagle Foundation	2005571	2,234	-
Total National Endowment for the Humanities					29,551	-
Small Business Administration						
Congressional Grants	D	59.059			62,828	-
Total Small Business Administration					62,828	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
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YEAR ENDED JUNE 30, 2025**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
OTHER PROGRAMS (CONTINUED):						
Environmental Protection Agency						
Brownfields Multipurpose, Assessment, RLF & Cleanup Grants	D	66.818			\$ 679,568	\$ -
Total Environmental Protection Agency					679,568	-
Department of Education:						
Title I State Agency Program for Neglected & Delinquent Youth	D	84.013A			210,416	-
Special Education Grants to States	I	84.027A	WV Department of Education	Various	999,161	-
Special Education - State Personnel Development	I	84.173A	WV Department of Education	Various	454,125	-
		IDEA Cluster Subtotal			1,453,286	-
TRIO Student Support Services	D	84.042A			414,114	-
TRIO Talent Search	D	84.044A			617,140	-
TRIO Upward Bound	D	84.047A			425,283	-
TRIO Educational Opportunity Centers	D	84.066A			60,837	-
		TRIO Cluster Subtotal			1,517,374	-
Indian Education Grants to Indian Controlled Schools	I	84.072A	WV Department of Education	GRTAWD04022400001938	19,386	-
School Safety National Activities	D	84.184			2,204,257	-
Special Ed Personnel Dev. for Children with Disabilities	D	84.325			133,327	-
Office of Post Secondary Education	I	84.344S	WV Higher Education Policy Commission	FY24-GU-MU 1	8,796	-
Office of Post Secondary Education	I	84.344S	WV Higher Education Policy Commission	FY25-GU-MU1	13,644	-
Office of Post Secondary Education	I	84.344S	WV Higher Education Policy Commission	FY25-GUU-MU	133,721	-
		Subtotal 84.344S			156,161	-
English Language Acquisition State Grants	I	84.365	WV Department of Education	MOU	80,525	-
COVID - 19 - Education Stabilization Fund	I	84.425U	WV Department of Education	GRTAWD04022200005961	62,715	-
COVID - 19 - Education Stabilization Fund	I	84.425U	WV Department of Education	GRTAWD04022500001775	231,133	-
		Subtotal 84.425U			293,848	-
Total Department of Education					6,068,580	-
Department of Health and Human Services						
Enhance Safety of Children Affected by Substance Abuse	I	93.087	Prestera Center for Mental Health Services		10,300	-
Advancing System Improvements for Key Issues in Women's Health	I	93.088	The Hektoen Institute for Medical Research	324-MARSHALL	167,572	-
Food and Drug Administration	I	93.103	West Virginia University		5,861	-
Community Mental Health Services for Children with SED	I	93.110	WV Perinatal Partnership Inc	G241041	13,436	-
Injury Prevention Research & Community Programs	D	93.155			105,692	-
Rural Health Research Centers	D	93.191			305,307	-
Graduate Psychology Education	D	93.243			665,082	122,936
Substance Abuse & Mental Health Projects (Regional & National)	I	93.243	Cabell-Huntington Coalition for the Homeless		81,398	-
Substance Abuse & Mental Health Projects (Regional & National)	I	93.243	City of Huntington	MURC-1	224,933	-
Substance Abuse & Mental Health Projects (Regional & National)	I	93.243	Prestera Center for Mental Health Services	SH79TI083422-02	87,256	-
Substance Abuse & Mental Health Projects (Regional & National)	I	93.243	WV Department of Education	Various	413,807	142,870
Substance Abuse & Mental Health Projects (Regional & National)	I	93.243	WV Department of Health and Human Resources	Various	101,536	-
		Subtotal 93.243			1,574,012	265,806
Advanced Nursing Education Workforce Grant	D	93.247			1,000,917	-
Immunization Cooperative Agreements	I	93.268	WV Department of Health and Human Resources	G221090	56,880	-
Viral Hepatitis Prevention and Control	I	93.270	WV Department of Health and Human Resources	G241116	137,022	-
Drug-Free Communities Support Program Grants	D	93.276			146,128	-
COVID-19 - Epidemiology & Lab Capacity for Infectious Diseases (ELC)	I	93.323	WV Department of Health and Human Resources	G250948	346,717	-
COVID-19 - Epidemiology & Lab Capacity for Infectious Diseases (ELC)	I	93.323	WV Department of Health and Human Resources	G221069	100,509	-
		Subtotal 93.323			447,226	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
OTHER PROGRAMS (CONTINUED):						
Department of Health and Human Services (Continued):						
The National Cardiovascular Health Program	I	93.426	WV Department of Health and Human Resources	G250882	\$ 64,570	\$ -
Administration for Children and Families	I	93.436	WV Department of Health and Human Resources	G241049	6,300	-
Substance Abuse and Mental Health Services Administration	D	93.493			4,831,621	137,602
Congressional Directives	I	93.527	Big Sandy Health Care Inc	Q8MCS49137	36,374	-
Grants for New and Expanded Services under Health Center Program	I	93.556	WV Department of Health and Human Resources	Various	597,341	-
Social Services Research and Demonstration	D	93.647			93,976	-
Foster Care Title IV-E	I	93.658	WV Department of Health and Human Resources	Various	717,575	-
Adoption Assistance	I	93.659	WV Department of Health and Human Resources	Various	220,618	-
Opioid STR	I	93.788	WV Department of Health and Human Resources	Various	2,726,410	114,767
National Institutes of Health	I	93.879	University of Texas Southwestern Medical Center	GM0251002PO0000003490	2,748	-
Primary Care Training and Enhancement	D	93.884			344,870	-
Cancer Prevention & Control for State, Territorial & Tribal Orgs	I	93.898	WV Department of Health and Human Resources	G241048	9,585	-
Rural Health Outreach & Network Development	D	93.912			576,234	320,705
Rural Health Outreach & Network Development	I	93.912	Prestera Center for Mental Health	G25RH32992	126,821	-
Rural Health Outreach & Network Development	I	93.912	Prestera Center for Mental Health	HRSA 1GA1RH42926-01-02	15,008	-
Rural Health Outreach & Network Development	I	93.912	WV Perinatal Partnership Inc	RMOM	6,661	-
		Subtotal 93.912			724,724	320,705
Block Grants for Community Mental Health Services	I	93.958	WV Department of Health and Human Resources	Various	190,432	-
Block Grants for Prevention and Treatment of Substance Abuse	I	93.959	Prestera Center for Mental Health		51,403	-
Block Grants for Prevention and Treatment of Substance Abuse	I	93.959	WV Department of Health and Human Resources	Various	235,772	-
		Subtotal 93.959			287,175	-
Health Resources and Services Administration	I	93.988	WV Department of Health and Human Resources	G250553	61,078	-
Maternal & Child Health Services Block Grant to the States	I	93.994	WV Department of Health and Human Resources		81,520	-
Total Department of Health and Human Services					14,967,270	838,880
Subtotal Other Programs					27,694,199	1,339,978
Total Federal Expenditures					\$ 42,192,538	\$ 4,164,405

D - Direct Federal Program

I - Indirect Federal Program Passed Through to MURC

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025**

NOTE 1 BASIS OF ACCOUNTING

The purpose of the Schedule of Expenditures of Federal Awards (the Schedule) is to present a summary of the expenditures of Marshall University Research Corporation (A Blended Component Unit of Marshall University) (the Corporation) for the year ended June 30, 2025, which have been financed by the federal government. For purposes of the Schedule, federal awards have been classified into two types: direct federal funds (D) and indirect federal funds (I) received from nonfederal organizations made under federally sponsored programs conducted by those organizations. The Schedule is prepared on the accrual basis of accounting.

Federal Assistance Listing (FAL) numbers are presented for those programs for which such numbers are available. When FAL numbers are not available, then the three-digit program extension is identified as a U followed by a two digit number (e.g. U01, U02, etc.) Indirect agency award numbers are presented for those programs for which such numbers are available. If an indirect agency award number is not available, it is presented as N/A.

NOTE 2 INDIRECT COST RATE

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), requires submission of a Certificate of Facilities and Administrative (F&A) Costs (the Certificate) to an institution's cognizant agency. The Certificate is prepared by the Corporation and is used in negotiations with its cognizant agency, the Department of Health and Human Services (DHHS), in determining a rate at which the Corporation will be reimbursed for the F&A costs associated with the completion of sponsored research.

The Corporation receives reimbursement of F&A costs as part of the granting agreement at the rate negotiated either with DHHS or at special rates negotiated with the granting agency. The Corporation has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

In February 2018, DHHS approved F&A cost recovery rates effective from July 1, 2017, through June 30, 2019, of 47% for on-campus and 26% for off-campus research, and cost recovery effective July 1, 2019, through June 30, 2021, of 48% for on-campus and 26% for off-campus research. In July 2020, DHHS approved an extension of the F&A cost recovery rates through June 30, 2025.

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025**

NOTE 2 INDIRECT COST RATE (CONTINUED)

The F&A cost structure is as follows:

Rate Type	Effective Period		Negotiated Rate
	From	To	
Organized Research - On-Campus	July 1, 2019	June 30, 2025	48.00 %
Organized Research - Off-Campus	July 1, 2017	June 30, 2025	26.00
Instruction - On-Campus	July 1, 2017	June 30, 2025	48.80
Instruction - Off-Campus	July 1, 2017	June 30, 2025	26.00
Other Sponsored Activities - On-Campus	July 1, 2017	June 30, 2025	30.00
Other Sponsored Activities - Off-Campus	July 1, 2017	June 30, 2025	22.90

NOTE 3 SUBRECIPIENT EXPENDITURES

Subrecipient expenditures in the Schedule at June 30, 2025 include:

Federal Agency	Subrecipient	Federal ALN	Subrecipient Expenditures
Research and Development:			
Department of Defense	The University of Alabama i	12.431	\$ 290,245
Department of Defense	Auburn University	12.630	52,620
Department of Defense	Mississippi State Univ	12.630	66,926
Department of Defense	Tennessee Tech University	12.630	205,535
Department of Defense	Univ of Kentucky Research F	12.630	60,317
Appalachian Regional Commission	West Virginia University Re	23.011	30,476
Department of Education	WV State University	84.116Z	44,590
Department of Health and Human Services	Univ of Kentucky Research F	93.279	4,637
Department of Health and Human Services	Applied Research Foundation	93.859	248,574
Department of Health and Human Services	Texas A and M AgriLife Rese	93.859	146,793
Department of Health and Human Services	The University of Texas at	93.859	61,721
Department of Health and Human Services	West Liberty State Universi	93.859	197,130
Department of Health and Human Services	West Liberty University	93.859	66,406
Department of Health and Human Services	West Virginia State Univers	93.859	(566,103)
Department of Health and Human Services	West Virginia University Re	93.859	1,803,830
Department of Health and Human Services	WV School of Osteopathic Me	93.859	7,452
Department of Health and Human Services	WV Wesleyan College	93.859	103,278
Subtotal Research and Development			2,824,427

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025**

NOTE 3 SUBRECIPIENT EXPENDITURES (CONTINUED)

Federal Agency	Subrecipient	Federal ALN	Subrecipient Expenditures
Other Programs:			
Department of Commerce	Affiliated Construct	11.039	\$ 1,800
Department of Commerce	AmeriCarbon Products	11.039	7,680
Department of Commerce	Chemical Alliance Zone Inc	11.039	6,076
Department of Commerce	Development Capital and Fin	11.039	30,705
Department of Commerce	West Virginia Women Work	11.039	25,300
Department of Commerce	Wyoming County Economic Dev	11.039	1,232
Department of Justice	Mountwest Community and Tec	16.753	27,164
Department of Labor	Hope Nation Inc	17.280	20,193
Department of Labor	Mountwest Community and Tec	17.280	54,370
Department of Labor	West Virginia Women Work	17.289	103,837
Department of Labor	West Virginia Women Work	17.289	4,084
Appalachian Regional Commission	Kentucky Community and Tech	23.001	22,504
Appalachian Regional Commission	Mississippi State Univ	23.001	14,048
Appalachian Regional Commission	Tennessee Tech University	23.001	9,795
Appalachian Regional Commission	The University of Alabama i	23.001	50,000
Appalachian Regional Commission	WV State University	23.001	1,033
Appalachian Regional Commission	Circles Campaign of the Ohi	23.002	16,731
Appalachian Regional Commission	Unlimited Future Inc	23.002	15,336
Appalachian Regional Commission	West Virginia University Re	23.002	89,210
Department of Health and Human Services	Cabell Huntington Coalition	93.243	53,570
Department of Health and Human Services	Huntington City Mission	93.243	64,426
Department of Health and Human Services	Univ of Illinois	93.243	383
Department of Health and Human Services	West Virginia University Re	93.243	143,444
Department of Health and Human Services	WV School of Osteopathic Me	93.243	3,983
Department of Health and Human Services	Cabell Huntington Coalition	93.493	19,597
Department of Health and Human Services	Community Connections Inc	93.493	83,195
Department of Health and Human Services	Prestera Center for Mental	93.493	34,810
Department of Health and Human Services	BridgeValley Community and	93.788	6,534
Department of Health and Human Services	Community Connections Inc	93.788	81,849
Department of Health and Human Services	Prestera Center for Mental	93.788	15,220
Department of Health and Human Services	Seed Sower Inc	93.788	11,164
Department of Health and Human Services	Westbrook Health Services I	93.912	320,705
Subtotal Other Programs			1,339,978
Total All Subrecipient			\$ 4,164,405

NOTE 4 PASS-THROUGH AGENCY AWARD NUMBERS

The following table details all pass-through agency award numbers denoted as “various” in the Schedule:

Federal ALN/	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures
84.027A	WV Department of Education	GRTAWD04022300005100	\$ 35,635
84.027A	WV Department of Education	GRTAWD04022400002333	34,542
84.027A	WV Department of Education	GRTAWD04022400002334	83,220
84.027A	WV Department of Education	GRTAWD04022400002335	38,503
84.027A	WV Department of Education	GRTAWD04022400002821	9,752
84.027A	WV Department of Education	GRTAWD04022400004396	148,119
84.027A	WV Department of Education	GRTAWD04022500001770	113,751
84.027A	WV Department of Education	GRTAWD04022500001772	145,924
84.027A	WV Department of Education	GRTAWD04022500001774	69,246
84.027A	WV Department of Education	GRTAWD04022500001776	285,642
84.027A	WV Department of Education	GRTAWD04022500002403	34,827
Subtotal			999,161

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025**

NOTE 4 PASS-THROUGH AGENCY AWARD NUMBERS (CONTINUED)

ALN/ Contract Number	Indirect Agency	Indirect Agency Award Number	Federal Expenditures
84.173A	WV Department of Education	GRTAWD04022500000019	\$ 11,859
84.173A	WV Department of Education	GRTAWD04022400001939	23,012
84.173A	WV Department of Education	GRTAWD04022400002336	80,648
84.173A	WV Department of Education	GRTAWD04022400002368	8,765
84.173A	WV Department of Education	GRTAWD04022500001773	158,204
84.173A	WV Department of Education	GRTAWD04022500001776	160,805
84.173A	WV Department of Education	GRTAWD04022500003073	10,832
	Subtotal		<u>454,125</u>
93.243	WV Department of Education	GRTAWD04022300002590	33,006
93.243	WV Department of Education	GRTAWD04022400002837	43,754
93.243	WV Department of Education	GRTAWD04022400002838	2,047
93.243	WV Department of Education	GRTAWD04022400002840	25,460
93.243	WV Department of Education	GRTAWD04022400002841	17,149
93.243	WV Department of Education	GRTAWD04022500002754	159,913
93.243	WV Department of Education	GRTAWD04022500002756	74,014
93.243	WV Department of Education	GRTAWD04022500002757	47,781
93.243	WV Department of Education	GRTAWD04022500003097	10,683
	Subtotal		<u>413,807</u>
93.243	WV Department of Health and Human Resources	G220677	(284)
93.243	WV Department of Health and Human Resources	G221048	(2,038)
93.243	WV Department of Health and Human Resources	G230622	(2,658)
93.243	WV Department of Health and Human Resources	G240524	30,170
93.243	WV Department of Health and Human Resources	G250649	73,256
93.243	WV Department of Health and Human Resources	G250897	1,943
93.243	WV Department of Health and Human Resources	G251074	1,147
	Subtotal		<u>101,536</u>
93.556	WV Department of Health and Human Resources	G241014	1,835
93.556	WV Department of Health and Human Resources	G250064	595,506
	Subtotal		<u>597,341</u>
93.658	WV Department of Health and Human Resources	G220053	95,334
93.658	WV Department of Health and Human Resources	G230174	123,098
93.658	WV Department of Health and Human Resources	G241006	167,585
93.658	WV Department of Health and Human Resources	G250065	331,558
	Subtotal		<u>717,575</u>
93.659	WV Department of Health and Human Resources	G230174	49,803
93.659	WV Department of Health and Human Resources	G241006	50,595
93.659	WV Department of Health and Human Resources	G250065	120,220
	Subtotal		<u>220,618</u>
93.788	WV Department of Health and Human Resources	G230769	(37,320)
93.788	WV Department of Health and Human Resources	G240639	252,930
93.788	WV Department of Health and Human Resources	G240682	78,084
93.788	WV Department of Health and Human Resources	G240739	390,666
93.788	WV Department of Health and Human Resources	G240746	67,423
93.788	WV Department of Health and Human Resources	G240778	192,270
93.788	WV Department of Health and Human Resources	G250763	376,499
93.788	WV Department of Health and Human Resources	G250785	375,230
93.788	WV Department of Health and Human Resources	G250795	92,719
93.788	WV Department of Health and Human Resources	G250807	647,344
93.788	WV Department of Health and Human Resources	G250828	290,565
	Subtotal		<u>2,726,410</u>
93.958	WV Dept. of Health and Human Resources	G240495	37,422
93.958	WV Dept. of Health and Human Resources	G250676	80,827
93.958	WV Dept. of Health and Human Resources	G250688	59,391
93.958	WV Dept. of Health and Human Resources	G250688	12,792
	Subtotal		<u>190,432</u>
93.959	WV Dept. of Health and Human Resources	G220875	(10)
93.959	WV Dept. of Health and Human Resources	G230919	21,430
93.959	WV Dept. of Health and Human Resources	G231046	(125)
93.959	WV Dept. of Health and Human Resources	G240612	55,088
93.959	WV Dept. of Health and Human Resources	G240918	92,238
93.959	WV Dept. of Health and Human Resources	G250722	67,151
	Subtotal		<u>235,772</u>
	Total		<u>\$ 6,656,777</u>



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

Board of Directors
Marshall University Research Corporation
(A Blended Component Unit of Marshall University)
Huntington, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Marshall University Research Corporation, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Marshall University Research Corporation's basic financial statements, and have issued our report thereon dated October 13, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

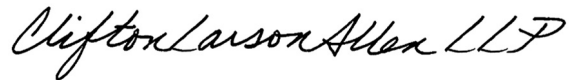
Board of Directors
Marshall University Research Corporation
(A Blended Component Unit of Marshall University)

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 13, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER
COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Marshall University Research Corporation
(A Blended Component Unit of Marshall University)
Huntington, West Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Marshall University Research Corporation's 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 each of Marshall University Research Corporation's major federal programs for the year ended June 30, 2025. Marshall University Research Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each 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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Marshall University Research Corporation 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 each major federal program. Our audit does not provide a legal determination of Marshall University Research Corporation'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 and provisions of contracts or grant agreements applicable to Marshall University Research Corporation's federal programs.

Auditors' 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 Marshall University Research Corporation'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 Marshall University Research Corporation's compliance with the requirements of each 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 Marshall University Research Corporation'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 Marshall University Research Corporation'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 Marshall University Research Corporation'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.

Report on Internal Control Over Compliance

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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

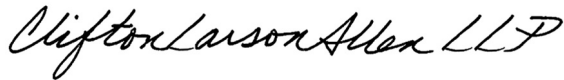
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely 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.

Board of Directors
Marshall University Research Corporation
(A Blended Component Unit of Marshall University)

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

We have audited the financial statements of the business-type activities of Marshall University Research Corporation as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Marshall University Research Corporation's basic financial statements. We have issued our report thereon, dated October 13, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
March 26, 2026

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
93.493	Congressional Directives
93.788	Opioid STR
84.184	School Safety National Activities
11.307	Economic Adjustment Assistance
IDEA Cluster	
84.027	Special Education Grants to States
84.173	Special Education, State Personnel Development

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,265,776

Auditee qualified as low-risk auditee? _____ x yes _____ no

**MARSHALL UNIVERSITY RESEARCH CORPORATION
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with the Uniform Guidance (as defined in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards*).



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