

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2024 AND 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**MARSHALL UNIVERSITY RESEARCH CORPORATION  
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)  
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YEARS ENDED JUNE 30, 2024 AND 2023**

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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, 2024 and 2023, 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, 2024 and 2023, 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.

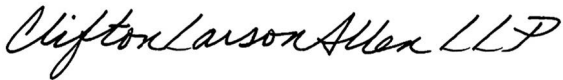
Board of Directors  
Marshall University Research Corporation  
(A Blended Component Unit of Marshall University)

***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 14, 2024, 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 14, 2024

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)  
MANAGEMENTS' DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED JUNE 30, 2024 AND 2023**

## **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, 2024, as compared to the previous fiscal year. Comparative analysis is also presented for fiscal year 2023 compared to fiscal year 2022.

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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*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, 2024, certain amounts are reserved for specific programs.

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

	2024	2023	2022
Assets:			
Current Assets	\$ 38,941	\$ 28,104	\$ 26,061
Other Noncurrent Assets	21,009	30,325	29,770
Capital Assets, Net	15,298	11,522	10,694
Total Assets	75,248	69,951	66,525
Liabilities:			
Current Liabilities	19,584	23,589	20,514
Noncurrent Liabilities	845	940	1,275
Total Liabilities	20,429	24,529	21,789
Net Position:			
Net Investment in Capital Assets	14,383	10,714	9,409
Restricted:			
Nonexpendable	15,000	15,000	15,000
Expendable	20,721	19,550	18,678
Unrestricted	4,715	158	1,649
Total Net Position	54,819	45,422	44,736
Total Liabilities and Net Position	\$ 75,248	\$ 69,951	\$ 66,525

**Changes to Net Position**

The increase in net position of \$9,396,911 in FY2024 was due to an increase in grants exceeding the increase in operating expenditures. The increase in net position of \$685,681 in FY2023 was due to the increase in investment income, offset by the net operating loss.

The first component is the Corporation's equity in capital assets, which increased \$3,571,256 during FY2024 and increased \$1,289,590 during FY2023.

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, 2024 AND 2023**

Restricted expendable assets increased \$1,170,182 during FY2024 and increased \$785,144 during FY2023. 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 \$1,254,781 for FY2024 and \$1,297,854 for FY2023.

Finally, unrestricted net assets increased by \$4,557,564 for FY2024 and decreased by \$1,389,053 for FY2023 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)**

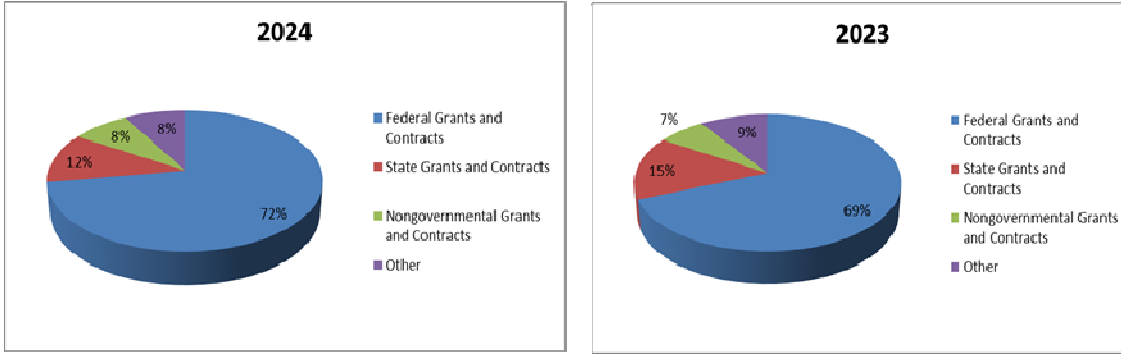
	2024	2023	2022
Operating Revenues	\$ 72,236	\$ 58,628	\$ 53,421
Operating Expenses	(66,245)	(60,845)	(50,748)
Operating Income (Loss)	5,991	(2,217)	2,673
Nonoperating Revenues (Expenses)	3,406	2,903	(2,477)
Increase in Net Position	9,397	686	196
Net Position - Beginning of Year	45,422	44,736	44,540
Net Position - End of Year	\$ 54,819	\$ 45,422	\$ 44,736



**MARSHALL UNIVERSITY RESEARCH CORPORATION  
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MANAGEMENTS' DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED JUNE 30, 2024 AND 2023**

**Revenues**

The following charts illustrate the composition of revenues by source for 2024 and 2023:



**Changes to Operating Revenues and Expenses**

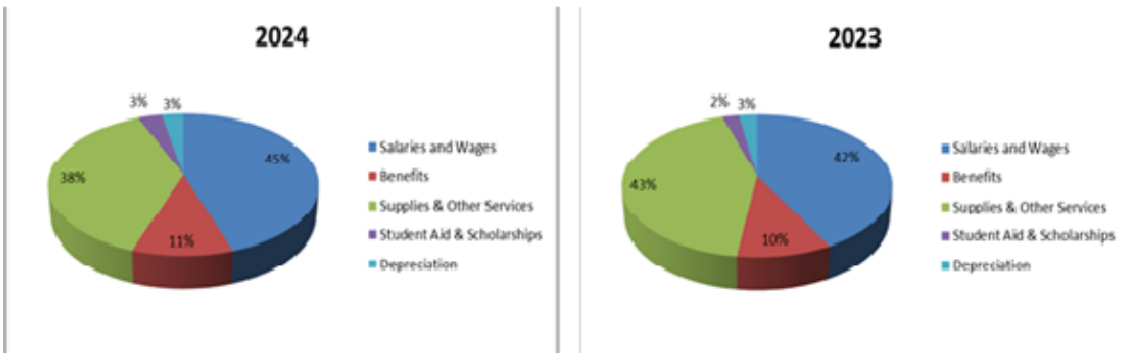
For FY2024, Operating Revenues were \$72,235,919, an increase of \$13,608,403 compared to FY2023. This is primarily the result of an increase in federal government grants and contracts totaling \$11,876,266.

For FY2023, Operating Revenues were \$58,627,516, an increase of \$5,206,509 compared to FY2022. This is primarily the result of an increase in government grants and contracts totaling \$3,556,751 and nongovernmental grants and contracts totaling 1,588,567.

There was no construction related grant revenue in either year.

**EXPENSES**

The following is a graphic comparison of total expenses by category between 2024 and 2023:



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

Operating Expenses were \$60,845,190 for FY2023 as compared to \$50,747,983 for FY2022, an increase of \$10,097,207.

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MANAGEMENTS' DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED JUNE 30, 2024 AND 2023**

**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>2024</u>	<u>2023</u>	<u>2022</u>
Cash Provided (Used) by:			
Operating Activities	\$ 3,103	\$ (1,781)	\$ 6,739
Capital and Related Financing Activities	(5,716)	(2,891)	(2,290)
Investing Activities	<u>12,550</u>	<u>2,580</u>	<u>417</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,937	(2,092)	4,866
Cash and Cash Equivalents - Beginning of Year	<u>5,803</u>	<u>7,895</u>	<u>3,029</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 15,740</u></u>	<u><u>\$ 5,803</u></u>	<u><u>\$ 7,895</u></u>

The increase in cash balance in 2024 is due to the investment assets converted to cash in June 2024.

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
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MANAGEMENTS' DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED JUNE 30, 2024 AND 2023**

**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**

FY 24 saw increasing revenue for the Marshall University Research Corporation through strong activity in State and Federal programs. Major areas of focus, such as Cybersecurity, Addiction and Recovery, Engineering and Health Sciences were major areas of growth.

During the year, several steps were taken to assure the Research Corporation's ability to support the University's growing grant enterprise:

- The Grant Development Department was created to provide grant identification, grant writing and project management resources to support faculty and multi-PI efforts.
- A separate research integrity office was established to insure research compliance and a new University-wide Research Misconduct policy was adopted.
- Pre-award activities were integrated with Grant Development to provide a seamless effective service platform.
- The Cayuse grants management system was implemented to improve grant development, approval and submission.

The University continued to invest to grow research and innovation as well:

- It made effective use of its Bucks for Brains endowments to support research, and
- Engaged the faculty involved in the new Marshall Health Network with a partnership with InterMed Labs, a medical innovation studio.
- The College of Engineering and Computer Science initiated its Ph.D. program, which will further enable research and contract activity in rapidly growing areas.

Marshall University is poised for research growth, and the Research Corporation is ready to support and enhance that growth

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

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
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MANAGEMENTS' DISCUSSION AND ANALYSIS (UNAUDITED)  
YEARS ENDED JUNE 30, 2024 AND 2023**

The Center of Excellence for Recovery continued its important work on substance use disorder for the region with the following awards:

- \$3 million grant from the Health Resources and Services Administration's (HRSA) Rural Communities Opioid Response Program. This grant aims to address the pressing issue of opioid use in rural West Virginia by expanding access to Medications for Opioid Use Disorder (MOUD) and support services.
- \$1 million to examine the experiences of transitional-aged youth (TAY) from their own perspective, using both quantitative and qualitative methods to provide a comprehensive view of the diverse pathways that lead to independence.
- \$500,000 from SAMHSA (Substance Abuse and Mental Health Services Administration) to develop and implement training on mental health and substance use disorder awareness in communities throughout the following West Virginian counties: Boone, Cabell, Clay, Kanawha, Lincoln, Logan, Mason, Mingo, Putnam and Wayne.

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, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 15,740,970	\$ 5,803,493
Grants and Contracts Receivable - Net of Allowance of \$1,560,619 for 2024 and \$2,245,684 for 2023	22,529,610	21,660,454
Other Accounts Receivable	218,252	14,727
Prepaid Expenses	451,645	625,308
Total Current Assets	38,940,477	28,103,982
Noncurrent Assets:		
Investments	21,009,281	30,119,543
Capital Assets, Net	15,298,367	11,727,111
Total Noncurrent Assets	36,307,648	41,846,654
 Total Assets	 \$ 75,248,125	 \$ 69,950,636
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 3,638,558	\$ 4,769,147
Accrued Liabilities	1,779,920	1,554,541
Notes Payable - Current Portion	161,018	161,018
Lease Liability - Current Portion	108,072	160,683
Compensated Absences	1,202,052	1,073,141
Unearned Revenue	12,694,827	15,870,336
Total Current Liabilities	19,584,447	23,588,866
Noncurrent Liabilities:		
Notes Payable	481,069	644,072
Lease Liability	164,990	47,285
Unearned Rent Revenue	198,821	248,526
Total Noncurrent Liabilities	844,880	939,883
Total Liabilities	20,429,327	24,528,749
<b>NET POSITION</b>		
Net Investment in Capital Assets	14,383,216	10,714,051
Restricted for:		
Nonexpendable	15,000,000	15,000,000
Expendable - Sponsored Projects	20,720,563	19,550,381
Unrestricted	4,715,019	157,455
Total Net Position	54,818,798	45,421,887
 Total Liabilities and Net Position	 \$ 75,248,125	 \$ 69,950,636

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, 2024 AND 2023**

	2024	2023
<b>OPERATING REVENUES</b>		
Contracts and Grants:		
Federal	\$ 52,266,043	\$ 40,389,777
State	8,301,919	8,772,073
Private and Local	5,686,371	3,911,443
Program Income	1,254,781	1,297,854
Miscellaneous	4,726,805	4,256,369
Total Operating Revenues	72,235,919	58,627,516
<b>OPERATING EXPENSES</b>		
Salaries and Wages	29,717,846	25,692,997
Benefits	6,958,093	6,016,282
Supplies and Other Services	25,254,532	26,019,553
Utilities	173,656	216,777
Student Financial Aid - Scholarships and Fellowships	2,128,360	1,339,119
Depreciation and Amortization	2,012,553	1,560,462
Total Operating Expenses	66,245,040	60,845,190
<b>NET OPERATING INCOME (LOSS)</b>	5,990,879	(2,217,674)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income (Loss) - Including Unrealized Gain (Loss) of \$2,336,773 for 2024 and (\$6,671,092) for 2023	3,440,419	2,929,517
Interest on Indebtedness	(24,837)	(36,454)
PPP Loan Forgiveness	-	-
Gain (Loss) on Disposal of Equipment	(9,550)	10,292
Nonoperating Revenues, Net	3,406,032	2,903,355
<b>INCREASE IN NET POSITION</b>	9,396,911	685,681
Net Position - Beginning of Year	45,421,887	44,736,206
<b>NET POSITION - END OF YEAR</b>	\$ 54,818,798	\$ 45,421,887

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, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Contracts and Grants	\$ 62,894,733	\$ 50,284,975
Payment to and on Behalf of Employees	(36,225,401)	(31,741,474)
Payments to Suppliers	(27,196,293)	(24,272,672)
Payments for Utilities	(173,652)	(216,777)
Payments from Scholarship and Fellowships	(2,128,360)	(1,339,119)
Program Income	1,254,781	1,297,854
Other Receipts, Net	4,677,095	4,206,661
Net Cash Provided (Used) by Operating Activities	3,102,903	(1,780,552)
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Payments on Notes Payable	(163,003)	(161,018)
Purchases of Capital Assets	(5,364,901)	(2,509,488)
Proceeds from Sale of Capital Assets	36,000	12,500
Interest Paid on Notes Payable	(17,825)	(26,426)
Interest Paid on Leases	(7,011)	(10,028)
Principal Payments on Leases	(199,363)	(196,702)
Net Cash Used by Capital Financing Activities	(5,716,103)	(2,891,162)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(23,441,451)	(15,890,524)
Sales/Maturities of Investments	35,438,126	17,878,068
Investment Income	554,002	592,384
Net Cash Provided by Investing Activities	12,550,677	2,579,928
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	9,937,477	(2,091,786)
Cash and Cash Equivalents - Beginning of Year	5,803,493	7,895,279
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 15,740,970	\$ 5,803,493

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, 2024 AND 2023**

	2024	2023
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Net Operating Income (Loss)	\$ 5,990,879	\$ (2,217,674)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	2,012,553	1,560,462
Changes in Assets and Liabilities:		
Accounts Receivable, Net	(1,072,682)	(3,873,662)
Prepaid Expenses	173,663	(261,418)
Accounts Payable	(1,130,586)	2,207,465
Accrued Liabilities	225,379	(48,114)
Unearned Revenue	(3,175,509)	845,530
Unearned Rent Revenue	(49,705)	(49,705)
Compensated Absences	128,911	56,564
Net Cash Provided (Used) by Operating Activities	\$ 3,102,903	\$ (1,780,552)
 <b>SUPPLEMENTAL DISCLOSURES OF NONCASH TRANSACTIONS</b>		
Acquisition of Right-of-Use Assets Under Lease Arrangements	\$ 264,457	\$ 60,812
Loss on Disposal of Equipment	\$ 45,550	\$ 2,208
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ 18,975	\$ 27,575

See accompanying Notes to Financial Statements.



**MARSHALL UNIVERSITY RESEARCH CORPORATION**  
**(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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.

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**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.

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**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, 2024 and 2023.

**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 Corporation accounts for compensated absences in accordance with the provisions of GASB. GASB requires entities to accrue for employees' rights to receive compensation for vacation leave, or payments in lieu of accrued vacation, as these benefits are earned and payment becomes probable.

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
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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.

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
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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.

**NOTE 2 CASH AND CASH EQUIVALENTS**

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

	<u>2024</u>	<u>2023</u>
Money Market and Cash Equivalents	\$ 15,732,618	\$ 5,795,141
In Bank	8,352	8,352
Total	<u>\$ 15,740,970</u>	<u>\$ 5,803,493</u>

The carrying amount of cash in bank at June 30, 2024 and 2023, 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.

At June 30, 2024 and 2023, \$10,531,353 and \$1,444,199, respectively, 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. In addition, TIAA-CREF Trust Company, FSB (TIAA Trust) sets aside collateral as security for any amount that exceeds \$250,000 in cash. The market value of the collateral must at all times equal or exceed the amount of the uninsured fiduciary funds as mandated by regulation 12 CFR 150.310.

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
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**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

Cash equivalents totaling \$5,201,265 and \$4,350,944, compared with bank balances of \$8,213,631 and \$6,316,472 at June 30, 2024 and 2023, respectively, are held in a business checking account collateralized at 163% and 117%, 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:

	2024	2023
Corporate Bonds	\$ -	\$ 2,890,559
Supranational Bonds	-	179,035
Equity Mutual Funds	20,060,352	19,348,397
Fixed Income Mutual Funds	948,929	1,691,867
U.S. Government Agency Obligations	-	363,889
U.S. Treasury Obligations	-	5,645,796
Total Investments	\$ 21,009,281	\$ 30,119,543

**Credit Risk**

The U.S. Government Agency Obligations, U.S. Treasury Obligations, and Supranational Bonds held by the Corporation have an average maturity of 4.6 and 3.8 years at June 30, 2024 and 2023, respectively. At June 30, 2024 and 2023, the Corporation's investment in U.S. Government Agency Obligations and U.S. Treasury Obligations were AA+ by S&P and Aaa by Moody's.

The Corporate Bonds held at June 30, 2024, have S&P ratings ranging from AA+ to BBB and Moody's ratings ranging from Aaa to Baa2. The Corporate Bonds held at June 30, 2023, had S&P ratings ranging from AAA to BBB and Moody's ratings ranging from Aaa to Baa3.

**Concentration of Credit Risk**

The Corporation's investment policy (not approved by the board of directors as of June 30, 2024 and 2023) 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:

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

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**NOTE 3 INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk (Continued)**

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

	2024		2023
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		4,458,431
TIAA-CREF Large-Cap Value Index Fund	4,298,836		3,802,672
Harding Loevner Institutional Emerging Markets	** -		1,837,424
iShares Core MSCI EAFE	4,593,826		5,084,505
DFA Inflation Protected Securities Portfolio	** -		1,691,867
iShares Russell Mid-Cap Value	1,391,166		1,960,424
Total	\$ 18,896,994		\$ 18,835,323

\*Represents less than 5% of assets at June 30, 2023

\*\*Represents \$0 balance at June 30, 2024 and 2023

**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.

	2024			Total
	Level 1	Level 2	Level 3	
Corporate Bonds	\$ -	\$ -	\$ -	\$ -
Supranational Bonds	-	-	-	-
Equity Mutual Funds	20,060,352	-	-	20,060,352
Fixed Income Mutual Funds	948,929	-	-	948,929
U.S. Government Agency Obligations	-	-	-	-
U.S. Treasury Obligations	-	-	-	-
Total Investments	<u>\$ 21,009,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,009,281</u>

	2023			Total
	Level 1	Level 2	Level 3	
Corporate Bonds	\$ -	\$ 2,890,559	\$ -	\$ 2,890,559
Supranational Bonds	-	179,035	-	179,035
Equity Mutual Funds	19,348,397	-	-	19,348,397
Fixed Income Mutual Funds	1,691,867	-	-	1,691,867
U.S. Government Agency Obligations	-	363,889	-	363,889
U.S. Treasury Obligations	-	5,645,796	-	5,645,796
Total Investments	<u>\$ 21,040,264</u>	<u>\$ 9,079,279</u>	<u>\$ -</u>	<u>\$ 30,119,543</u>

**NOTE 5 CAPITAL ASSETS**

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

	2024			Balance - End of Year
	Balance - Beginning of Year	Additions	Reductions	
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	<u>34,781,911</u>	<u>5,364,900</u>	<u>(695,240)</u>	<u>39,451,571</u>
Less: Accumulated Depreciation and Amortization:				
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 and Amortization	<u>23,054,800</u>	<u>1,813,391</u>	<u>(714,987)</u>	<u>24,153,204</u>
Capital Assets, Net	<u>\$ 11,727,111</u>	<u>\$ 3,551,509</u>	<u>\$ 19,747</u>	<u>\$ 15,298,367</u>



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**NOTE 5 CAPITAL ASSETS (CONTINUED)**

	2023			
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year
Capital Assets:				
Building	\$ 4,932,619	\$ -	\$ -	\$ 4,932,619
Equipment	27,980,550	2,509,488	(1,168,851)	29,321,187
Right to Use Leased Assets	441,949	86,156	-	528,105
Total Capital Assets	<u>33,355,118</u>	<u>2,595,644</u>	<u>(1,168,851)</u>	<u>34,781,911</u>
Less: Accumulated Depreciation:				
Building	1,257,817	98,652	-	1,356,469
Equipment	21,257,887	1,284,054	(1,166,643)	21,375,298
Right to Use Leased Assets	145,277	177,756	-	323,033
Total Accumulated Depreciation	<u>22,660,981</u>	<u>1,560,462</u>	<u>(1,166,643)</u>	<u>23,054,800</u>
Capital Assets, Net	<u>\$ 10,694,137</u>	<u>\$ 1,035,182</u>	<u>\$ (2,208)</u>	<u>\$ 11,727,111</u>

**NOTE 6 LONG-TERM LIABILITIES**

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

	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	298,231	-	(49,705)	248,526	49,705
Lease Liabilities	207,968	264,457	(199,363)	273,062	108,072
Total Long-Term Liabilities	<u>\$ 1,311,289</u>	<u>\$ 264,457</u>	<u>\$ (412,071)</u>	<u>\$ 1,163,675</u>	<u>\$ 318,795</u>
	2023				
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Current Portion
Notes Payable	\$ 966,108	\$ -	\$ (161,018)	\$ 805,090	\$ 161,018
Unearned Rent	347,936	-	(49,705)	298,231	49,705
Lease Liabilities	147,156	60,812	-	207,968	160,683
Total Long-Term Liabilities	<u>\$ 1,461,200</u>	<u>\$ 60,812</u>	<u>\$ (210,723)</u>	<u>\$ 1,311,289</u>	<u>\$ 371,406</u>

**MARSHALL UNIVERSITY RESEARCH CORPORATION**  
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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, 2024:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 161,018
2027	161,018
2028	161,018
2029	159,033
Total	<u>\$ 642,087</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.

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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 January 2025 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>
2025	\$ 161,018	\$ 12,217	\$ 173,235
2026	87,424	6,932	94,356
2027	77,566	1,743	79,309
Total	<u>\$ 326,008</u>	<u>\$ 20,892</u>	<u>\$ 346,900</u>

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

Buildings	\$ 160,385
Equipment	281,511
Less: Accumulated Amortization	<u>(171,528)</u>
Total	<u>\$ 270,368</u>

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**NOTE 9 RELATED-PARTY TRANSACTIONS**

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

	2024	2023
Statement of Net Position Balances:		
Advances Receivable	\$ 250,000	\$ 250,000
Due from the University	252,178	1,256,084
Due to the University	936,879	664,660
Statement of Revenues, Expenses, and Changes in Net Position Transactions:		
Grants and Contracts Revenue	2,321,061	2,961,893
Other Sources of Revenue	185,106	127,176
Payroll and Benefits Expense	7,508,678	6,944,947
Other Expenses	1,478,019	1,513,322

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, 2024. The rental includes \$15,000 per year for furniture located in the premises. Rent expense for the years ended June 30, 2024 and 2023, was \$90,276.

**NOTE 10 UNRESTRICTED COMPONENTS OF NET POSITION**

At June 30, 2024 and 2023, 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, 2024, 2023, and 2022, were \$2,774,500, \$2,363,890, and \$2,248,094, respectively, which consisted of \$1,339,521, \$1,130,808, and \$1,046,080, respectively, from the Corporation and \$1,434,979, \$1,233,172, and \$1,202,014, respectively, from employees.

The Corporation's total payroll for the years ended June 30, 2024, 2023, and 2022, was \$25,899,144, \$21,903,403, and \$19,478,605, respectively. Total covered employees' salaries in TIAA-CREF were \$22,233,855, \$18,798,917, and \$17,436,237 for the years ended June 30, 2024, 2023, and 2022, respectively.

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
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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:

	2024						
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation/ Amortization	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 and Amortization	-	-	-	-	-	2,012,553	2,012,553
Total	<u>\$ 29,717,846</u>	<u>\$ 6,958,093</u>	<u>\$ 25,254,532</u>	<u>\$ 173,656</u>	<u>\$ 2,128,360</u>	<u>\$ 2,012,553</u>	<u>\$ 66,245,040</u>

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
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**NOTE 14 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS (CONTINUED)**

	2023						
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 2,198,167	\$ 520,917	\$ 2,209,527	\$ 1,793	\$ 809,443	\$ -	\$ 5,739,847
Research	7,390,919	1,566,307	11,610,582	35,815	286,895	-	20,890,518
Public Service	11,802,782	2,920,647	7,420,667	70,050	100,172	-	22,314,318
Academic Support	111,769	30,542	92,857	400	50,600	-	286,168
Student Activities	477,254	120,828	362,673	8,308	84,125	-	1,053,188
General							
Institutional							
Support	3,712,106	857,041	4,323,247	100,411	7,884	-	9,000,689
Depreciation	-	-	-	-	-	1,560,462	1,560,462
Total	<u>\$ 25,692,997</u>	<u>\$ 6,016,282</u>	<u>\$ 26,019,553</u>	<u>\$ 216,777</u>	<u>\$ 1,339,119</u>	<u>\$ 1,560,462</u>	<u>\$ 60,845,190</u>

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
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YEAR ENDED JUNE 30, 2024**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
<b>RESEARCH AND DEVELOPMENT CLUSTER</b>						
<b>Department of Agriculture</b>						
Agricultural Research Service	D	10.001			\$ 39,430	\$ -
Specialty Crop Block Grant Program	I	10.170	Future Generations University Corporation	202112-552-APRCB-01	1,294	-
Total Department of Agriculture					40,724	-
<b>Department of Commerce</b>						
Economic Adjustment Assistance	I	11.307	Coalfield Development Corporation	01-79-15293	146,512	-
Total Department of Commerce					146,512	-
<b>Department of Defense</b>						
Basic Scientific Research	I	12.431	Civil-Military Innovation Institute	2022-ARL-TRACA-PP-MURC-001	1,386,488	599,819
Basic, Applied, & Advanced Research in Science/Engineering	D	12.630			1,045,042	601,552
Research and Technology Development	I	12.910	The Florida International Board of Trustees	800018648	29,834	-
Total Department of Defense					2,461,364	1,201,371
<b>Department of Housing and Urban Development</b>						
CDBG/State & Non-Entitlement Grants in Hawaii	I	14.228	WV Department of Economic Development	RPMTPLMID0017	74,812	-
CDBG/State & Non-Entitlement Grants in Hawaii	I	14.228	WV Department of Economic Development	RPMTPLNMID0018	53,677	-
		Subtotal 14.228			128,489	-
Total Department Housing and Urban Development					128,489	-
<b>Department of the Interior</b>						
U.S. Geological Survey Research & Data Collection	D	15.808			15,042	-
Total Department of the Interior					15,042	-
<b>Department of Justice</b>						
NIJ Research, Evaluation & Development Project Grants	I	16.560	RTI International	2-312-0218404-67091L	26,268	-
Congressionally Recommended Awards	D	16.753			220,993	-
Justice Reinvestment Initiative	I	16.827	West Virginia University	09-097QQQQ-MURC	75,692	-
Total Department of Justice					322,953	-
<b>Department of Labor</b>						
Occupational Safety & Health Susan Hardwood Training Grants	D	17.502			120,894	-
Occupational Safety & Health Susan Hardwood Training Grants	I	17.502	Texas A&M University	M2300713	23,211	-
		Subtotal 17.502			144,105	-
Brookwood-Sago Grant	D	17.603			10,008	-
Total Department of Labor					154,113	-
<b>Department of Transportation</b>						
Motor Carrier Safety Assistance	I	20.218	Texas A&M University	M2300432	9,286	-
National Infrastructure Investments	I	20.933	Engineering & Software Consultants	21-59	54,483	45,081
Total Department of Transportation					63,769	45,081
<b>Appalachian Regional Commission</b>						
Appalachian Research, Tech Assist & Demo Projects	D	23.011			323,159	3,727
Total Appalachian Regional Commission					323,159	3,727

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, 2024**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
<b>RESEARCH AND DEVELOPMENT CLUSTER (CONTINUED)</b>						
<b>National Aeronautics and Space Administration</b>						
Office of Stem Engagement	I	43.008	West Virginia University		\$ 18,804	\$ -
Office of Stem Engagement	I	43.008	West Virginia University	15-683-MURC-2	45,383	-
Office of Stem Engagement	I	43.008	West Virginia University	22-634-MURC	10,334	-
Office of Stem Engagement	I	43.008	West Virginia University	91-175C-MURC-2	149,640	-
		Subtotal 43.008			<u>224,161</u>	<u>-</u>
Total National Aeronautics and Space Administration					224,161	-
<b>National Science Foundation</b>						
Engineering	D	47.041			96,741	-
Mathematical and Physical Sciences	D	47.049			87,211	-
Computer and Information Science and Engineering	D	47.070			17,663	-
Computer and Information Science and Engineering	I	47.070	West Virginia University	21-395-MURC	21,034	-
		Subtotal 47.070			<u>38,697</u>	<u>-</u>
Biological Sciences	D	47.074			97,237	-
STEM Education	D	47.076			220,850	-
STEM Education	I	47.076	Fairmont State University	FSUOGSP-2023-04	12,529	-
STEM Education	I	47.076	Mountwest Community and Technical College	2202015 - DUE	132,229	-
STEM Education	I	47.076	University of Kentucky	3200002015-19-046	33,438	-
STEM Education	I	47.076	University of Kentucky	3200004325-22-133	39,259	-
STEM Education	I	47.076	University of Kentucky	3200004888-23-022	18,578	-
STEM Education	I	47.076	WV Higher Education Policy Commission	PO#24199	36,930	-
		Subtotal 47.076			<u>493,813</u>	<u>-</u>
Office of International Science and Engineering	D	47.079			39,966	-
Integrative Activities	I	47.083	WV Higher Education Policy Commission	NSF2023 TRACK1-002	1,448,713	-
Total National Science Foundation					<u>2,302,378</u>	<u>-</u>
<b>Department of Veterans Affairs</b>						
Research and Development	D	64.054			5,775	-
Total Department of Veterans Affairs					<u>5,775</u>	<u>-</u>
<b>Environmental Protection Agency</b>						
Brownfields Training, Research & Tech Assist Grants	I	66.814	West Virginia University	23-613-MURC	14,550	-
Total Environmental Protection Agency					<u>14,550</u>	<u>-</u>
<b>Department of Energy</b>						
State Energy Program	I	81.041	WV Office of Energy	23*3287	13,289	-
Office of Science Financial Assistance Program	D	81.049			(517)	-
Conservation Research and Development	I	81.086	WV Office of Energy	EE0009544	1,485	-
Clean Energy Demonstrations	I	81.255	WV Office of Energy	WV DOE MOU	45,071	-
Total Department of Energy					<u>59,328</u>	<u>-</u>
<b>Department of Education</b>						
Fund Improvement of Postsecondary Education	D	84.116Z			797,709	539,807
Total Department of Education					<u>797,709</u>	<u>539,807</u>

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, 2024**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
<b>RESEARCH AND DEVELOPMENT CLUSTER (CONTINUED):</b>						
<b>Department of Health and Human Services</b>						
Oral Diseases and Disorders Research	D	93.121			\$ 46,208	\$ -
National Center on Sleep Disorders Research	I	93.233	Board of Trustees of the University of Illinois	19983	2,984	-
Mental Health Research Grants	D	93.242			130,714	-
Alcohol Research Programs	D	93.273			222,290	-
Drug Use and Addiction Research Programs	D	93.279			943,917	47,489
Drug Use and Addiction Research Programs	I	93.279	Pennsylvania State University	MARUDA056764	2,695	-
Drug Use and Addiction Research Programs	I	93.279	University of Cincinnati	013764-00024	4,169	-
Drug Use and Addiction Research Programs	I	93.279	University of Cincinnati	013764-00037	259,816	-
Drug Use and Addiction Research Programs	I	93.279	University of Cincinnati	013764-00046	6,497	-
Drug Use and Addiction Research Programs	I	93.279	Yale School of Medicine	CON-80004801 (GR122531)	195,905	-
Drug Use and Addiction Research Programs	I	93.279	Yale School of Medicine	CON-80005034 (GR123651)	302	-
		Subtotal 93.279			1,413,301	47,489
Epidemiology and Laboratory Capacity for Infectious Diseases	I	93.323	WV Department of Health and Human Resources	G211058	437,661	-
Epidemiology and Laboratory Capacity for Infectious Diseases	I	93.323	WV Department of Health and Human Resources	G220332	56,051	-
Epidemiology and Laboratory Capacity for Infectious Diseases	I	93.323	WV Department of Health and Human Resources	G231006	229,134	-
Epidemiology and Laboratory Capacity for Infectious Diseases	I	93.323	WV Department of Health and Human Resources		261,224	-
		Subtotal 93.323			984,070	-
Cancer Cause and Prevention Research	D	93.393			178,960	-
Cancer Control	I	93.399	ECOG-ACRIN Medical Research Foundation, Inc	UG1CA189828-09-MURC1	13,320	-
Cardiovascular Diseases Research	D	93.837			12,681	-
Cardiovascular Diseases Research	I	93.837	Medical College of Wisconsin	1R01HL164460-01A1	93,455	-
Cardiovascular Diseases Research	I	93.837	The Curators of the University of Missouri	C00081507-1	15,087	-
		Subtotal 93.837			121,223	-
Blood Diseases and Resources Research	D	93.839			346,378	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	D	93.847			853,840	-
Extramural Neuroscience & Neurological Disorders Research	D	93.853			32,889	-
Extramural Neuroscience & Neurological Disorders Research	I	93.853	Virginia Commonwealth University	FP00017404_SA001	6,262	-
		Subtotal 93.853			39,151	-
Allergy and Infectious Diseases Research	D	93.855			120,605	-
Biomedical Research and Research Training	D	93.859			5,491,481	2,118,286
Biomedical Research and Research Training	I	93.859	West Virginia University	12-303-MURC-2	1,023,488	-
COVID-19 - Biomedical Research and Research Training	I	93.859	West Virginia University	12-303H-MURC	(289)	-
Biomedical Research and Research Training	I	93.859	University of Kentucky Research Foundation	3200003706-21-166	(723)	-
		Subtotal 93.859			6,513,957	2,118,286
Total Department of Health and Human Services					10,987,001	2,165,775
Subtotal Research and Development Cluster					18,047,027	3,955,761

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
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YEAR ENDED JUNE 30, 2024**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
<b>OTHER PROGRAMS</b>						
<b>Department of Agriculture</b>						
Rural Business Development Grant	D	10.351			\$ 292,737	\$ -
Supplemental Nutrition Assistance Program	I	10.561	West Virginia University	14-895-MURC-7	142,010	-
Supplemental Nutrition Assistance Program	I	10.561	West Virginia University		361,074	-
		Subtotal 10.561			<u>503,084</u>	<u>-</u>
Total Department of Agriculture					795,821	-
<b>Department of Commerce</b>						
Regional Technology and Innovation Hubs	I	11.039	Allegheny Science & Technology	WV-AEIM-1082-001-07	8,845	-
Economic Development Technical Assistance	D	11.303			134,629	-
Economic Adjustment Assistance	D	11.307			118,604	-
COVID-19 - Economic Adjustment Assistance	D	11.307			(1,496)	-
Economic Adjustment Assistance	I	11.307	Advantage Valley Inc	EDA #01-79-1512	47,691	-
Economic Adjustment Assistance	I	11.307	Coalfield Development Corporation	GROW Now - MURC	103,789	-
Economic Adjustment Assistance	I	11.307	Generation West Virginia Inc		155,619	-
Economic Adjustment Assistance	I	11.307	West Virginia Community Development Hub Inc		239,488	-
		Subtotal 11.307			<u>663,695</u>	<u>-</u>
Total Department of Commerce					807,169	-
<b>Department of Defense</b>						
Community Investment	I	12.600	Catalyst Connection	CATALYST-21-018	48,996	-
Community Investment	I	12.600	University of Tennessee	A22-0469-S003	26,723	-
		Subtotal 12.600			75,719	-
GenCyber Grants Program	D	12.903			50,008	-
Total Department of Defense					<u>125,727</u>	<u>-</u>
<b>Department of Housing and Urban Development</b>						
CDBG/State & Non-Entitlement Grants in Hawaii	I	14.228	WV Department of Economic Development	AMA DEV2300000003	325,484	-
Total Department of Housing and Urban Development					<u>325,484</u>	<u>-</u>
<b>Department of Interior</b>						
Historic Preservation Fund Grants-In-Aid	D	15.904			6,799	-
Total Department of Interior					<u>6,799</u>	<u>-</u>
<b>Department of Justice</b>						
Juvenile Justice and Delinquency Prevention	I	16.540	WV Division of Administrative Services	23-1804	27,267	-
Juvenile Justice and Delinquency Prevention	I	16.540	WV Division of Administrative Services	22-JJP-05	19,450	-
		Subtotal 16.540			46,717	-
NIJ Research, Evaluation & Development Project Grants	I	16.560	WV Division of Criminal Justice Services	20-SAKI-001	22,788	-
Congressionally Recommended Awards	D	16.753			731,753	-
Second Chance Act Reentry Initiative	I	16.812	Lifehouse WV	2019-CY-BX-001	4,749	-
Second Chance Act Reentry Initiative	I	16.812	Lifehouse WV	2020-RC-BX-003	36,745	-
		Subtotal 16.812			41,494	-
Comprehensive Opioid, Stimulant & Substance Use Program	I	16.838	WV Department of Health and Human Resources	G230897	25,511	-
Comprehensive Opioid, Stimulant & Substance Use Program	I	16.838	WV Department of Health and Human Resources	G240706	6,353	-
		Subtotal 16.838			31,864	-
STOP School Violence	I	16.839	WV Department of Education	GRTAWD04022100006008	82,620	-
Opioid Affected Youth Initiative	D	16.842			169,925	-
Total Department of Justice					<u>1,127,161</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
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YEAR ENDED JUNE 30, 2024**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
<b>OTHER PROGRAMS (CONTINUED)</b>						
<b>Department of Labor</b>						
WIOA Dislocated Worker National Reserve Demonstration Grants	D	17.280			\$ 513,967	\$ 144,883
Community Project Funding/Congressionally Directed Spending	D	17.289			1,140,873	79,624
Community Project Funding/Congressionally Directed Spending	I	17.289	WV Higher Education Policy Commission	24*3361	662	-
		Subtotal 17.289			1,141,535	-
Safety and Health Grants	D	17.604			20,700	-
Total Department of Labor					1,676,202	224,507
<b>Department of Transportation</b>						
Motor Carrier Safety Assistance High Priority Grants	D	20.237			106,072	-
Total Department of Transportation					106,072	-
<b>Appalachian Regional Commission</b>						
Appalachian Regional Development	D	23.001			448,801	952
Appalachian Regional Development	I	23.001	Cabell Huntington Hospital Foundation	IS-20789-22	22,201	-
Appalachian Regional Development	I	23.001	Region 2 Planning and Development Council	ARC AV1	436,693	-
		Subtotal 23.001			907,695	952
Appalachian Area Development	D	23.002			770,207	454,454
Appalachian Area Development	I	23.002	Lawrence Economic Development Corporation	PW-20831	22,254	20,231
Appalachian Area Development	I	23.002	The EdVenture Group Inc		5,443	-
Appalachian Area Development	I	23.002	WV Regional Technology Park Corp	PWR-MURC	200,466	-
		Subtotal 23.002			998,370	474,685
Total Appalachian Regional Commission					1,906,065	475,637
<b>National Endowment for the Humanities</b>						
Promotion of the Humanities Federal/State Partnership	I	45.129	WV Humanities Council	Various	18,969	-
Humanities Teaching & Learning Resources Grants	I	45.162	The Teagle Foundation	2005571	22,763	-
Total National Endowment for the Humanities					41,732	-
<b>Small Business Administration</b>						
Congressional Grants	D	59.059			1,270,023	-
Total Small Business Administration					1,270,023	-
<b>Environmental Protection Agency</b>						
Brownfields Multipurpose, Assessment, RLF & Cleanup Grants	D	66.818			68	-
Total Environmental Protection Agency					68	-
<b>Department of Education:</b>						
Title I State Agency Program for Neglected & Delinquent Youth	D	84.013A			80,239	-
Special Education Grants to States	I	84.027	WV Department of Education	GRTAWD04021800002272	(328)	-
Special Education Grants to States	I	84.027	WV Department of Education	GRTAWD04022200002097	36,802	-
		Subtotal 84.027			36,474	-
Special Education Grants to States	I	84.027A	WV Department of Education	Various	928,886	-
TRIO Student Support Services	D	84.042A			362,222	-
TRIO Talent Search	D	84.044A			663,290	-
TRIO Upward Bound	D	84.047A			444,304	-
TRIO Educational Opportunity Centers	D	84.066A			225,857	-
		TRIO Cluster Subtotal			1,695,673	-

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, 2024**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
<b>OTHER PROGRAMS (CONTINUED):</b>						
<b>Department of Education (Continued):</b>						
Indian Education Grants to Indian Controlled Schools	I	84.072A	WV Department of Education	GRTAWD04022400001938	\$ 682	\$ -
Special Education - State Personnel Development	I	84.173A	WV Department of Education	Various	285,775	-
School Safely National Activities	D	84.184			1,157,642	-
Special Ed Personnel Dev. for Children with Disabilities	D	84.325			238,067	-
Special Ed Tech Assist & Dissemination Grants	I	84.326T	WV Department of Education	GRTAWD04022400002370	21,424	-
Delented	I	84.344S	WV Higher Education Policy Commission	FY23-GU-MU 1	10,223	-
Delented	I	84.344S	WV Higher Education Policy Commission	FY24-GU-MU 1	19,662	-
		Subtotal 84.344S			29,885	-
English Language Acquisition State Grants	I	84.365	WV Department of Education	MOU	45,558	-
COVID - 19 - Education Stabilization Fund	I	84.425U	WV Department of Education	GRTAWD04022200003224	102,000	-
COVID - 19 - Education Stabilization Fund	I	84.425U	WV Department of Education	GRTAWD04022200005961	221,414	-
		Subtotal 84.425U			323,414	-
Total Department of Education					4,843,719	-
<b>Department of Health and Human Services</b>						
Enhance Safety of Children Affected by Substance Abuse	I	93.087	Prestera Center for Mental Health Services		33,045	-
Advancing System Improvements for Key Issues in Women's Health	I	93.088	The Hektoen Institute for Medical Research	1332-324-MARSHALL	92,717	-
Food and Drug Administration	I	93.103	West Virginia University		1,251	-
Community Mental Health Services for Children with SED	I	93.104	WV Department of Health and Human Resources	G220732	300,000	-
Injury Prevention Research & Community Programs	I	93.136	WV Department of Health and Human Resources	G231032	265,061	221,875
Rural Health Research Centers	D	93.155			341,487	-
Graduate Psychology Education	D	93.191			426,903	-
Substance Abuse & Mental Health Projects (Regional & National)	D	93.243			1,190,035	269,318
Substance Abuse & Mental Health Projects (Regional & National)	I	93.243	City of Huntington	MURC-1	144,867	-
Substance Abuse & Mental Health Projects (Regional & National)	I	93.243	Prestera Center for Mental Health Services		103,431	-
Substance Abuse & Mental Health Projects (Regional & National)	I	93.243	WV Department of Education	Various	471,296	90,114
Substance Abuse & Mental Health Projects (Regional & National)	I	93.243	WV Department of Health and Human Resources	Various	147,634	-
		Subtotal 93.243			2,057,263	359,432
Advanced Nursing Education Workforce Grant	D	93.247			265,208	-
Early Hearing Detection and Intervention	I	93.251	WV Department of Health and Human Resources	G220841	6,448	-
Immunization Cooperative Agreements	I	93.268	WV Department of Health and Human Resources	G221090	79,510	-
Viral Hepatitis Prevention and Control	I	93.270	WV Department of Health and Human Resources	G231094	109,653	53,166
Drug-Free Communities Support Program Grants	D	93.276			53,069	-
COVID-19 - Epidemiology & Lab Capacity for Infectious Diseases (ELC)	I	93.323	WV Department of Health and Human Resources	G221069	212,752	-
COVID-19 - Support STLT Health Dept. Response to Crises	I	93.391	WV Department of Health and Human Resources	G220909	57,827	-
COVID-19 - Support STLT Health Dept. Response to Crises	I	93.391	WV Department of Health and Human Resources	G221086	20,018	-
		Subtotal 93.391			77,845	-
Strengthening Public Health via National Partnerships	I	93.421	National Association of Chronic Disease Directors	220236	4,029	-
The National Cardiovascular Health Program	I	93.426	WV Department of Health and Human Resources	G230354	(3,933)	-

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, 2024**

Federal Agency	Source	Federal Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Award Number	Federal Expenditures	Passed Through to Subrecipients
<b>OTHER PROGRAMS (CONTINUED):</b>						
<b>Department of Health and Human Services (Continued):</b>						
	D	93.493			\$ 3,199,669	\$ 256,804
Congressional Directives	I	93.527	Big Sandy Health Care Inc	Q8MCS49137	16,172	-
Grants for New and Expanded Services under Health Center Program	I	93.556	WV Department of Health and Human Resources	Various	1,169,048	-
Social Services Research and Demonstration	D	93.647			415,851	20,264
Foster Care Title IV-E	I	93.658	WV Department of Health and Human Resources	G241006	117,971	-
Adoption Assistance	I	93.659	WV Department of Health and Human Resources	G230174	92	-
Adoption Assistance	I	93.659	WV Department of Health and Human Resources	G241006	18,523	-
					18,615	-
Opioid STR	I	93.788	WV Department of Health and Human Resources	Various	3,498,630	286,350
Primary Care Training and Enhancement	D	93.884			262,793	-
Cancer Prevention & Control for State, Territorial & Tribal Orgs	I	93.898	WV Department of Health and Human Resources	G241048	76,338	-
Rural Health Outreach & Network Development	D	93.912			290,735	135,394
Rural Health Outreach & Network Development	I	93.912	Prestera Center for Mental Health		220,495	-
Rural Health Outreach & Network Development	I	93.912	WV Perinatal Partnership Inc	RMOM	23,105	-
					534,335	-
Block Grants for Community Mental Health Services	I	93.958	WV Department of Health and Human Resources	Various	1,149,951	-
Block Grants for Prevention and Treatment of Substance Abuse	I	93.959	Prestera Center for Mental Health		36,064	-
Block Grants for Prevention and Treatment of Substance Abuse	I	93.959	WV Department of Health and Human Resources	Various	420,458	-
		Subtotal 93.959			456,522	-
Preventive Health and Health Services Block Grant	I	93.991	WV Department of Health and Human Resources	G231005	22,403	-
Maternal & Child Health Services Block Grant to the States	I	93.994	WV Department of Health and Human Resources		78,178	-
Total Department of Health and Human Services					15,338,784	1,333,285
Subtotal Other Programs					28,370,826	2,033,429
Total Federal Expenditures					\$ 46,417,853	\$ 5,989,190

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, 2024**

**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, 2024, 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 percent 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, 2024.

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2024**

**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, 2024	48.00 %
Organized Research - Off-Campus	July 1, 2017	June 30, 2024	26.00
Instruction - On-Campus	July 1, 2017	June 30, 2024	48.80
Instruction - Off-Campus	July 1, 2017	June 30, 2024	26.00
Other Sponsored Activities - On-Campus	July 1, 2017	June 30, 2024	30.00
Other Sponsored Activities - Off-Campus	July 1, 2017	June 30, 2024	22.90

**NOTE 3 SUBRECIPIENT EXPENDITURES**

Subrecipient expenditures in the Schedule at June 30, 2024 include:

Federal Agency	Subrecipient	Federal ALN	Subrecipient Expenditures
Research and Development:			
Department of Defense	Howard University	12.431	\$ 54,000
Department of Defense	The University of Alabama	12.431	434,579
Department of Defense	West Virginia University	12.431	111,240
Department of Defense	Auburn University	12.630	47,876
Department of Defense	FDH Infrastructure Services	12.630	342,820
Department of Defense	Mississippi State Univ	12.630	47,640
Department of Defense	Tennessee Tech University	12.630	114,922
Department of Defense	Univ of Kentucky Research F	12.630	48,294
Department of Transportation	West Virginia University	20.933	16,068
Appalachian Regional Commission	West Virginia University	23.011	3,727
Department of Education	WV State University	84.116Z	539,807
Department of Health and Human Services	Texas Tech University Health	93.279	31,235
Department of Health and Human Services	Univ of Kentucky Research F	93.279	16,254
Department of Health and Human Services	Bluefield State College	93.859	85,255
Department of Health and Human Services	Fairmont State University	93.859	47,624
Department of Health and Human Services	Glenville State College	93.859	33,502
Department of Health and Human Services	Shepherd University	93.859	50,000
Department of Health and Human Services	Texas A and M AgriLife Rese	93.859	72,346
Department of Health and Human Services	The University of Charleston	93.859	80,180
Department of Health and Human Services	The University of Texas at	93.859	13,237
Department of Transportation	West Virginia University	20.933	29,013
Department of Health and Human Services	Univ of Kentucky Research F	93.859	4,568
Department of Health and Human Services	West Liberty State Universi	93.859	266,019
Department of Health and Human Services	West Virginia University	93.859	1,412,292
Department of Health and Human Services	WV School of Osteopathic Me	93.859	43,286
Department of Health and Human Services	WV School of Osteopathic Me	93.859	9,977
Subtotal Research and Development			3,955,761

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2024**

**NOTE 3 SUBRECIPIENT EXPENDITURES (CONTINUED)**

Federal Agency	Subrecipient	Federal ALN	Subrecipient Expenditures
Other Programs:			
Department of Labor	Hope Nation Inc	17.280	\$ 55,082
Department of Labor	Mountwest Community and Tec	17.280	78,263
Department of Labor	West Virginia Women Work In	17.289	79,624
Appalachian Regional Commission	Mississippi State Univ	23.001	952
Appalachian Regional Commission	Circles Campaign of the Ohi	23.002	16,764
Appalachian Regional Commission	The West Virginia Chamber F	23.002	14,404
Appalachian Regional Commission	Unlimited Future Inc	23.002	49,550
Appalachian Regional Commission	West Virginia University	23.002	393,967
Department of Health and Human Services	The Mosaic Group Inc	93.136	221,875
Department of Health and Human Services	Cabell Huntington Coalition	93.243	160,084
Department of Health and Human Services	Huntington City Mission	93.243	83,696
Department of Health and Human Services	Univ of Illinois	93.243	3,808
Department of Health and Human Services	West Virginia University	93.243	92,656
Department of Health and Human Services	WV School of Osteopathic Me	93.243	19,188
Department of Health and Human Services	BridgeValley Community and	93.270	5,389
Department of Health and Human Services	Community Connections Inc	93.270	34,789
Department of Health and Human Services	FMRS Health Systems Inc	93.270	3,563
Department of Health and Human Services	Prestera Center for Mental	93.270	9,425
Department of Health and Human Services	Cabell Huntington Coalition	93.493	49,583
Department of Health and Human Services	Community Connections Inc	93.493	207,221
Department of Health and Human Services	Cabell Huntington Coalition	93.647	20,264
Department of Health and Human Services	BridgeValley Community and	93.788	44,218
Department of Health and Human Services	Community Connections Inc	93.788	79,848
Department of Health and Human Services	FMRS Health Systems Inc	93.788	43,937
Department of Health and Human Services	Prestera Center for Mental	93.788	110,802
Department of Health and Human Services	West Virginia University	93.788	3,493
Department of Health and Human Services	WV School of Osteopathic Me	93.788	4,052
Department of Labor	Hope Nation Inc	17.280	5,769
Department of Labor	Hope Nation Inc	17.280	5,769
Department of Health and Human Services	Westbrook Health Services I	93.912	135,394
Subtotal Other Programs			<u>2,033,429</u>
Total All Subrecipient			<u>\$ 5,989,190</u>

**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
45.129	WV Humanities Council	19.1.7697	\$ (1,635)
45.129	WV Humanities Council	20.1.7838	2,635
45.129	WV Humanities Council	21.5.8106	7,580
45.129	WV Humanities Council	23.1.13139	10,389
Subtotal			<u>18,969</u>
84.027A	WV Department of Education	GRTAWD04022200001820	2,178
84.027A	WV Department of Education	GRTAWD04022200003014	7,174
84.027A	WV Department of Education	GRTAWD04022200005442	20,449
84.027A	WV Department of Education	GRTAWD04022300002159	29,511
84.027A	WV Department of Education	GRTAWD04022300002160	87,508
84.027A	WV Department of Education	GRTAWD04022300002161	6,250
84.027A	WV Department of Education	GRTAWD04022300002162	46,293
84.027A	WV Department of Education	GRTAWD04022300005100	187,115
84.027A	WV Department of Education	GRTAWD04022400001132	17,478
84.027A	WV Department of Education	GRTAWD04022400002333	110,819
84.027A	WV Department of Education	GRTAWD04022400002334	246,163
84.027A	WV Department of Education	GRTAWD04022400002335	141,746
84.027A	WV Department of Education	GRTAWD04022400002821	26,202
Subtotal			<u>928,886</u>



**MARSHALL UNIVERSITY RESEARCH CORPORATION  
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2024**

**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	GRTAWD04022300002163	\$ 103,391
84.173A	WV Department of Education	GRTAWD04022400002336	178,570
84.173A	WV Department of Education	GRTAWD04022400002368	3,814
	Subtotal		<u>285,775</u>
93.243	WV Department of Education	GRTAWD04022200002752	11,490
93.243	WV Department of Education	GRTAWD04022200002762	1,163
93.243	WV Department of Education	GRTAWD04022300002590	60,895
93.243	WV Department of Education	GRTAWD04022300002591	32,617
93.243	WV Department of Education	GRTAWD04022300002593	29,695
93.243	WV Department of Education	GRTAWD04022300002594	16,579
93.243	WV Department of Education	GRTAWD04022400002837	155,714
93.243	WV Department of Education	GRTAWD04022400002838	39,008
93.243	WV Department of Education	GRTAWD04022400002840	68,892
93.243	WV Department of Education	GRTAWD04022400002841	55,243
	Subtotal		<u>471,296</u>
93.243	WV Department of Health and Human Resources	G230611	36,597
93.243	WV Department of Health and Human Resources	G230622	31,436
93.243	WV Department of Health and Human Resources	G240524	79,601
	Subtotal		<u>147,634</u>
93.556	WV Department of Health and Human Resources	G231043	490,935
93.556	WV Department of Health and Human Resources	G241014	677,836
93.556	WV Department of Health and Human Resources	G250064	277
	Subtotal		<u>1,169,048</u>
93.788	WV Department of Health and Human Resources	G230706	422,580
93.788	WV Department of Health and Human Resources	G230728	600,613
93.788	WV Department of Health and Human Resources	G230756	113,617
93.788	WV Department of Health and Human Resources	G230757	196,305
93.788	WV Department of Health and Human Resources	G230769	110,360
93.788	WV Department of Health and Human Resources	G230789	114,589
93.788	WV Department of Health and Human Resources	G240639	704,507
93.788	WV Department of Health and Human Resources	G240682	369,225
93.788	WV Department of Health and Human Resources	G240739	325,025
93.788	WV Department of Health and Human Resources	G240746	91,530
93.788	WV Department of Health and Human Resources	G240778	450,279
	Subtotal		<u>3,498,630</u>
93.958	WV Dept. of Health and Human Resources	G220732	1,101,621
93.958	WV Dept. of Health and Human Resources	G230581	30,852
93.958	WV Dept. of Health and Human Resources	G240495	17,478
	Subtotal		<u>1,149,951</u>
93.959	WV Dept. of Health and Human Resources	G220869	(768)
93.959	WV Dept. of Health and Human Resources	G220875	(103)
93.959	WV Dept. of Health and Human Resources	G221058	31,951
93.959	WV Dept. of Health and Human Resources	G230901	62,243
93.959	WV Dept. of Health and Human Resources	G230919	45,198
93.959	WV Dept. of Health and Human Resources	G230949	140,400
93.959	WV Dept. of Health and Human Resources	G231046	33,662
93.959	WV Dept. of Health and Human Resources	G240612	31,350
93.959	WV Dept. of Health and Human Resources	G240918	76,525
	Subtotal		<u>420,458</u>
	Total		<u>\$ 8,090,647</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, 2024, 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 March 17, 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.

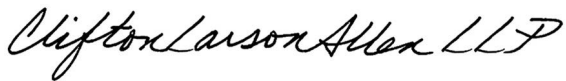
Board of Directors  
Marshall University Research Corporation  
(A Blended Component Unit of Marshall University)

**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 14, 2024



**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, 2024. 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, 2024.

***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.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Marshall University Research Corporation's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Marshall University Research Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002 and 2024-003, to be significant deficiencies.

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

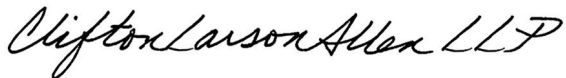
*Government Auditing Standards* requires the auditor to perform limited procedures on Marshall University Research Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Marshall University Research Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The 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, 2024, 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 14, 2024, 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 17, 2025

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

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**Section I – Summary of Auditors’ Results**

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**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?   x   yes      \_\_\_\_\_ 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)?   x   yes      \_\_\_\_\_ no

**Identification of Major Federal Programs**

<b>Federal Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
Various	Research and Development Cluster
93.243	Substance Abuse and Mental Health Services Projects
84.042	TRIO Cluster:
84.044	Student Support Services
84.047	Talent Search
84.066	Upward Bound
	Educational Opportunity Centers

- Dollar threshold used to distinguish between Type A and Type B programs: \$   1,392,535
- Auditee qualified as low-risk auditee? \_\_\_\_\_ yes        X   no



**MARSHALL UNIVERSITY RESEARCH CORPORATION  
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section II – Financial Statement Findings***

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

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2024 – 001**

Federal Agency: U. S. Department of Health and Human Services

Federal Program Name: Research and Development Cluster

Assistance Listing Number: 93.323, 93.847

Federal Award Identification Number and Year: G231006 (23/24), R01DK108054 (23/24)

Pass-Through Agency: WV Department of Health and Human Resources

Pass-Through Number(s): G231006

Award Period: July 1, 2023, to June 30, 2024

Type of Finding:

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

**Criteria or specific requirement:** A non-federal entity may charge only allowable costs incurred during the approved budget period of a federal award's period of performance and any costs incurred before the federal awarding agency or pass-through entity made the federal award that were authorized by the federal awarding agency or pass-through entity (2 CFR sections 200.308, 200.309, and 200.403(h)). A period of performance may contain one or more budget periods.

**Condition:** In a sample of transactions that were in the expense detail supporting the total federal expenditures on the Schedule of Expenditures of Federal Awards (SEFA), transactions were identified as being incurred after the end date of the period of availability.

**Questioned costs:** \$3,320

**Context:** In a sample size of twenty-eight expenditure transactions, five were incurred after the end date of the period of availability.

**Cause:** Four of the exceptions were the result of the department administering the grant not submitting a revised internal form to update the funding source. These transactions were not included on the final invoice to the awarding agency but were included in the SEFA. One of the exceptions was the result of clerical entry error.

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2024 – 001 (Continued)**

**Effect:** Amounts are included on the SEFA for the fiscal period ended June 30, 2024, that were incurred after the end date of the period of performance.

**Repeat finding:** No.

**Recommendation:** Perform a review policies and procedures regarding proper monitoring of period of performance related to grant end dates.

**Views of responsible officials:** There is no disagreement with the audit finding.

**2024 – 002**

Federal Agency: U. S. Department of Health and Human Services

Federal Program Name: Substance Abuse and Mental Health Services Projects

Assistance Listing Number: 93.243

Federal Award Identification Number and Year: H79TI080332 (23/24)

Pass-Through Agency: N/A

Pass-Through Number(s): N/A

Award Period: July 1, 2023, to June 30, 2024

Type of Finding:

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

**Criteria or specific requirement:** A non-federal entity may charge only allowable costs incurred during the approved budget period of a federal award's period of performance and any costs incurred before the federal awarding agency or pass-through entity made the federal award that were authorized by the federal awarding agency or pass-through entity (2 CFR sections 200.308, 200.309, and 200.403(h)). A period of performance may contain one or more budget periods.

**Condition:** In a sample of transactions that were in the expense detail supporting the total federal expenditures on the Schedule of Expenditures of Federal Awards (SEFA), transactions were identified as being incurred after the end date of the period of availability.

**Questioned costs:** N/A

**Context:** In a sample size of fourteen expenditure transactions, one was incurred after the end date of the period of availability.

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2024 – 002 (Continued)**

**Cause:** Transaction was related to a payroll period that began prior to the end date of the period of performance and ended after said date.

**Effect:** Amounts are included on the SEFA for the fiscal period ended June 30, 2024, that were incurred after the end date of the period of performance.

**Repeat finding:** No.

**Recommendation:** Perform a review policies and procedures regarding proper monitoring of period of performance related to grant end dates.

**Views of responsible officials:** There is no disagreement with the audit finding.

**2024 – 003**

Federal Agency: U. S. Department of Health and Human Services

Federal Program Name: Substance Abuse and Mental Health Services Projects

Assistance Listing Number: 93.243

Federal Award Identification Number and Year: H79TI080332 (23/24)

Pass-Through Agency: N/A

Pass-Through Number(s): N/A

Award Period: July 1, 2023, to June 30, 2024

Type of Finding:

- Significant Deficiency in Internal Control Over Compliance

**Criteria or specific requirement:** The 2 CFR section 200.303 requires that non-federal entities receiving federal awards establish and maintain internal control over the federal awards that provides reasonable assurance that the non-federal entity is managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards.

**Condition:** No documented internal control process regarding the accuracy of information contained in required performance and FFATA reporting.

**Questioned costs:** N/A

**Context:** No performance reports submitted to the granting agency were documented as being reviewed by management.

**MARSHALL UNIVERSITY RESEARCH CORPORATION  
(A BLENDED COMPONENT UNIT OF MARSHALL UNIVERSITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2024 – 003 (Continued)**

**Cause:** Established policies and procedures do not include documented reviews of performance and FFATA reports.

**Effect:** Performance and FFATA reports are not reviewed by someone other than the preparer.

**Repeat finding:** No.

**Recommendation:** Update policies and procedures ensuring performance reports are accurately prepared and submitted in accordance with grant deadlines.

**Views of responsible officials:** There is no disagreement with the audit finding.



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