COLLABORATORS | COACHES | ADVOCATES | MENTORS
FRIENDS | VOLUNTEERS | REGULARS | DINERS | VISITORS
CPAs | CONSULTANTS | WEALTH ADVISORS | *NEIGHBORS*
COLLABORATORS | COACHES | ADVOCATES | MENTORS |
CONNOISSEURS | CUSTOMERS | TEACHERS |
| VOLUNTEERS |

MARSHALL UNIVERSITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2026 AND 2025

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MARSHALL UNIVERSITY
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YEARS ENDED JUNE 30, 2026 AND 2025

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INDEPENDENT AUDITORS' REPORT

Governing Board
Marshall University
Huntington, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Marshall University (the University) (a component unit of the West Virginia Higher Education Fund), as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2026 and 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component units which statements represent 100% of assets, net position, and revenues of the discretely presented component units as of and for the years ended June 30, 2026 and 2025. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our 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 University 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 opinions. The financial statements of the Marshall University Foundation, Inc. (the Foundation); Provident Group – Marshall Properties L.L.C. (Provident – Marshall); or Big Green Scholarship Foundation, Inc. (Big Green) (collectively, discretely presented component units of the University) were not audited in accordance with *Government Auditing Standards*.

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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 University'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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 University's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about University's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of net pension liability and schedule of contributions, and schedule of proportionate share of net other postemployment benefits (OPEB) liability and schedule of contributions, as listed in the table of contents, 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 15, 2026, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering University's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
October 15, 2026

About Marshall University

Marshall University (the University), together with its blended component unit, Marshall University Research Corporation (MURC), is a public institution of higher education dedicated to teaching, research, healthcare, and public service.

Contacting the University's Financial Management

Questions concerning this report or requests for additional information should be directed to the Chief Financial Officer, Marshall University, One John Marshall Drive, Huntington, West Virginia 25755.

Overview of the Financial Statements and Financial Analysis

The discussion of these financial statements emphasizes fiscal year 2026 and significant changes in financial position and results of operations compared with fiscal year 2025 for both the University and MURC. The financial statements also include information for the University's discretely presented component units. Because these entities are governed by separate boards and their resources are not controlled by the University, they are not included in the detailed analysis that follows.

The University's basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. They consist of the following statements:

- The statement of net position presents assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at fiscal year-end.
- The statement of revenues, expenses, and changes in net position presents operating revenues and expenses, noncapital subsidies, nonoperating revenues and expenses, capital contributions, and the resulting change in net position for the year.
- The statement of cash flows presents cash receipts and payments classified as operating, noncapital financing, capital and related financing, and investing activities.

Together, these statements provide information about the University's financial position at year-end, the results of operations during the year, and the sources and uses of cash during the year.
The notes to the financial statements provide information essential to understanding the amounts reported in the basic financial statements. Required supplementary information follows the notes and includes pension and other postemployment benefit information.

Financial Summary

The following condensed information summarizes the University's financial position and results of operations for fiscal years 2026 and 2025. The analysis that follows focuses on significant changes and the principal reasons for those changes.

CONDENSED SCHEDULES OF NET POSITION
(In Thousands of Dollars)

	FY 2026	FY 2025	FY 2024
ASSETS AND DEFERRED OUTFLOWS			
Current Assets	$ 113,135	$ 106,953	$ 136,157
Other Noncurrent Assets	86,395	86,113	89,645
Capital Assets, Net	544,391	538,972	520,914
Total Assets	743,920	732,038	746,716
Deferred Outflows of Resources	7,154	4,911	3,833
Total Assets and Deferred Outflows	$ 751,075	$ 736,949	$ 750,549
LIABILITIES AND DEFERRED INFLOWS			
Current Liabilities	$ 78,220	$ 72,497	$ 67,404
Noncurrent Liabilities	183,907	188,075	186,539
Total Liabilities	262,127	260,572	253,943
Deferred Inflows of Resources	3,677	2,932	5,499
Total Liabilities and Deferred Inflows	$ 265,804	$ 263,504	$ 259,442
NET POSITION			
Net Investment in Capital Assets	$ 366,781	$ 354,760	$ 340,532
Restricted, Nonexpendable	15,176	15,176	15,176
Restricted, Expendable	86,322	63,899	69,117
Unrestricted	16,992	39,610	66,282
Total Net Position	$ 485,271	$ 473,445	$ 491,107

Changes to Total Assets

Total assets of the University increased by $11.8 million in FY 2026 as compared to FY 2025. The major components of this increase are:

- Total current cash and cash equivalents increased by $19.5 million, consisting of a $16.3 million increase for the University and a $3.2 million increase for MURC. The University's increase was primarily attributable to a $30 million increase in cash on deposit with the State designated for the future construction of the School of Medicine building. This increase was partially offset by the use of approximately $13.7 million in cash to fund operating expenses during the year.

- Investments increased $0.7 million in total with the University's investments decreasing $2.9 million and MURC's investments increasing $3.6 million. The University's investments decreased primarily due to the liquidation of investment earnings, while MURC's investments increased primarily due to investment performance.
- Total current accounts receivable decreased $12.8 million during fiscal year 2026. The decrease was driven primarily by a $10.4 million decline in University receivables, partially offset by a $1.2 million increase at MURC. The University's decrease was primarily attributable to a $7.4 million reduction in State appropriations receivable resulting from the utilization of restricted funds for construction of the new Cybersecurity Center. In addition, the receivable related to the state deferred maintenance grant decreased by $1.9 million as funding was substantially received during the year. Receivables associated with the School of Medicine's contract with the State for reimbursement of medical services also decreased by approximately $1.6 million. Intercompany receivable eliminations decreased by $3.7 million.
- Capital assets, net of depreciation, increased $5.4 million in FY 2026. Significant capital asset activity contributing to the change is discussed under Capital Asset and Long-Term Financing Activity.

Changes to Deferred Outflows of Resources

Deferred outflows of resources increased $2.2 million in FY 2026, primarily due to a $2.4 million increase in OPEB-related deferred outflows.

Changes to Total Liabilities

Total liabilities of the Institution increased $1.6 million in FY 2026 as compared to FY 2025. The major components of the increase are:

- Current and noncurrent debt related to notes, bonds, finance purchase obligations, lease obligations, and the debt obligation to the Commission decreased by $4.6 million during the year. The decrease was primarily attributable to $6.4 million in scheduled principal repayments on existing obligations. Partially offsetting these reductions were approximately $1.8 million of financing arrangements entered into for information technology infrastructure improvements, including upgrades to wireless connectivity and firewall protection systems.
- Other noncurrent liabilities increased $1.9 million during the year, primarily due to a $1.2 million increase in the University's proportionate share of the actuarially determined other postemployment benefit (OPEB) liability, partially offset by a $0.3 million decrease in the actuarially determined net pension liability. The net pension liability reflects the University's portion of the State Teachers Retirement System liability as a result of implementing GASB 68 in FY 2015 (Notes 2 and 14).

- Accrued liabilities increased $7.9 million during the year, primarily due to the timing of payroll-related payments and the settlement of related accrued obligations.

Changes to Deferred Inflows of Resources

Deferred inflows of resources increased $0.7 million in FY 2026, primarily due to a $0.9 million increase in OPEB-related deferred inflows.

Changes to Net Position

The final section of the statement of net position reflects the net position balances. Changes to these balances from one year to the next reflect the net growth or contraction of the University over time with each category reflecting the varying degrees of liquidity and restrictions for which these resources are available to be used.

The net position category "Net investment in capital assets" reflects overall changes to the buildings, equipment, and other capital assets net of depreciation and net of the liabilities associated with those assets. Net investment in capital assets increased $11.6 million in FY 2026 as compared to FY 2025. Asset additions are discussed further in the Capital Asset and Long-Term Financing Activity.

Restricted expendable net position increased $21.2 million during FY 2026, consisting of a $19.2 million increase at the University and a $2.0 million increase at MURC. The University's increase was primarily attributable to the Cybersecurity capital project, while MURC's increase was primarily attributable to sponsored project activity.

The unrestricted net position balance of $17.0 million represents a $22.6 million decrease from FY 2025. Unrestricted resources decreased $22.8 million for the University and increased $1.8 million for MURC. Changes in unrestricted net position are primarily the result of activities discussed in the next section for the statement of revenues, expenses, and changes in net position.

Statement of Revenues, Expenses, and Changes in Net Position

The purpose of the Statement of Revenues, Expenses, and Changes in Net Position is to present the revenues and expenses, both operating and nonoperating, as well as other gains and losses of the Institution.

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(In Thousands of Dollars)

	FY 2026	FY 2025 Restated	FY 2024 Restated
Operating Revenues			
Student Tuition and Fees, Net	$ 73,525	$ 65,616	$ 72,286
Contracts and Grants	157,606	145,753	129,166
Auxiliary Enterprises, Net	32,297	30,242	38,530
Other	9,561	12,804	16,986
Total Operating Revenues	272,990	254,415	256,968
Operating Expenses			
Salaries and Wages	168,239	164,392	159,747
Benefits	51,517	46,402	34,460
Supplies and Other Services	84,807	95,020	86,088
Utilities	11,929	12,277	11,137
Student Financial Aid	14,569	18,312	27,694
Depreciation and Amortization	27,413	25,692	21,252
Other Operating Expenses	244	229	204
Total Operating Expenses	358,718	362,324	340,582
Operating Loss	(85,728)	(107,908)	(83,614)
Noncapital Subsidies	82,376	80,421	120,171
Nonoperating Revenues	22,642	17,837	11,385
Nonoperating Expenses	(7,464)	(8,012)	(10,222)
INCREASE (DECREASE) IN NET POSITION	11,825	(17,661)	37,720
Net Position - Beginning of Year	473,446	491,107	453,387
NET POSITION - END OF YEAR	$ 485,271	$ 473,446	$ 491,107

Operating Revenues

Operating revenues of $273.0 million in FY 2026 represents an $18.6 million increase from FY 2025. This increase is primarily the result of:

- Gross tuition and fees increased $2.7 million due to increased enrollment and higher tuition and fee rates. In addition, scholarship allowances decreased $5.2 million, resulting in a $7.9 million increase in tuition and fee revenue, net of scholarship allowances.

- Grant and contract revenue increased $11.7 million, including an $8.7 million increase for the University combined with a $3.0 million increase for MURC, net of eliminations. The increase at the University was primarily attributable to a $19.2 million increase in State Grants and Contracts driven by the $30 million School of Medicine grant from the State of West Virginia for the construction of a new building partially offset by the one-time $9 million FY 2025 doubling of the West Virginia Higher Education Grant. Private grant revenue decreased $9.7 million, primarily due to a decrease in a School of Medicine third-party contract pass-through, with a corresponding decrease in supplies and other services expense.
- Other operating revenue decreased $3.3 million due to one-time support received in FY 2025 from the State of West Virginia for increased PEIA and BRIM expenses.
- Auxiliary enterprise revenue increased $2.1 million, primarily reflecting a $3.8 million decrease in scholarship allowances and a $1.6 million increase in housing revenue due to higher rates and increased occupancy.

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Operating Expenses

Operating expenses of $358.7 million in FY 2026 represents a $3.6 million decrease over FY 2025. This decrease is primarily the result of:

- Salaries and wages increased $3.8 million, consisting of a $1.5 million increase at the University due to off-cycle raises and increased employee headcount and a $2.3 million increase at MURC driven by increased grant activity.
- Benefits expense increased $5.1 million with a $4.2 million increase for the University and a $0.9 million increase for MURC. The University increase is primarily due to a decrease in OPEB credits, increased PEIA insurance premiums, and increased employee headcount.
- Supplies and other services decreased $10.2 million with a $10.5 million decrease for the University and a $0.3 million increase, net of eliminations, for MURC. The decrease for the University is primarily driven by a decrease in third-party contract revenue and the associated pass-through expenses.
- Student financial aid expense decreased $3.7 million, with a decrease at MURC of $0.3 million and a decrease of $3.4 million at the University. The University decrease is due to a change in the scholarship allowance calculation and the impact of the FY25 doubling of the WV Higher Education Grant.

Noncapital Subsidies

Noncapital subsidies of $82.4 million in FY 2026 represents a $1.9 million increase over FY 2025. This increase is primarily the result of:

- State appropriations increased $1.3 million due to an increase in base appropriations of $4.3 million to fund employee pay raises offset by a one-time supplemental appropriation received in FY 2025 of $3.0 million.
- Payments on behalf of the University increased $1.0 million due to increased contributions by the State of West Virginia into the State Teachers Retirement System on behalf of the University.
- Gift revenue decreased $0.4 million as compared to FY 2025 due to a decrease in the amount funded by the Marshall University Foundation for the Lewis College of Business.

Nonoperating Revenues and Expenses

Nonoperating revenues for FY 2026 were $22.6 million, which is an increase of $4.8 million from FY 2025 primarily as a result of:

- Income from investments increased $4.4 million in FY 2026 with a $0.2 million increase for the University and a $4.2 million increase at MURC. These increases were primarily attributable to improved investment portfolio performance.

Nonoperating expenses for FY 2026 were $7.5 million, which is a decrease of $0.5 million from FY 2025 as a result of a decrease in interest on indebtedness of $0.5 million.

Significant Capital Asset and Long-Term Financing Activity

Capital assets, net of accumulated depreciation, increased $5.4 million during FY 2026. The increase was primarily attributable to ongoing investments in academic, research, and campus infrastructure projects. During the year, the University invested approximately $22.9 million in construction and renovation activities, while placing approximately $13.2 million of completed projects into service.

Major completed projects during FY 2026 included the South Charleston academic and administration building roof replacements, Drinko Library roof replacement, Smith Hall chiller replacement, Science Building cooling tower improvements, WAEC boiler replacement, Memorial Student Center restroom renovations, Chapmanville Rural Health leasehold improvements, and the Shewey-Dutch Miller Deck project. The University also completed several security, accessibility, and facility improvement projects, including door lock upgrades, HVAC improvements, and other deferred maintenance initiatives.

Significant projects remaining in construction in progress at June 30, 2026 included the Institute of Cybersecurity, with a construction-in-progress balance of approximately $14.3 million, Fine Arts Renovations totaling approximately $2.5 million, Holderby Hall demolition of approximately $1.5 million, Stormwater Improvements Phase I of approximately $1.4 million, and several additional deferred maintenance, safety, accessibility, and infrastructure improvement projects.

Long-term debt decreased during FY 2026 as scheduled principal repayments exceeded new financing activity. Revenue bond obligations declined approximately $2.4 million as a result of scheduled debt service payments. In addition, the University continued to reduce outstanding obligations related to leases and other financing arrangements through regular principal payments.

During the year, the University entered into new financing arrangements to support information technology infrastructure improvements, including campus-wide wireless network upgrades, cybersecurity enhancements, and other technology-related initiatives. These additions were partially offset by principal repayments on existing debt obligations.

The Commission continues to assess the University for debt service related to certain statewide bond issuances that financed academic and other facilities within the state higher education system. At June 30, 2026, the University reported approximately $1.1 million as a debt service assessment payable to the Commission.

Currently Known Facts, Decisions, or Conditions

As of the date of issuance of the financial statements, the University is aware of the following facts, decisions, and conditions that are expected to have a significant effect on its financial position or results of operations in subsequent periods.

Enrollment and Tuition Revenue. As of the date of issuance, Fall 2026 headcount enrollment is 13,107, an increase of 1.2% compared with Fall 2025. Based on current enrollment, student mix, and approved tuition and fee rates, the University expects fiscal year 2027 gross tuition and fee revenue to increase approximately $3.5 million compared with fiscal year 2026. Based on the University's current enrollment and tuition structure, each 1 percent change in enrollment is estimated to change tuition and fee revenue by approximately $1 million, assuming no significant change in student mix or tuition and fee rates.

Fiscal Year 2027 Budget. The University's adopted fiscal year 2027 budget includes approximately $373.4 million of revenue and $376.5 million of expenses, resulting in a projected decrease in net position of approximately $3 million. Significant changes incorporated into the budget include a $4.1 million increase in State appropriations, a $4.7 million increase in personnel and employee benefit costs, and a net $2 million increase in student tuition and fees attributable to student enrollment mix and increased tuition rates.

School of Medicine Facility. During fiscal year 2026, the University received approximately $30 million in State funding designated for construction of a new School of Medicine facility, and planning and development activities are underway. The current estimated project cost exceeds $90 million, with approximately $32 million expected to be funded from federal grants, $30 million from the State of West Virginia grant, and the remainder from private fundraising and various other grant programs. Construction activity is expected to increase capital assets and reduce restricted cash as project expenditures are incurred. The University expects the completed facility to result in additional annual operating costs and revenues, beginning in fiscal year 2028, but those revenues and costs are currently unknown.

Other Capital and Financing Activity. The University expects to invest approximately $5 million during fiscal year 2027 in other authorized capital, technology, and deferred maintenance projects. Significant projects within this amount are the Corbly Hall chiller replacement ($0.6 million), Morrow Library HVAC unit ($0.2 million), Science Building chiller replacement ($0.9 million), and Memorial Student Center roof replacement ($1.7 million), funded through the West Virginia Deferred Maintenance Grant program. In addition, the University plans to replace wireless network infrastructure at an estimated cost of $0.8 million, funded through student fees.

MARSHALL UNIVERSITY
STATEMENTS OF NET POSITION – PRIMARY INSTITUTION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 49,406,102	$ 29,838,484
Receivables, Net	62,206,430	75,068,775
Loans Receivable	430,908	505,241
Inventories	590,731	600,850
Other Current Assets	500,393	939,645
Total Current Assets	113,134,564	106,952,995
NONCURRENT ASSETS		
Cash and Cash Equivalents	3,145,879	3,248,167
Investments	68,456,372	67,741,599
Accounts Receivable	12,548,667	12,157,211
Loans Receivable, Net of Allowance of $844,715 in 2026 and $821,688 in 2025	1,521,402	1,930,174
Other Postemployment Benefits Asset	-	313,454
Other Noncurrent Assets	722,608	722,608
Capital Assets Not Being Depreciated or Amortized	75,699,083	67,427,269
Other Capital Assets, Net	468,691,764	471,544,389
Total Noncurrent Assets	630,785,775	625,084,871
Total Assets	743,920,339	732,037,866
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Refunding	2,344,602	2,473,170
Related to Pensions	218,275	233,739
Related to OPEB	4,591,560	2,203,907
Total Deferred Outflows of Resources	7,154,437	4,910,816
Total Assets and Deferred Outflows	$ 751,074,776	$ 736,948,682

See accompanying Notes to Financial Statements.

MARSHALL UNIVERSITY
STATEMENTS OF NET POSITION – PRIMARY INSTITUTION (CONTINUED)
JUNE 30, 2026 AND 2025

	2026	2025
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	$ 15,534,492	$ 16,918,593
Accrued Liabilities	22,010,493	14,069,989
Accrued Interest	519,689	663,986
Unearned Revenue	15,537,380	17,761,604
Deposits	946,929	958,269
Notes, Lease Obligation, and Bonds Payable, Current Portion	9,361,491	8,732,730
Compensated Absences	13,707,076	12,819,094
Debt Obligations to the Commission, Current Portion	602,845	572,200
Total Current Liabilities	78,220,395	72,496,465
NONCURRENT LIABILITIES		
Notes, Lease Obligation, and Bonds Payable, Net of Current Portion	164,830,939	169,456,752
Advances from Federal Sponsors	2,371,268	2,577,211
Unearned Revenue	1,830,060	1,880,841
Other Noncurrent Liabilities	13,172,000	12,786,116
Other Post Employment Benefits (OPEB)	1,251,730	-
Net Pension Liability	450,664	771,071
Debt Obligations to the Commission, Net of Current Portion	-	602,845
Total Noncurrent Liabilities	183,906,661	188,074,836
Total Liabilities	262,127,056	260,571,301
DEFERRED INFLOWS OF RESOURCES		
Related to Private-Public Partnerships	632,281	662,390
Related to OPEB	2,433,324	1,562,215
Related to Pensions	359,645	364,308
Related to Leases	251,864	342,876
Total Deferred Inflows of Resources	3,677,114	2,931,789
Total Liabilities and Deferred Inflows	265,804,170	263,503,090
NET POSITION		
Net Investment in Capital Assets	366,780,965	354,760,789
Restricted for:		
Nonexpendable	15,176,000	15,176,000
Expendable:		
OPEB	-	313,454
Scholarships	280,315	253,216
Sponsored Projects	27,194,883	26,005,336
Loans	1,578,780	1,729,115
Debt Service	57,268,094	35,598,092
Total Restricted Expendable	86,322,072	63,899,213
Unrestricted	16,991,569	39,609,590
Total Net Position	485,270,606	473,445,592
Total Liabilities, Deferred Inflows, and Net Position	$ 751,074,776	$ 736,948,682

See accompanying Notes to Financial Statements.

MARSHALL UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PRIMARY INSTITUTION
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
OPERATING REVENUES		
Student Tuition and Fees, Net of Scholarship Allowance of $49,854,703 in 2026 and $55,133,204 in 2025	$ 73,525,334	$ 65,616,426
Contracts and Grants:		
Federal Pell Grants	23,016,302	22,871,757
Federal	52,451,132	50,548,830
State	65,206,056	45,564,518
Local	540,893	674,912
Private	16,391,480	26,091,726
Federal CARES Grants	-	1,219
Interest on Loans Receivable	54,393	64,626
Sales and Services of Educational Activities	330,652	310,331
Auxiliary Enterprise Revenue, Net of Scholarship Allowance of $16,759,417 in 2026 and $17,734,686 in 2025	32,297,421	30,242,344
Other Operating Revenues	9,176,454	12,428,739
Total Operating Revenues	272,990,117	254,415,428
OPERATING EXPENSES		
Salaries and Wages	168,238,946	164,391,828
Benefits	51,517,269	46,401,628
Supplies and Other Services	84,807,419	95,019,792
Utilities	11,928,685	12,277,075
Student Financial Aid, Scholarships, and Fellowships	14,568,892	18,311,681
Depreciation and Amortization	27,412,924	25,692,354
Other Operating Expenses	243,717	229,452
Total Operating Expenses	358,717,852	362,323,810
OPERATING LOSS	(85,727,735)	(107,908,382)
NONCAPITAL SUBSIDIES		
State Appropriations	77,336,111	76,036,788
Payments made on Behalf of the University	1,461,265	462,252
Gifts	3,578,177	3,922,311
Total Noncapital Subsidies	82,375,553	80,421,351
OPERATING LOSS AND NONCAPITAL SUBSIDIES	(3,352,182)	(27,487,031)
OTHER NONOPERATING REVENUES (EXPENSES)		
Capital Grants and Gifts	11,633,016	11,329,817
Investment Income	10,924,117	6,507,651
Interest on Indebtedness	(7,307,312)	(7,775,409)
Fees Assessed by the Commission for Debt Service	(157,145)	(234,178)
Other Nonoperating Revenues (Expenses), Net	84,520	(2,131)
Total Other Nonoperating Revenues	15,177,196	9,825,750
INCREASE (DECREASE) IN NET POSITION	11,825,014	(17,661,281)
Net Position - Beginning of Year	473,445,592	491,106,873
NET POSITION - END OF YEAR	$ 485,270,606	$ 473,445,592

See accompanying Notes to Financial Statements.

MARSHALL UNIVERSITY
STATEMENTS OF CASH FLOWS – PRIMARY INSTITUTION
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 67,741,294	$ 65,219,364
Contracts and Grants	140,847,569	116,948,180
Payments to and on Behalf of Employees	(214,618,219)	(211,554,107)
Payments to Suppliers	(87,280,403)	(91,016,970)
Payments to Utilities	(11,928,687)	(12,277,079)
Payments for Scholarships and Fellowships	(7,712,019)	(18,311,681)
Loans Issued	(153,823)	(133,896)
Collection of Loans	393,213	473,848
Sales and Service of Educational Activities	330,652	310,331
Auxiliary Enterprise Charges	30,464,304	31,368,216
Program Income	1,435,563	1,645,896
Student Loan and Provident Receipts	28,823,726	34,777,610
Student Loan and Provident Payments	(28,599,700)	(34,720,107)
William D. Ford Direct Lending Receipts	70,629,450	69,129,957
William D. Ford Direct Lending Payments	(70,641,517)	(69,141,527)
Other Receipts, Net	8,871,022	6,571,465
Net Cash Used by Operating Activities	(71,397,575)	(110,710,500)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	84,749,928	86,455,220
Federal Pell Grants	23,016,302	22,871,757
Federal Cares Grants	-	1,219
Other Nonoperating receipts	80,295	-
Gift Receipts	3,578,177	3,922,311
Net Cash Provided by Noncapital Financing Activities	111,424,702	113,250,507
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital Grants and Gifts Received	9,210,165	10,985,993
Purchases of Capital Assets	(23,524,792)	(27,175,894)
Interest Paid on Notes Payable	(32,220)	(13,994)
Payments on Note Payable	(161,018)	(161,018)
Principal Paid on Bonds, Leases, and SBITAs	(8,186,363)	(8,374,941)
Interest Paid on Bonds, Leases, and SBITAs	(7,335,033)	(7,589,760)
Proceeds from Sale of Capital Assets	13,806	17,011
Principal Payment on Debt Obligation Due to the Commission	(572,200)	(1,151,857)
Fees Assessed by the Commission	(157,145)	(234,178)
Net Cash Used by Capital Financing Activities	(30,744,800)	(33,698,638)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits to Noncurrent Cash and Cash Equivalents	(3,390,349)	(2,735,716)
Withdrawals from Noncurrent Cash and Cash Equivalents	3,492,637	2,454,591
Purchases of Investments	(18,872,237)	(96,264,392)
Sales/Maturities of Investments	27,003,557	98,512,334
Investment Income	2,051,683	5,997,941
Net Cash Provided by Investing Activities	10,285,291	7,964,758
INCREASE (DECREASE) IN CURRENT CASH AND CASH EQUIVALENTS	19,567,618	(23,193,873)
Current Cash and Cash Equivalents - Beginning of Year	29,838,484	53,032,357
CURRENT CASH AND CASH EQUIVALENTS - END OF YEAR	$ 49,406,102	$ 29,838,484

See accompanying Notes to Financial Statements.

MARSHALL UNIVERSITY
STATEMENTS OF CASH FLOWS – PRIMARY INSTITUTION (CONTINUED)
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$ (85,727,735)	$ (107,908,382)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Pell Grant	(23,016,302)	(22,871,757)
Depreciation and Amortization Expense	27,412,924	25,692,354
Expenses Paid on Behalf of the University	1,461,265	462,252
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:		
Accounts Receivable, Net	167,430	(11,165,832)
Loans Receivable, Net	483,105	569,405
Other Assets	40,877	(485,014)
Inventories	10,119	(4,470)
Accounts Payable	(187,807)	5,159,388
Accrued Liabilities	8,467,195	1,862,242
Other Postemployment Benefits Related	1,565,184	2,132,783
Pension Related	(320,407)	(271,570)
Compensated Absences	887,982	1,007,046
Unearned Revenue	(2,424,122)	(4,639,433)
Advances from Federal Sponsors	(11,340)	(317,147)
Deposits Held for Others	(205,943)	67,635
Net Cash Used by Operating Activities	$ (71,397,575)	$ (110,710,500)
SUPPLEMENTAL DISCLOSURES OF NONCASH TRANSACTIONS		
Loss on Disposal of Assets	$ 9,581	$ -
Property Additions in Accounts Payable	$ 6,061,169	$ 4,833,891
Expenses Paid on Behalf of the University	$ 1,461,265	$ 462,252
Acquisition of Right-to-Use Assets Under Lease Arrangements	$ 5,747,028	$ 2,927,714
In-kind Capital Contribution	$ 2,422,851	$ 343,824

See accompanying Notes to Financial Statements.

MARSHALL UNIVERSITY
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2026

	Marshall University Foundation, Inc.	Provident Group - Marshall Properties LLC	Big Green Scholarship Foundation, Inc.	Combined Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ 45,514,991	$ 1,920,469	$ 1,916,221	$ 49,351,681
Promises to Give, Net	7,646,821	-	4,451,110	12,097,931
Receivables, Net	1,044,459	319,896	18,773	1,383,128
Assets Held by Trustee, Current Portion	-	4,162,749	-	4,162,749
Note Receivable	4,910,250	-	-	4,910,250
Other Current Assets	52,679	105,956	194,057	352,692
Total Current Assets	59,169,200	6,509,070	6,580,161	72,258,431
NONCURRENT ASSETS				
Promises to Give, Net	47,170,928	-	4,486,687	51,657,615
Investments	347,339,871	-	15,774,271	363,114,142
Net Investment in Lease Receivable	10,415,738	-	-	10,415,738
Cash Surrender Value - Life Insurance	901,059	-	65,478	966,537
Beneficial Interest in Perpetual Trust	13,233,742	-	739,327	13,973,069
Collections	1,724,723	-	-	1,724,723
Other Noncurrent Assets	122,104	445,211	2,039	569,354
Capital Assets, Net	8,150,463	36,387,512	36,247	44,574,222
Total Noncurrent Assets	429,058,628	36,832,723	21,104,049	486,995,400
Total Assets	488,227,828	43,341,793	27,684,210	559,253,831
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	74,878	447,932	961,775	1,484,585
Accrued Liabilities	533,019	668,545	15,299	1,216,863
Accrued Interest	270,326	1,630,524	-	1,900,850
Notes, Lease Obligation, and Bonds Payable, Current Portion	499,459	2,185,000	504,014	3,188,473
Other Liabilities	347,286	-	-	347,286
Total Current Liabilities	1,724,968	4,932,001	1,481,088	8,138,057
				-
NONCURRENT LIABILITIES				-
Notes, Lease Obligation, and Bonds Payable, Net of Current Portion	11,008,331	75,676,829	5,039,527	91,724,687
Funds Held in Custody for Others	70,277,362	-	-	70,277,362
Other Noncurrent Liabilities	-	142,510	-	142,510
Deferred Interest - Subordinate Bonds Payable	-	5,213,527	-	5,213,527
Total Noncurrent Liabilities	81,285,693	81,032,866	5,039,527	167,358,086
Total Liabilities	83,010,661	85,964,867	6,520,615	175,496,143
NET POSITION				
Net Investment in Capital Assets	(3,357,327)	(41,474,317)	(5,507,294)	(50,338,938)
Restricted for:				
Nonexpendable	291,945,220	-	-	291,945,220
Expendable:				
Scholarships	84,299,085	-	17,947,643	102,246,728
Sponsored Projects	494,977	-	-	494,977
Total Restricted Expendable	84,794,062	-	17,947,643	102,741,705
Unrestricted	31,835,212	(1,148,757)	8,723,246	39,409,701
Total Net Position	405,217,167	(42,623,074)	21,163,595	383,757,688
Total Liabilities, Deferred Inflows, and Net Position	$ 488,227,828	$ 43,341,793	$ 27,684,210	$ 559,253,831

See accompanying Notes to Financial Statements.

MARSHALL UNIVERSITY
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2025

	Marshall University Foundation, Inc.	Provident Group - Marshall Properties LLC	Big Green Scholarship Foundation, Inc.	Combined Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ 66,021,272	$ 1,540,019	$ 2,476,238	$ 70,037,529
Promises to Give, Net	4,982,413	-	9,447,273	14,429,686
Receivables, Net	626,059	471,853	16,623	1,114,535
Assets Held by Trustee, Current Portion	-	4,550,088	-	4,550,088
Other Current Assets	80,598	60,123	2,639	143,360
Total Current Assets	71,710,342	6,622,083	11,942,773	90,275,198
NONCURRENT ASSETS				
Promises to Give, Net	53,738,399	-	-	53,738,399
Investments	294,993,248	-	14,167,795	309,161,043
Net Investment in Lease Receivable	11,007,327	-	-	11,007,327
Cash Surrender Value - Life Insurance	746,992	-	64,895	811,887
Beneficial Interest in Perpetual Trust	11,840,269	-	701,371	12,541,640
Collections	1,724,723	-	-	1,724,723
Other Noncurrent Assets	83,397	771,403	2,039	856,839
Capital Assets, Net	8,380,501	38,742,287	137,383	47,260,171
Total Noncurrent Assets	382,514,856	39,513,690	15,073,483	437,102,029
Total Assets	454,225,198	46,135,773	27,016,256	527,377,227
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	65,069	397,277	147,088	609,434
Accrued Liabilities	709,819	1,160,841	8,201	1,878,861
Accrued Interest	281,563	1,683,760	-	1,965,323
Notes, Lease Obligation, and Bonds Payable, Current Portion	478,648	2,075,000	353,573	2,907,221
Other Liabilities	6,775	-	-	6,775
Total Current Liabilities	1,541,874	5,316,878	508,862	7,367,614
				-
NONCURRENT LIABILITIES				-
Notes, Lease Obligation, and Bonds Payable, Net of Current Portion	11,507,614	77,838,200	3,294,472	92,640,286
Funds Held in Custody for Others	69,333,484	-	-	69,333,484
Other Noncurrent Liabilities	362,258	215,215	-	577,473
Deferred Interest - Subordinate Bonds Payable	-	4,558,327	-	4,558,327
Total Noncurrent Liabilities	81,203,356	82,611,742	3,294,472	167,109,570
Total Liabilities	82,745,230	87,928,620	3,803,334	174,477,184
NET POSITION				
Net Investment in Capital Assets	(3,605,761)	(41,170,913)	(3,510,662)	(48,287,336)
Restricted for:				
Nonexpendable	247,823,393	-	14,167,795	261,991,188
Expendable:				
Scholarships	83,563,282	-	5,649,322	89,212,604
Sponsored Projects	488,434	-	-	488,434
Total Restricted Expendable	84,051,716	-	5,649,322	89,701,038
Unrestricted	43,210,620	(621,934)	6,906,467	49,495,153
Total Net Position	371,479,968	(41,792,847)	23,212,922	352,900,043
Total Liabilities, Deferred Inflows, and Net Position	$ 454,225,198	$ 46,135,773	$ 27,016,256	$ 527,377,227

See accompanying Notes to Financial Statements.

MARSHALL UNIVERSITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED JUNE 30, 2026

	Marshall University Foundation, Inc.	Provident Group - Marshall Properties LLC	Big Green Scholarship Foundation, Inc.	Combined Total
OPERATING REVENUES				
Gifts and Contributions	$ 16,409,849	$ -	$ 8,545,890	$ 24,955,739
Rental	-	5,785,264	-	5,785,264
Membership Fees	-	5,764,784	-	5,764,784
Other Operating Revenues	1,621,598	37,987	240,840	1,900,425
Total Operating Revenues	18,031,447	11,588,035	8,786,730	38,406,212
OPERATING EXPENSES				
Salaries and Benefits	6,332,209	2,873,092	479,232	9,684,533
Supplies and Other Services	8,822,966	1,768,515	2,619,651	13,211,132
Utilities	120,932	-	-	120,932
Student Financial Aid, Contributions to Marshall University	8,438,808	-	3,490,667	11,929,475
Depreciation and Amortization	320,701	3,044,323	-	3,365,024
Other Operating Expenses	643,412	934,875	720,008	2,298,295
Total Operating Expenses	24,679,028	8,620,805	7,309,558	40,609,391
OPERATING INCOME (LOSS)	(6,647,581)	2,967,230	1,477,172	(2,203,179)
OTHER NONOPERATING REVENUES (EXPENSES)				
Contributions to Marshall University for Capital and Debt Service	-	-	(5,613,083)	(5,613,083)
Investment Income	40,384,780	142,420	2,086,584	42,613,784
Interest on Indebtedness	-	(3,939,877)	-	(3,939,877)
Total Other Nonoperating Revenues	40,384,780	(3,797,457)	(3,526,499)	33,060,824
				-
INCREASE (DECREASE) IN NET POSITION	33,737,199	(830,227)	(2,049,327)	30,857,645
				-
Net Position - Beginning of Year	371,479,968	(41,792,847)	23,212,922	352,900,043
NET POSITION - END OF YEAR	$ 405,217,167	$ (42,623,074)	$ 21,163,595	$ 383,757,688

See accompanying Notes to Financial Statements.

MARSHALL UNIVERSITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED JUNE 30, 2025

	Marshall University Foundation, Inc.	Provident Group - Marshall Properties LLC	Big Green Scholarship Foundation, Inc.	Combined Total
OPERATING REVENUES				
Gifts and Contributions	$ 72,958,206	$ -	$ 6,306,312	$ 79,264,518
Rental	-	5,588,746	-	5,588,746
Membership Fees	-	5,565,262	-	5,565,262
Other Operating Revenues	1,355,887	46,085	661,576	2,063,548
Total Operating Revenues	74,314,093	11,200,093	6,967,888	92,482,074
OPERATING EXPENSES				
Salaries and Benefits	4,956,679	2,821,463	498,996	8,277,138
Supplies and Other Services	6,420,411	1,764,898	2,612,928	10,798,237
Utilities	115,118	-	-	115,118
Student Financial Aid, Contributions to Marshall University	6,016,020	-	1,843,353	7,859,373
Depreciation and Amortization	604,210	3,223,033	19,203	3,846,446
Other Operating Expenses	703,307	910,007	926,456	2,539,770
Total Operating Expenses	18,815,745	8,719,401	5,900,936	33,436,082
OPERATING INCOME	55,498,348	2,480,692	1,066,952	59,045,992
OTHER NONOPERATING REVENUES (EXPENSES)				
Contributions to Marshall University for Capital and Debt Service	-	-	(3,518,563)	(3,518,563)
Investment Income	21,768,286	170,598	1,490,293	23,429,177
Interest on Indebtedness	-	(4,124,802)	-	(4,124,802)
Total Other Nonoperating Revenues	21,768,286	(3,954,204)	(2,028,270)	15,785,812
INCREASE (DECREASE) IN NET POSITION	77,266,634	(1,473,512)	(961,318)	74,831,804
Net Position - Beginning of Year	294,213,334	(40,319,335)	24,174,240	278,068,239
NET POSITION - END OF YEAR	$ 371,479,968	$ (41,792,847)	$ 23,212,922	$ 352,900,043

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

Marshall University (the University) is governed by the Marshall University Board of Governors (the Board). The Board was established by Senate Bill (S.B.) 653.

Powers and duties of the Board include, but are not limited to, the power to determine, control, supervise, and manage the financial, business, and educational policies and affairs of the institution(s) under its jurisdiction; the duty to develop a master plan for the institution; the power to prescribe the specific functions and institution(s) budget requests; the duty to review, at least every five years, all academic programs offered at the institution(s); and the power to fix tuition and other fees for the different classes or categories of students enrolled at the institution(s).

S.B. 653 also created the West Virginia Higher Education Policy Commission (the Commission) and the West Virginia Higher Education Fund (the Fund). The Commission is responsible for developing, gaining consensus around, and overseeing the implementation and development of a higher education public policy agenda.

As a requirement of Governmental Accounting Standards Board (GASB), the University has included information from the Marshall University Foundation, Inc. (the Foundation), Provident Group – Marshall Properties, L.L.C. (Provident – Marshall) and Big Green Scholarship Foundation, Inc. (Big Green) for the years ended June 30, 2026 and 2025.

Although the University benefits from the activities of the Foundation and Big Green, they are independent of the University in all respects. The Foundation and Big Green are not subsidiaries of the University and are not directly or indirectly controlled by the University. The Foundation and Big Green have their own separate, independent board of directors. Moreover, the assets of the Foundation and Big Green are the exclusive property of the Foundation and Big Green and do not belong to the University. The University is not accountable for, and does not have ownership of, any of the financial and capital resources of the Foundation or Big Green. The University does not have the power or authority to mortgage, pledge, or encumber the assets of the Foundation or Big Green. The Boards of Directors of the Foundation and Big Green are entitled to make all decisions regarding the business and affairs of the respective entities, including, without limitation, distributions made to the University. Under the state of West Virginia (the State) law, neither the principal nor income generated by the respective assets of the Foundation or Big Green can be taken into consideration in determining the amount of State-appropriated funds allocated to the University. Third parties dealing with the University, the Board, and the State (or any agency thereof) should not rely upon the financial statements of the Foundation or Big Green for any purpose without consideration of all the foregoing conditions and limitations.

NOTE 1 ORGANIZATION (CONTINUED)

Although the University benefits from the activities of Provident – Marshall, Provident – Marshall is independent of the University in all respects. Provident – Marshall is not a subsidiary of the University and is not directly or indirectly controlled by the University. Provident – Marshall is a nonprofit corporation that is operated for charitable purposes. The assets of Provident – Marshall are the exclusive property of Provident – Marshall and do not belong to the University. The University is not accountable for, and does not have ownership of, any of the financial and capital resources of Provident – Marshall. The University does not have the power or authority to mortgage, pledge, or encumber the assets of Provident – Marshall. Any income resulting from the operations of Provident – Marshall is for the benefit of Provident – Marshall, and is not distributed to the University. Third parties dealing with the University, the Board, and the State (or any agency thereof) should not rely upon the financial statements of Provident – Marshall for any purpose without consideration of all the foregoing conditions and limitations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America (generally accepted accounting principles or U.S. GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources net position, revenues, expenses, changes in net position, and cash flows.

Reporting Entity

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 that, along with all State institutions of higher education, the Commission (which includes West Virginia Network for Educational Telecomputing), and the West Virginia Council for Community and Technical College Education form the Higher Education Fund of the State. The Higher Education Fund is considered 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 University, including Marshall University Research Corporation (MURC) and Southern West Virginia Brownfields Assistance Center, Inc. (the Center). The basic criteria for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the University's ability to significantly influence operations and accountability for fiscal matters of related entities. Other affiliates of the University (see Note 18) are not part of the University reporting entity and are not included in the accompanying financial statements, since the University has no ability to designate management, cannot significantly influence operations of these entities, and is not accountable for the fiscal matters of these entities under GASB.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

On May 25, 2006, the Center was incorporated to foster and promote the redevelopment of Brownfield sites, including providing assistance to eligible entities on state and federal Brownfield programs, securing state and federal funding for Brownfield redevelopment, and acquiring property eligible for state and federal Brownfield assistance as set forth in West Virginia State Code 18B-11-7. As of June 30, 2026 and 2025, the Center had limited financial activity, all of which is included in the accompanying financial statements.

The audited financial statements of the Foundation, Big Green and Provident – Marshall, are presented here as discretely presented component units with the University financial statements in accordance with GASB discretely presented component unit requirements. The Foundation and Big Green are separate, private, nonprofit organizations; Provident – Marshall is a single-member, limited liability company; and all report under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. (see Notes 15, 16, 17, 24, 25, and 26).

Financial Statement Presentation

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

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

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

The West Virginia Legislature, as a regulatory body outside the reporting entity, has restricted the use of certain funds by Article 10, *Fees and Other Money Collected at State Institutions of Higher Education of the West Virginia State Code*. House Bill No. 101 passed in March 2004 simplified the tuition and fees restrictions to auxiliaries and capital items. These activities are fundamental to the normal ongoing operations of the University. These restrictions are subject to change by future actions of the West Virginia Legislature.

Restricted Net Position, Nonexpendable — This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Unrestricted Net Position — Unrestricted net position 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 University and may be used at the discretion of the Board to meet current expenses for any purpose.

Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged in only business-type activities. Accordingly, the University's financial statements have been prepared on the accrual basis of accounting with a focus on the flow of economic resources measurement. Revenues are reported when earned and expenses are reported 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 University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Cash and cash equivalents balances on deposit with the State of West Virginia Treasurer's Office (the State Treasurer) are pooled by the State Treasurer with other available funds of the State for investment purposes by the West Virginia Board of Treasury Investments (BTI). These funds are transferred to the BTI, and the BTI is directed by the State Treasurer to invest the funds in specific external investment pools in accordance with West Virginia Code, policies set by the BTI, provisions of bond indentures, and the trust agreements when applicable. Balances in the investment pools are recorded at fair value or amortized cost, which approximates fair value. Fair value is determined by a third-party pricing service based on asset portfolio pricing models and other sources in accordance with GASB. The BTI was established by the State Legislature and is subject to oversight by the State Legislature. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. The amounts on deposit are available for immediate withdrawal or on the first day of each month for the WV Short Term Bond Pool and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

The BTI maintains the Consolidated Fund investment fund, which consists of eight investment pools and participant-directed accounts, three of which the University may invest in. These pools have been structured as multiparticipant variable net position funds to reduce risk and offer investment liquidity diversification to the Fund participants. Funds not required to meet immediate disbursement needs are invested for longer periods. A more detailed discussion of the BTI's investment operations pool can be found in its annual audited financial report. A copy of that annual audited financial report can be obtained from the following address: 1900 Kanawha Blvd. East, Room E-122, Charleston, West Virginia 25305, or http://www.wvbti.com.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The University's investments are entirely managed and held by the Foundation at June 30, 2026 and 2025. MURC held U.S. government agency securities, corporate/foreign bonds, equity mutual funds and fixed income investments at June 30, 2026 and 2025.

Investments measured and reported at fair value are classified according to the following hierarchy. Level 1, investments reflect prices quoted in active markets. Level 2, investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active. Level 3, investments reflect prices based upon unobservable inputs. 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.

Permissible investments for all agencies include those guaranteed by the United States of America, its agencies, and instrumentalities (U.S. government obligations); corporate debt obligations, including commercial paper, which meet certain ratings; certain money market funds; repurchase agreements; reverse repurchase agreements; asset-backed securities; certificates of deposit; state and local government securities; and other investments. Other investments consist primarily of investments in accordance with the Linked Deposit Program, a program using financial institutions in West Virginia to obtain certificates of deposits, loans approved by the State Legislature, and any other program investments authorized by the State Legislature.

Investments are made in accordance with and subject to the provisions of the Uniform Prudent Investor Act codified as Chapter 44, Article 6C, of the West Virginia Code.

Allowance for Doubtful Accounts

It is the University'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 University on such balances; and such other factors that, in the University's judgment, require consideration in estimating doubtful accounts.

Inventories

Inventories are stated at the lower of cost or market, cost being determined on the first-in, first-out method.

Noncurrent Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments that are (1) externally restricted to make debt service payments and long-term loans to students, or to maintain sinking or reserve funds, (2) to purchase capital or other noncurrent assets or settle long-term liabilities, or (3) permanently restricted net position are classified as noncurrent assets in the accompanying statements of net position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets include property, plant, and equipment; leases, subscription based information technology arrangements (SBITAs), books and materials that are part of a catalogued library; and infrastructure assets. Capital assets are stated at cost at the date of acquisition or construction or at acquisition value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and infrastructure, 15 years for land improvements, 7 years for library books, and 3 to 10 years for furniture and equipment. The University's capitalization threshold is $100,000 for buildings and $5,000 for most other capital assets.

Leases and SBITA assets are initially measured as the sum of the present value of payments expected to be made during the term, payments associated with the contract made to the vendor at the commencement of the contractual term, when applicable, and capitalizable implementation costs, less any vendor incentives received form the vendor at the commencement of the contractual term. Leases and SBITA assets are amortized in a systematic and rational manner over the shorter of the contractual term or the useful life of the underlying assets.

Unearned Revenue

Revenues for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue, including items such as football ticket sales, tuition and fees, and room and board. Financial aid and other deposits are separately classified as deposits.

Compensated Absences and Other Postemployment Benefits (OPEB)

GASB provides for the measurement, recognition, and display of OPEB expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the State. The University is required to participate in this multiple-employer, cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund (RHBT), sponsored by the state of West Virginia. Details regarding this plan and its stand-alone financial statements can be obtained by contacting the West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, WV 25305-0710, or http://www.wvpeia.com.

The liability for compensated absences reported in the statement of net position consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. The University's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn 1-1/2 sick leave days for each month of service and are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extend health insurance for one month of single coverage, and three days extend health insurance for one month of family coverage.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences and Other Postemployment Benefits (OPEB) (Continued)

For employees hired after 1988, or who were hired before 1988 but did not choose such coverage until after 1988 but before July 1, 2001, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired July 1, 2001, or later will no longer receive sick leave credit toward insurance premiums when they retire. Additionally, all retirees have the option to purchase continued coverage regardless of their eligibility for premium credits. This liability is now provided for under the multiple-employer, cost-sharing plan sponsored by the State.

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 3 1/3 years of teaching service extend health insurance for one year of single coverage, and five years extend health insurance for one year of family coverage. Faculty hired after July 1, 2009, will no longer receive years of service credit toward insurance premiums when they retire. Employees hired after July 1, 2010, receive no health insurance premium subsidy from the University. Two groups of employees hired after July 1, 2010, will not be required to pay the unsubsidized rate: (1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010; and (2) retired employees who retired before July 1, 2010, return to active service after July 1, 2010, and then go back into retirement. In those cases, the original hire date will apply.

The estimated expense and expense incurred for the vacation leave or OPEB benefits are recorded as a component of benefits expense in the statements of revenues, expenses, and changes in net position.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers' Retirement System (TRS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the TRS fiduciary net position have been determined on the same basis as they are reported in the TRS financial statements, which can be found at https://www.wvretirement.com/Publications.html#CAFR. The plan schedules of TRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions.

Investments are reported at fair value. Detailed information on investment valuation can be found in the TRS financial statements. Management of TRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ (Note 14).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

Consumption of net position by the University that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position. As of June 30, 2026 and 2025, the University had a deferred loss on refunding of $2,344,602 and $2,473,170, respectively, and deferred outflows of resources related to pensions of $218,275 and $233,739 as of June 30, 2026 and 2025, respectively (Note 14). As of June 30, 2026 and 2025, the University had deferred outflows of resources related to OPEB of $4,591,560 and $2,203,907, respectively, as required by GASB 75 (Note 11).

Deferred Inflows of Resources

Acquisition of net position by the University that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statement of net position. As of June 30, 2026 and 2025, the University had deferred inflows from public-private partnerships of $632,281 and $662,390, respectively, and deferred inflows related to pensions of $359,645 and $364,308 as of June 30, 2026 and 2025, respectively (Note 14). As of June 30, 2026 and 2025, the University had deferred inflows of resources related to OPEB of $2,433,324 and $1,562,215, respectively, as required by GASB 75 (Note 11). As of June 30, 2026 and 2025, the University had deferred inflows of resources related to leases of $251,864 and $342,876, respectively.

Risk Management

The State's Board of Risk and Insurance Management (BRIM) provides general, property and casualty, and medical malpractice liability coverage to the University and its employees, including those physicians employed by the University and related to the University's School of Medicine (SOM). Such coverage may be provided to the University 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 so as to minimize the likelihood of premium adjustments to the University or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums the University is currently charged by BRIM and the ultimate cost of that insurance based on the University's actual loss experience. In the event that such differences arise between estimated premiums currently charged by BRIM to the University and the University's ultimate actual loss experience, the difference will be recorded as the change in estimate becomes known.

SOM established a $250,000 deductible program under the BRIM professional liability coverage effective July 1, 2005. Prior to this date, the SOM was totally covered by BRIM at a limit of $1,000,000 per occurrence.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management (Continued)

Starting July 1, 2005, the SOM assumed the risk and responsibility for any and all indemnity amounts up to $250,000 per occurrence and all loss expenses associated with medical malpractice claims and/or suits in exchange for a reduction in its premium for medical malpractice insurance. Under the program, SOM entered into an agreement with BRIM whereby SOM initially deposited $500,000 in an escrow account with the State Treasury from which BRIM could withdraw amounts to pay indemnity costs and allocated expenses in connection with medical malpractice claims against the SOM. At June 30, 2026 and 2025, the balance in the escrow account was $1,505,929 and $1,525,384, respectively. Based on an actuarial valuation of this self-insurance program, the University has recorded a liability of $13,172,000 and $12,637,000 at June 30, 2026 and 2025, respectively, to reflect projected claim payments at 80% confidence level and a discount rate of 3% at June 30, 2026 and 2025. The receivable from University Physicians & Surgeons, Inc., for the funding it has agreed to provide for this liability was $11,666,071 and $11,111,616 at June 30, 2026 and 2025, respectively, and is included in noncurrent other accounts receivable (see Note 4).

In addition, through its participation in PEIA and a third-party insurer, the University has obtained for its employees' health, life, and prescription drug coverage, and coverage for job-related injuries. In exchange for the payment of premiums to PEIA and the third-party insurer, the University has transferred its risks related to health, life, prescription drug, and job-related injuries coverage.

Use of Restricted Net Position

The University 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 net position are available. Generally, the University attempts to utilize restricted funds first when practicable.

Federal Financial Assistance Programs

The University makes loans to students under the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students through institutions, such as the University. Direct student loan receivables are not included in the University's accompanying statements of net position since the loans are repayable directly to the U.S. Department of Education. In 2026 and 2025, the University received and disbursed approximately $71,000,000 and $69,000,000, respectively, under the Federal Direct Student Loan Program on behalf of the U.S. Department of Education, which is not included as revenue and expense on the accompanying statements of revenues, expenses, and changes in net position.

The University also distributes other student financial assistance funds on behalf of the federal government to students under the Federal Pell Grant, Supplemental Educational Opportunity Grant, and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2026 and 2025, the University received and disbursed approximately $23,613,000 and $26,821,000, respectively, under these federal student aid programs.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scholarship Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the accompanying statements of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf.

The allocation between scholarship allowances and student aid expense was calculated in prior fiscal years under the alternative method as previously prescribed by the National Association of College and University Business Officers (NACUBO). Under the new calculation method adopted in fiscal year 2025, these amounts are computed on a detail by student, data aggregated for the entire fiscal year, basis.

This change affects scholarship allowances which are displayed on the financial statements netted against tuition and fee revenue and student aid expense. The change in measurement methodology will result in a more accurate estimate because the previous method resulted in the calculated expense being inflated. The alternative method backed into the discount, by subtracting a derived expense from total aid. This overstated expense estimate causes the discount to be correspondingly overstated. Today we have student information systems that are more capable of matching student aid with student charges, using ordering rules for applying aid that are based upon institutional policy and associating aid with the academic term applicable. This change also prepares the University for anticipated changes to GASB revenue recognition guidance.

Government Grants and Contracts

Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. The University 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.

Income Taxes

The University is exempt from income taxes under Section 115 of the Internal Revenue Code as a governmental entity. It is also recognized by the Internal Revenue Service as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Cash Flows

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Change in Accounting Policy

Effective July 1, 2025 the University implemented GASB Statement No. 103, *Financial Reporting Model Improvements*. GASB 103 modifies certain financial statement presentation and classification requirements, including certain revenue classifications. Prior year amounts have been reclassified to conform to the current year presentation under GASB 103. These reclassifications had no effect on previously reported net position or change in net position. The following prior year financial statement line items are affected by the application of the new accounting principle as follows:

	As Previously Reported	As Reported Under GASB 103
Operating Revenue		
Pell Grants	$ -	$ 22,871,757
COVID Relief Grants	-	1,219
Noncapital Subsidies		
State Appropriations	-	76,036,788
Payments Made on Behalf of the University	-	462,252
Gifts	-	3,922,311
Nonoperating Revenues (Expenses)		
State Appropriations	75,403,490	-
State Lottery Appropriations	633,298	-
Payments on Behalf of the University	462,252	-
Federal Pell Grants	22,871,757	-
Federal CARES Grants	1,219	-
Gifts	3,922,311	-
Capital Grants and Gifts	11,329,817	-

NOTE 3 CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents was held as follows at the years ended June 30:

	2026		
	Current	Noncurrent	Total
State Treasurer	$ 35,024,957	$ 176,000	$ 35,200,957
Trustee	734	1,463,950	1,464,684
State Treasurer - Escrow		1,505,929	1,505,929
Cash Equivalents	12,623,009	-	12,623,009
In Bank	1,753,671	-	1,753,671
On Hand	3,731	-	3,731
Total	$ 49,406,102	$ 3,145,879	$ 52,551,981

	2025		
	Current	Noncurrent	Total
State Treasurer	$ 18,791,236	$ 176,000	$ 18,967,236
Trustee	887	1,546,782	1,547,669
State Treasurer - Escrow	-	1,525,385	1,525,385
Cash Equivalents	9,400,545	-	9,400,545
In Bank	1,641,585	-	1,641,585
On Hand	4,231	-	4,231
Total	$ 29,838,484	$ 3,248,167	$ 33,086,651

Cash held by the State Treasurer includes $28,855,211 and $4,693,688 at June 30, 2026 and 2025, respectively, of restricted cash for sponsored projects, loans, and other purposes.

Cash on deposit with Trustee represents funds reserved for debt payments and project expenditures on the University Bonds, Series 2020A, Series 2020B, (the 2020 Bonds). (See Note 9).

State Treasurer escrow represents an escrow agreement the University entered into with BRIM for malpractice insurance deductibles with a balance of $1,505,929 and $1,525,385 at June 30, 2026 and 2025, respectively.

MURC cash equivalents totaling $12,631,361 and $9,408,897 at June 30, 2026 and 2025, respectively, are held in a business savings account, collateralized at 140% and 143%, respectively. The collateral was held in the name of MURC.

The carrying amount of cash in bank at June 30, 2026 and 2025, was $1,753,671 and $1,641,585 as compared with the bank balance of $2,001,509 and $1,759,530, respectively. The difference is primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the State’s agent. Regarding federal depository insurance, interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. Noninterest-bearing accounts are 100% insured through June 30, 2026 and 2025.

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Amounts with the State Treasurer as of June 30, 2026 and 2025, are comprised of approximately $7,935,000 and $2,725,000, respectively, held by the State Treasury Fund not invested, and two investment pools, the WV Money Market Pool and the WV Short Term Bond Pool.

Credit Risk — Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The following table provides information on the Standard & Poor's rating of the investment pools as of June 30:

	2026		2025	
External Pool	Carrying Value (in Thousands)	S & P Rating	Carrying Value (in Thousands)	S & P Rating
WV Money Market Pool	$ 26,642	AAAm	$ 15,870	AAAm
WV Short Term Bond Pool	624	Not Rated	372	Not Rated

A Fund rated "AAAm" has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. "AAAm" is the highest principal stability fund rating assigned by Standard & Poor's.

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the amounts with the State Treasurer are subject to interest rate risk. The following table provides information on the weighted-average maturities for the WV Money Market Pool:

	2026		2025	
External Pool	Carrying Value (in Thousands)	WAM (Days)	Carrying Value (in Thousands)	WAM (Days)
WV Money Market Pool	$ 26,642	46	$ 15,870	41

The following table provides information on the effective duration for the WV Short Term Bond Pool:

	2026		2025	
External Pool	Carrying Value (in Thousands)	Effective Duration (Days)	Carrying Value (in Thousands)	Effective Duration (Days)
WV Short Term Bond Pool	$ 624	664	$ 372	637

Other Investment Risks — Other investment risks include concentration of credit risk, custodial credit risk, and foreign currency risk. None of the BTI's Consolidated Fund's investment pools or accounts is exposed to these risks as described below.

Cash in Bank with Trustee

Credit Risk — Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Cash in bank with Trustee is governed by provisions of the bond agreement.

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Cash in Bank with Trustee (Continued)

Investment Type	Carrying Value 2026	2025
Money Market Fund	$ 1,464,684	$ 1,547,669

The objective of the money market fund is to increase the current level of income while continuing to maintain liquidity and capital. Assets are invested in high-quality, short-term money market instruments.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The University does not have a formal custodial credit risk policy.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy limits investment maturities from potential fair value losses due to increasing interest rates. No more than 5% of the money market fund's total market value may be invested in the obligations of a single issuer, with the exception of the U.S. government and its agencies. The University does not have a formal interest rate risk policy.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2026 and 2025, are as follows:

	2026		
	Current	Noncurrent	Total
Student Tuition and Fees, Net of Allowance for Doubtful Accounts of $1,793,842	$ 2,510,940	$ -	$ 2,510,940
Grants and Contracts Receivable, Net of Doubtful Accounts of $1,699,626	17,419,907	-	17,419,907
Due from Other State Agencies	2,138,679	-	2,138,679
Primary Government	33,625,964	-	33,625,964
Lease Receivable	85,225	195,202	280,427
Other Accounts Receivable	6,425,715	12,353,465	18,779,180
Total	$ 62,206,430	$ 12,548,667	$ 74,755,097

NOTE 4 ACCOUNTS RECEIVABLE (CONTINUED)

	2025		
	Current	Noncurrent	Total
Student Tuition and Fees, Net of Allowance for Doubtful Accounts of $1,517,241	$ 2,255,552	$ -	$ 2,255,552
Grants and Contracts Receivable, Net of Doubtful Accounts of $1,938,722	18,658,210	-	18,658,210
Due from Other State Agencies	3,956,847	-	3,956,847
Primary Government	40,707,024	-	40,707,024
Lease Receivable	82,436	276,544	358,980
Other Accounts Receivable	9,408,706	11,880,667	21,289,373
Total	$ 75,068,775	$ 12,157,211	$ 87,225,986

NOTE 5 INVESTMENTS

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The University had the following recurring fair value measurements comprised of investments as of June 30, 2026 and 2025:

	2026			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
University:				
Investments Held by Marshall University Foundation	$ 34,008,256	$ -	$ 34,008,256	$ -
MURC:				
Investments Held by Marshall University Foundation	34,448,116	-	34,448,116	-
Total	$ 68,456,372	$ -	$ 68,456,372	$ -

	2025			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
University:				
Investments Held by Marshall University Foundation	$ 36,940,799	$ -	$ 36,940,799	$ -
MURC:				
Investments Held by Marshall	30,800,800	-	30,800,800	-
Total	$ 67,741,599	$ -	$ 67,741,599	$ -

NOTE 5 INVESTMENTS (CONTINUED)

The Foundation is a discretely presented component unit of the University as discussed in Note 1. During 2016 and 2024, the University and MURC, respectively, and the Foundation executed separate Investment Management Agency Agreements (the Agreements) in which the Foundation was appointed as the University and MURC's investment agent. Under the Agreement the Foundation has full power and authority to make purchases and sales of securities on behalf of the University and MURC. Other responsibilities of the Foundation, in part, are to account for University and MURC assets separately from Foundation assets, provide monthly investment reports, and engage third-party investment managers to invest assets in accordance with the asset allocation provisions established by the University's Investment Committee (defined below) and MURC's Investment Committee. The University and MURC's investments are held in the name of the Foundation. In return for the above noted services, the University and MURC pay the Foundation investment advisory fees as defined in the Agreements.

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

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified in Level 2 of the fair value hierarchy are valued based on the securities' relationship to benchmark quoted prices. Level 3 represents investments with no observable market.

Credit Risk

The Foundation manages the investments of the University in accordance with the Board's Investment Policy No. FA-8, University Investment Policy. The University's investment policy adheres to fiduciary responsibilities in accordance with the provisions of the Uniform Prudent Investor Act (WV State Code section 44-6C-1 Prudent Investor Rule).

Concentration of Credit Risk

MURC's investment policy (not approved by the board of directors as of June 30, 2026 and 2025) will be to invest according to an asset allocation strategy designed to meet the goals of the investment objective. As a result, the following assets allocation targets and ranges have been presented for the investment pool:

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk is managed by limiting the time period or duration of the specific investment.

NOTE 6 CAPITAL ASSETS

Capital asset transactions for the years ended June 30, 2026 and 2025, are as follows:

	2026				
	Beginning Balance	Additions	Reductions	Other	Ending Balance
Capital Assets Not Being Depreciated or Amortized:					
Land	$ 46,710,419	$ -	$ (14,435)	$ -	$ 46,695,984
Antiques and Artwork (Inexhaustible)	66,607	-	-	-	66,607
Construction in Progress	20,650,243	22,884,162	(13,229,062)	(1,368,851)	28,936,492
Total Capital Assets Not Being Depreciated or Amortized	$ 67,427,269	$ 22,884,162	$ (13,243,497)	$ (1,368,851)	$ 75,699,083
Other Capital Assets:					
Land Improvements	$ 11,031,453	$ -	$ -	$ -	$ 11,031,453
Infrastructure	32,572,088	3,935,710	(1,154)	-	36,506,644
Buildings	628,179,226	13,229,062	-	66,515	641,474,803
Right-of-Use Asset, Facilities	66,230,088	347,247	(187,314)	(51,290)	66,338,731
SBITA Asset	14,877,688	2,895,581	(2,836,110)	(53,246)	14,883,913
Equipment	82,680,102	4,409,279	(3,149,566)	-	83,939,815
Library Books	9,563,117	57,870	(63,240)	-	9,557,747
Total Other Capital Assets	845,133,762	24,874,749	(6,237,384)	(38,021)	863,733,106
Less: Accumulated Depreciation and Amortization for:					
Land Improvements	8,135,171	298,968	-	-	8,434,139
Infrastructure	27,599,456	1,453,361	(19,324)	-	29,033,493
Buildings	254,527,469	12,179,658	-	-	266,707,127
Right-of-Use Asset, Facilities	7,753,061	5,057,904	(187,314)	-	12,623,651
SBITA Asset	7,114,339	4,209,403	(2,836,109)	-	8,487,633
Equipment	59,023,397	4,172,583	(2,854,968)	-	60,341,012
Library Books	9,436,480	41,047	(63,240)	-	9,414,287
Total Accumulated Depreciation/Amortization	373,589,373	27,412,924	(5,960,955)	-	395,041,342
Other Capital Assets - Net	$ 471,544,389	$ (2,538,175)	$ (276,429)	$ (38,021)	$ 468,691,764
Capital Asset Summary:					
Capital Assets Not Being Depreciated	$ 67,427,269	$ 22,884,162	$ (13,243,497)	$ (1,368,851)	$ 75,699,083
Capital Assets	845,133,762	24,874,749	(6,237,384)	(38,021)	863,733,106
Total Cost of Capital Assets	912,561,031	47,758,911	(19,480,881)	(1,406,872)	939,432,189
Less: Accumulated Depreciation and Amortization	(373,589,373)	(27,412,924)	5,960,955	-	(395,041,342)
Capital Assets - Net	$ 538,971,658	$ 20,345,987	$ (13,519,926)	$ (1,406,872)	$ 544,390,847

NOTE 6 CAPITAL ASSETS (CONTINUED)

	2025				
	Beginning Balance	Additions	Reductions	Other	Ending Balance
Capital Assets Not Being Depreciated or Amortized:					
Land	$ 42,656,660	$ 4,053,759	$ -	$ -	$ 46,710,419
Antiques and Artwork (Inexhaustible)	66,607	-	-	-	66,607
Construction in Progress	7,382,840	20,150,672	-	(6,883,269)	20,650,243
Total Capital Assets Not Being Depreciated or Amortized	$ 50,106,107	$ 24,204,431	$ -	$ (6,883,269)	$ 67,427,269
Other Capital Assets:					
Land Improvements	$ 10,523,954	$ 507,499	$ -		$ 11,031,453
Infrastructure	29,860,061	2,713,820	(1,793)	-	32,572,088
Buildings	621,869,970	-	-	6,309,256	628,179,226
Right-of-Use Asset, Facilities	59,080,523	6,987,705	(179,831)	341,691	66,230,088
SBITA Asset	14,113,542	3,115,951	(2,429,427)	77,622	14,877,688
Equipment	77,610,585	6,321,997	(1,252,480)	-	82,680,102
Library Books	9,532,727	72,080	(41,690)	-	9,563,117
Total Other Capital Assets	822,591,362	19,719,052	(3,905,221)	6,728,569	845,133,762
Less: Accumulated Depreciation and Amortization for:					
Land Improvements	7,836,200	298,971	-	-	8,135,171
Infrastructure	27,087,427	513,822	(1,793)	-	27,599,456
Buildings	242,844,904	11,682,565	-	-	254,527,469
Right-of-Use Asset, Facilities	3,085,923	4,846,969	(179,831)	-	7,753,061
SBITA Asset	5,547,975	3,995,791	(2,429,427)	-	7,114,339
Equipment	55,946,732	4,310,005	(1,233,340)	-	59,023,397
Library Books	9,433,939	44,231	(41,690)	-	9,436,480
Total Accumulated Depreciation/Amortization	351,783,100	25,692,354	(3,886,081)	-	373,589,373
Other Capital Assets - Net	$ 470,808,262	$ (5,973,302)	$ (19,140)	$ 6,728,569	$ 471,544,389
Capital Asset Summary:					
Capital Assets Not Being Depreciated	$ 50,106,107	$ 24,204,431	$ -	$ (6,883,269)	$ 67,427,269
Capital Assets	822,591,362	19,719,052	(3,905,221)	6,728,569	845,133,762
Total Cost of Capital Assets	872,697,469	43,923,483	(3,905,221)	(154,700)	912,561,031
Less: Accumulated Depreciation and Amortization	(351,783,100)	(25,692,354)	3,886,081	-	(373,589,373)
Capital Assets - Net	$ 520,914,369	$ 18,231,129	$ (19,140)	$ (154,700)	$ 538,971,658

The University maintains certain collections of inexhaustible assets for which no value can be practically determined. Accordingly, such collections are not capitalized or recognized for financial statement purposes. Such collections include contributed works of art, historical treasures, and literature that are held for exhibition, education, research, and public service. These collections are neither disposed of for financial gain nor encumbered in any means.

At June 30, 2026, the University had outstanding contractual commitments of approximately $43,592,526 for property, plant, and equipment expenditures. These commitments will be funded through a combination of donations and University resources.

NOTE 7 LONG-TERM LIABILITIES

Long-term obligation transactions for the years ended June 30, 2026 and 2025, are as follows:

	2026				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Notes, Bonds, Leases, SBITAs and Financed Purchases:					
Notes Payable	$ 481,070	$ -	$ (161,018)	$ 320,052	$ 161,018
Revenue Bonds Payable	92,065,444	-	(2,399,211)	89,666,233	2,425,000
Lease Liability	19,208,983	38,988	(1,985,850)	17,262,121	1,682,997
SBITA Liability	6,982,031	2,556,114	(3,881,781)	5,656,364	3,121,915
Financed Purchases Payable	59,451,954	3,190,914	(1,355,208)	61,287,660	1,970,561
Total Notes, Bonds, Leases, SBITAs and Financed Purchases	178,189,482	5,786,016	(9,783,068)	174,192,430	9,361,491
Other Long-Term Liabilities:					
Debt Obligation to the Commission	1,175,045	-	(572,200)	602,845	602,845
Unearned Revenue - Contracts	2,031,034	-	(1,076)	2,029,958	199,898
OPEB Liability	-	1,251,730	-	1,251,730	-
Net Pension Liability	771,071	-	(320,407)	450,664	-
Other Noncurrent Liabilities	12,786,116	2,516,377	(2,131,569)	13,170,924	-
Advances from Federal Sponsors	2,577,211	-	(205,943)	2,371,268	-
Total Other Long-Term Liabilities	19,340,477	3,768,107	(3,231,195)	19,877,389	802,743
Total Long-Term Liabilities	$ 197,529,959	$ 9,554,123	$ (13,014,263)	$ 194,069,819	$ 10,164,234

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Notes, Bonds, Leases, SBITAs and Financed Purchases:					
Notes Payable	$ 642,087	$ -	$ (161,017)	$ 481,070	$ 161,018
Revenue Bonds Payable	94,404,654	-	(2,339,210)	92,065,444	2,355,000
Lease Liability	14,712,297	6,282,794	(1,786,108)	19,208,983	1,868,481
SBITA Liability	7,516,514	2,443,869	(2,978,352)	6,982,031	3,217,150
Financed Purchases Payable	57,825,989	2,848,238	(1,222,273)	59,451,954	1,131,081
Total Notes, Bonds, Leases, SBITAs and Financed Purchases	175,101,541	11,574,901	(8,486,960)	178,189,482	8,732,730
Other Long-Term Liabilities:					
Debt Obligation to the Commission	2,326,902	-	(1,151,857)	1,175,045	572,200
Unearned Revenue - Contracts	2,031,034	-	-	2,031,034	150,193
Net Pension Liability	1,042,641	-	(271,570)	771,071	-
Other Noncurrent Liabilities	11,581,821	3,235,378	(2,031,083)	12,786,116	-
Advances from Federal Sponsors	2,894,358	-	(317,147)	2,577,211	-
Total Other Long-Term Liabilities	19,876,756	3,235,378	(3,771,657)	19,340,477	722,393
Total Long-Term Liabilities	$ 194,978,297	$ 14,810,279	$ (12,258,617)	$ 197,529,959	$ 9,455,123

NOTE 8 NOTES PAYABLE

MURC 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. MURC's repayment terms are the same as the bond repayment term. MURC is obligated to make interest payments which commenced on October 10, 2008, for the interest due on the loan semiannually and to make annual principal payments starting 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 of April 10, 2018, through April 1, 2022, is 2.854%. The interest 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.

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.

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, MURC received forgiveness for the entire amount outstanding on the PPP Loan from the Small Business Administration.

Scheduled maturities on notes payable as of June 30, 2026, are as follows:

Year Ending June 30,	Principal
2027	$ 161,018
2028	159,033
Total	$ 320,051

NOTE 9 BONDS

Bonds payable as of June 30, 2026 and 2025, consist of the following:

	Original Interest Rate	Annual Principal Installment Due	Principal Amount Outstanding 2026	Principal Amount Outstanding 2025
University 2020A Series Bonds, Maturing 2030 - 2050M	3.0% to 5.0%	$2,660,000 to $5,330,000	$ 56,035,000	$ 56,035,000
University 2020B Series Bonds, Maturing 2021 - 2039	2.26% to 3.67%	$1,935,000 to $3,595,000	32,825,000	35,180,000
			88,860,000	91,215,000
Add Bond Premium			806,233	850,444
Total			$ 89,666,233	$ 92,065,444

In April 2020, the Board sold $56,035,000 of 2020A series bonds. The 2020 Bonds were issued under the authority contained in Chapter 18, Article 18B of the Code of West Virginia, 1931, as amended, and the 2020 Bonds are secured pursuant to a Trust Indenture dated as of April 1, 2020, between the University and United Bank, Inc., Charleston, West Virginia, as the Trustee. The 2020A Bonds are secured by and payable from certain revenues as defined in the Trust Indenture.

The proceeds of the 2020A Bonds are being used to (1) finance a portion of the costs of the construction, equipping and furnishing of a new building for the University's College of Business along with other capital improvements approved by the issuer and (2) refunding and redeeming all or a portion of the 2010 and 2011 Bonds and (3) paying bond insurance premiums or other credit enhancement and (4) to pay the costs of issuance of the 2020A Bonds.

In April 2020, the Board sold $45,960,000 of 2020B series bonds. The 2020B Bonds were issued under the authority contained in Chapter 18, Article 18B of the Code of West Virginia, 1931, as amended, and the 2020 Bonds are secured pursuant to a Trust Indenture dated as of April 1, 2020, between the University and United Bank, Inc., Charleston, West Virginia, as the Trustee. The 2020B Bonds are secured by and payable from certain revenues as defined in the Trust Indenture. The proceeds of the 2020B Bonds were used to (1) refund and redeem all or a portion of the 2011 Bonds, (2) paying bond insurance premiums or other credit enhancement and (3) to pay the costs of issuance of the 2020B Bonds.

The net proceeds of the 2020A and 2020B Bonds of $77,479,854 (after payment of $1,108,608 of costs of issuance and $27,950,000 deposited with the University for use for construction of a new building) plus an additional $3,470,000 equity contribution from the University were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 2010 and 2011 Bonds. As a result, the 2010 and 2011 Bonds are considered to be defeased and the liability for those bonds has been removed from the statement of net position.

NOTE 9 BONDS (CONTINUED)

The above bond issues (collectively, the Bonds) are specific to the University, although the Bonds were also issued either in the name of the Board or the State itself. As debt service is required on the Bonds, the University remits the funds to a commercial bank for payment to the trustees of the bond issues and the bondholders. Mandatory debt service transfers are recorded as the funds are so remitted. A commercial bank holds certain cash and cash equivalents (see Note 3) for debt service or other bond issue purposes on behalf of the University.

The Bonds are special obligations of the State and are not general obligations or a debt of the State. Neither the credit nor the taxing power of the State is pledged for the payment of the Bonds. The above bond issues are fully insured as to principal and interest by the Federal Guaranty Insurance Company.

The Bond covenants require that the schedules of rent, charges, and fees shall at all times be adequate to produce revenues from the auxiliary facilities sufficient to pay operating expenses and when with E&G Capital Fees, Medical Center Rental Income, and Athletic Facility Enhancement Fee Revenues (as defined in the indenture) to make the prescribed payments into the funds and accounts created hereunder, and that such schedule or schedules of rents, charges, and fees that shall be revised from time to time to provide for all reasonable operating expenses and leave net revenues, when with other monies legally available to be used for such purposes, each year equal at least 100% the maximum annual debt service of the Bonds. During the years ended June 30, 2026 and 2025, net revenues, when combined with other monies legally available for payment of debt service, was 5.37 times and 4.38 times the maximum annual debt service, respectively.

A summary of the annual aggregate principal and interest payments for years subsequent to June 30, 2026, is as follows:

Year Ending	2020A Bonds		2020B Bonds		Combined	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2027	$ -	$ 1,935,450	$ 2,425,000	$ 1,182,679	$ 2,425,000	$ 3,118,129
2028	-	1,935,450	2,500,000	1,109,638	2,500,000	3,045,088
2029	-	1,935,450	2,575,000	1,031,463	2,575,000	2,966,913
2030	2,660,000	1,935,450	-	949,655	2,660,000	2,885,105
2031	-	1,802,450	2,790,000	949,655	2,790,000	2,752,105
2032-2036	-	9,012,250	15,485,000	3,213,621	15,485,000	12,225,871
2037-2041	11,560,000	8,672,350	7,050,000	429,526	18,610,000	9,101,876
2042-2046	21,695,000	6,015,100	-	-	21,695,000	6,015,100
2047-2051	20,120,000	2,051,400	-	-	20,120,000	2,051,400
Total	$ 56,035,000	$ 35,295,350	$ 32,825,000	$ 8,866,237	$ 88,860,000	$ 44,161,587

NOTE 10 FINANCED PURCHASES

The University has financed various equipment and building assets through financed purchases. At June 30, 2026 and 2025, financed equipment with a net book value of $4,575,861 and $3,041,502 and financed buildings with a net book value of $54,779,560 and $54,039,413, respectively, are included in equipment and buildings.

Future annual minimum finance payments for years subsequent to June 30, 2026, are as follows:

Year Ending June 30.	Principal	Interest	Total
2027	$ 1,970,561	$ 2,843,438	$ 4,813,999
2028	2,320,342	2,810,409	5,130,751
2029	2,432,880	2,771,141	5,204,021
2030	1,539,696	2,731,491	4,271,187
2031	718,166	2,695,280	3,413,446
2032-2036	4,472,834	12,851,737	17,324,571
2037-2041	6,780,647	11,435,591	18,216,238
2042-2046	10,152,204	9,339,034	19,491,238
2047-2051	17,277,740	5,859,332	23,137,072
2052-2054	13,622,590	1,131,868	14,754,458
Total	$ 61,287,660	$ 54,469,321	$ 115,756,981

In December 1998, the University entered into a financed purchase agreement with the Mason County Building Commission for the Mid-Ohio Valley Center (MOVC). The construction of MOVC was financed by the Mason County Building Commission through the issuance of revenue bonds and was completed in January 2000. This agreement was terminated and replaced with a new finance purchase agreement in December 2005, with the new agreement including an addition to be constructed at MOVC with funds from new bonds issued by the Mason County Building Commission. Ownership of MOVC transfers to the University at the end of the agreement term.

On May 2, 2018, Marshall University entered into a development agreement with Signet Marshall Development, LLC, an Ohio limited liability company, to develop, design, and construct a new graduate/medical student housing facility and school of pharmacy. Signet's affiliate, Signet Marshall I, LLC has entered into a ground lease with Marshall for the University owned property that will be the site of this development. The ground lease payment was one dollar for the entire term and has been paid at the execution of the lease.

The University entered into an agreement with the Signet Marshall I, LLC, an Ohio limited liability company, to pay for the buildings constructed in the development agreement over 35 years, once construction is complete. Ownership of the facilities will transfer to the University at the end of the term. Construction was substantially complete on August 15, 2019.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

Employees of the University are enrolled in the West Virginia Other Postemployment Benefit Plan (the OPEB Plan) which is administered by the West Virginia Public Employees Insurance Agency (PEIA) and the West Virginia Retiree Health Benefit Trust Fund (the RHBT).

Following is the University's other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, revenues, and other postemployment benefits expense and expenditures for the fiscal years ended June 30, 2026 and 2025:

	2026	2025
Net OPEB Liability (Asset)	$ 1,251,729	$ (313,454)
Deferred Outflows of Resources	4,591,559	2,203,907
Deferred Inflows of Resources	2,433,325	1,562,215
Revenues	1,427,451	530,690
OPEB Expense (Credit)	527,924	(127,699)
Contributions Made by the University	465,076	883,801

Plan Description

The OPEB Plan is a cost-sharing, multiple employer, defined benefit other postemployment benefit plan that covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in West Virginia Code Section 5-16D-2 (the Code). Plan benefits are established and revised by PEIA and the RHBT with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years, and are eligible for reappointment. The State Department of Administration secretary serves as Chairman of the Board. Four members represent labor, education, public employees, and public retirees. Four remaining members represent the public-at-large.

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement: is a participating employer under the Consolidated Public Retirement Board (CPRB) and, as of July 1, 2008, forward, is a participating employer with PEIA. Active employees who, as of July 1, 2008, have ten years or more of credited service in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with PEIA will be eligible for PEIA retiree coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by PEIA, that the employer will pay to PEIA the nonparticipating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Employees who participate in non-State retirement systems but that are CPRB system affiliated, contracted, or approved (such as TIAA-CREF and Empower Retirement), or are approved, in writing, by the PEIA Director must, in the case of education employees, meet the minimum eligibility requirements of the State Teachers Retirement System (STRS), and in all other cases meet the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

The financial activities of the OPEB Plan are accounted for in the RHBT, a fiduciary fund of the state of West Virginia. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov.

Benefits Provided

The OPEB Plan provides the following benefits: medical and prescription drug insurance and life insurance. The medical and prescription drug insurance is provided through two options: the self-insured preferred provider benefit plan option, which is primarily for non-Medicare-eligible retirees and spouses; and the external managed care organization option, which is primarily for Medicare-eligible retirees and spouses.

Contributions

Pay as you go premiums (paygo) are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidize the retirees' health care. Paygo billed was $223,916 and $596,054 in fiscal years 2026 and 2025, respectively.

Members retired before July 1, 1997, pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997, and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

Retiree leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below:

- Members hired before July 1, 1988, may convert accrued sick or vacation leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988, to June 30, 2001, may convert sick or vacation leave days into 50% of the required retiree healthcare contribution.

The conversion rate is two days of unused sick and vacation leave days per month for single healthcare coverage and three days of unused sick and vacation leave days per month for family healthcare coverage.

Employees hired on or after July 1, 2001, no longer receive sick and/or vacation leave credit toward the required retiree healthcare contribution when they retire. All retirees have the option to purchase continued coverage regardless of their eligibility for premium credits.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Contributions (Continued)

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 3 1/3 years of teaching service extend health insurance coverage for one year of family coverage, and five years extended health insurance for one year of family coverage. Faculty hired after July 1, 2009, no longer receive years of service credit toward insurance premiums when they retire. Faculty hired on or after July 1, 2010, receive no health insurance premium subsidy when they retire. Two groups of employees hired after July 1, 2010, will not be required to pay the unsubsidized rate: (1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010; and (2) retired employees who had an original hire date prior to July 1, 2010, may return to active employment. In those cases, the original hire date may apply.

Basis of Allocation

OPEB amounts have been allocated to each contributing employer based on their proportionate share of employer contributions to the RHBT for the fiscal year ended June 30, 2023. Effective July 1, 2017, certain employers that met the plan's opt out criteria and chose not to participate in the plan coverage were no longer required to make contributions to the plan. The amounts previously allocated to such employers for the net OPEB liability and related deferred inflows and deferred outflows are reallocated to the remaining employers participating in the cost sharing plan. The plan reallocates these balances to the remaining active employers based on their proportionate share of contributions made in the period of reallocation.

Assumptions

The net OPEB liability as of June 30, 2026 and 2025 for financial reporting purposes was determined by an actuarial valuation as of June 30, 2024 and 2023, rolled forward to June 30, 2025 and 2024, respectively. The following actuarial assumptions were used and applied in the measurement:

- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll, closed.
- Amortization period: 20-year closed period as of June 30, 2017
- Investment rate of return: 7.40%, net of OPEB Plan investment expense, including inflation.
- Inflation: 2.50%
- Wage inflation: 2.75% for PERS and TRS
- Rates based on 2015-2020 OPEB experience study and dependent on plan participation and attained age, range from 2.75% to 5.18%, including inflation.
- Trend rate for pre-Medicare and Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

- Discount Rate: 7.40%
- Mortality rates: Postretirement, Pub-2010 general Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2021. Pre-retirement, Pub-2010 general Healthy Retiree Mortality Tables (100% males, 100% females) projected with MP-2021.

The long-term investment rate of return of 7.40% on OPEB Plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the West Virginia Investment Management Board (IMB) and an expected short-term rate of return of 2.75% for assets invested with the WV Board of Treasury Investments (BTI).

Long-term pre-funding assets are invested with the IMB. The strategic asset allocation consists of 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund, and 12% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the BTI.

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which estimates of expected future real rates of return (expected returns, net of OPEB Plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of the long-term geometric rates for each major asset class are summarized below.

The actuarial assumptions used in the June 30, 2025 and 2024, valuations were based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2020.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	45%	7.40%
Fixed Income	15%	3.90%
Real Estate	12%	7.70%
Hedge Fund	10%	4.50%
Private Credit and Income	6%	7.40%
Private Equity	12%	10.00%

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

Discount Rate. A single discount rate of 7.40% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the University's proportionate share of the net OPEB liability (asset) as of June 30, 2026 and 2025, respectively, calculated using the discount rate of 7.40%, as well as what the University's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.40%) or one percentage point higher (8.40%) than the current rate (in thousands):

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
June 30, 2026	$ 4,780	$ 1,252	$ (1,761)

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
June 30, 2025	$ 1,370	$ (313)	$ (1,716)

Sensitivity of the Net OPEB Liability (Asset) to Changes in Healthcare Cost Trend Rates. The following presents the University's proportionate share of the net OPEB liability (asset) as of June 30, 2026 and 2025, respectively, calculated using the current healthcare cost trend rates, as well as what the University's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates (in thousands):

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
June 30, 2026	$ (3,175)	$ 1,252	$ 6,510
June 30, 2025	(2,465)	(313)	2,299

OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. The net OPEB liabilities (assets) at June 30, 2026 and 2025, were measured as of June 30, 2025 and 2024. The total OPEB liabilities at June 30, 2026 and 2025, were determined by an actuarial valuations as of June 30, 2024 and 2023.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

At June 30, 2026 and 2025, respectively, the amount recognized as the University's proportionate share of the net OPEB liability (asset) was $1,251,729 and $(313,454). At June 30, 2026 and 2025, respectively, the nonemployer contributing entity's (state of West Virginia) portion of the collective net OPEB liability (asset) was $993,079 and $(984,520). At June 30, 2026 and 2025, the total net OPEB liability (asset) attributable to the University was $2,244,808 and $(1,297,974), respectively.

The allocation percentage assigned to each contributing employer is based on the employer's proportionate share of employer contributions to the RHBT for the fiscal years ended June 30, 2025 and 2024, respectively. Employer contributions are recognized when due. At June 30, 2025, the University's proportion was 1.327335%, an increase of 0.574493% from its proportion of 0.752842% as of June 30, 2024. At June 30, 2024, the University's proportion was 0.752842% a decrease of 0.792971% from its proportion of 1.545814% calculated as of June 30, 2022.

For the years ended June 30, 2026 and 2025, the University recognized OPEB expense (credit) of $527,925 and $(127,699), respectively. Of this amount, $(899,526) and $(658,389) respectively, was recognized as the University's proportionate share of the OPEB expense, and $1,427,451 and $530,690, respectively as the amount of OPEB expense attributed to special funding. The University also recognized revenue of $1,427,451 and $530,690 respectively, for support provided by the State.

At June 30, 2026 and 2025, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

	2026		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ 62,777	$ (339,127)	$ 108,617	$ (519,242)
Changes in Assumptions	2,924,489	(257,959)	119,666	(370,655)
Net Difference Between Projected and Actual Investment Earnings	-	(914,590)	-	(357,124)
Net Difference Between Projected and Actual Non-Investment Experience	1,139,217	(921,648)	1,091,823	(315,194)
Reallocation of Opt-Out Employer Change in Proportionate Share	-	-	-	-
Contributions After the Measurement Date	465,077	-	883,801	-
Total	$ 4,591,560	$ (2,433,324)	$ 2,203,907	$ (1,562,215)

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

The University will recognize the $465,077 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a subtraction of the net OPEB liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

Year Ending June 30,	Amortization
2027	$ 1,415,994
2028	849,028
2029	(296,976)
2030	(274,887)
Total	$ 1,693,159

NOTE 12 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

The University is a State institution of higher education. It receives a State appropriation to finance a portion of its operations. In addition, it is subject to the legislative and administrative mandates of State government. Those mandates affect all aspects of the University's operations, its tuition and fee structure, its personnel policies, and its administrative practices.

The State has chartered the Commission with the responsibility to construct or renovate, finance, and maintain various academic and other facilities of the State's universities and colleges, including certain facilities of the University. Financing for these facilities was provided through revenue bonds issued by the former Board of Regents, the former University System of West Virginia, the former State College System of West Virginia, or the former Interim Governing Board (the Boards). These obligations administered by the Commission are the direct and total responsibility of the Commission, as successor to the former Boards.

The Commission has the authority to assess each public institution of higher education for payment of debt service on these system bonds. The education and general capital fees (previously tuition and registration fees) of the members of the former University System of West Virginia are generally pledged as collateral for the Commission's bond indebtedness. Student fees collected by the institution in excess of the debt service allocation are retained by the institution for internal funding of capital projects and maintenance. Although the bonds remain as a capital obligation of the Commission, an estimate of the obligation of each institution is reported as a long-term payable by each institution and as a receivable by the Commission.

NOTE 12 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS (CONTINUED)

Debt service assessed for the years ended June 30, 2026 and 2025, is as follows:

	2026	2025
Principal	$ 572,200	$ 1,151,857
Interest	58,719	136,053
Other	98,426	98,125
Total	$ 729,345	$ 1,386,035

During December 2017, the Commission refunded the 2007 series system bonds. The refunding reduced the annual debt service, as well as the principal each school owed to the Commission. The amount of the debt reduction for the University in 2018 was $920,787.

During September 2016, the Commission loaned the University $800,000 from the Energy and Water Savings Revolving Loan Fund to upgrade existing systems in order to reduce future utility costs. The loan is to be repaid in four annual installments of $200,000 each over four years and is interest free.

During the year ended June 30, 2005, the Commission issued $167,000,000 of 2005 Series B 30-year Revenue Bonds to fund capital projects at various higher education institutions in the State. State lottery funds will be used to repay the debt, although the University revenues are pledged if lottery funds prove insufficient.

During August 2010, the West Virginia Development Office issued approximately $162 million of Education, Arts, Science, and Tourism (EAST) bonds. The Commission, as provided in the State Code, received 60% or $97.2 million of the proceeds to help fund various building and campus renewal projects. The University has been authorized to receive $17,600,000 of these proceeds. The West Virginia Development office is responsible for the repayment of the debt. The University has recognized $17.6 million of these funds as revenue in prior years. During 2018, these bonds were refinanced and Marshall University was authorized to receive $2,050,000 of the proceeds from the savings. As of June 30, 2026, the University has recognized $2,050,000 of these funds as capital grant revenue.

During December 2010, the HEPC issued $76,865,000 of the State of West Virginia Higher Education Policy Commission Revenue 2010 Series Bonds to fund HEPC Bond projects approved by the Commission. The University has been authorized to receive $25,000,000 of these proceeds to be specifically used for the construction of the new Biotechnology Development Center and Applied Engineering Complex. The University began drawing the bond proceeds for this project in FY 2012; 85% of these bond proceeds must be spent by December 2013. The University has no responsibility for repayment of this debt. As of June 30, 2026, the University has recognized $25 million of these funds as revenue.

NOTE 12 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS (CONTINUED)

During June 2012, the HEPC refunded a portion of the outstanding principal amount of the State of West Virginia Higher Education Policy Commission Revenue Refunding Bonds 2004 Series B Lottery Revenue Bonds and received approximately $8 million in bond proceeds from the refunding. The Commission approved a list of high-priority capital projects to be funded from the bond proceeds. The University had two projects approved for this funding and entered into an agreement with the Commission to receive $462,500 of these proceeds with a 100% matching requirement. Subsequent changes to budgeted costs reduced the approved amount to $427,330. As of June 30, 2026, the University has recognized $427,625 of these funds as revenue.

NOTE 13 UNRESTRICTED NET POSITION

The University's unrestricted net position as of June 30, 2026 and 2025, includes certain designated net positions as follows:

	2026	2025
Designated for Auxiliaries	$ -	$ 6,537,274
Designated for Auxiliaries Repairs and Maintenance, Debt Payments, Capital Projects, and Equipment Purchases	9,613,526	6,184,041
Designated for Other Repairs and Maintenance, Debt Payments, Capital Projects, and Equipment Purchases	788,702	1,289,761
Undesignated	6,589,341	25,598,514
Total Unrestricted Net Position	$ 16,991,569	$ 39,609,590

NOTE 14 RETIREMENT PLANS

Substantially all eligible employees of the University participate in either the West Virginia Teachers Retirement System (TRS) or the Teachers Insurance and Annuities Association – College Retirement Equity Funds (TIAA-CREF). Previously, upon full-time employment, all employees were required to make an irrevocable election between the TRS and TIAA-CREF. Effective July 1, 1991, the TRS was closed to new participants. Current participants in the TRS are permitted to make a onetime election to cease their participation in that plan and commence contributions to the West Virginia Teachers' Defined Contribution Plan. Contributions to and participation in the West Virginia Teachers' Defined Contribution Plan by University employees have not been significant to date.

Defined Contribution Benefit Plans

The TIAA-CREF is a cost-sharing defined contribution plan in which benefits are based solely upon amounts contributed, plus investment earnings. Each employee who elects to participate in this Plan is required to make a contribution equal to 6% of total annual compensation. The University matches the employees' 6% contributions. Contributions are immediately and fully vested. Employees may elect to make additional contributions to TIAA-CREF, which are not matched by the University.

NOTE 14 RETIREMENT PLANS (CONTINUED)

Defined Contribution Benefit Plans (Continued)

Total contributions to TIAA-CREF for the years ended June 30, 2026, 2025, and 2024, were approximately $18,738,000, $18,402,000, and $17,628,000 , respectively, which consisted of approximately $9,317,000, $9,127,000, and $8,766,000, from the University in 2026, 2025, and 2024, respectively, and approximately $9,421,000, $9,275,000, and $8,862,000, from covered employees in 2026, 2025, and 2024, respectively.

Effective January 1, 2003, higher education employees enrolled in the basic 401(a) retirement plan with TIAA-CREF have an option to switch to the Educators Money 401(a) Basic Retirement Plan (the Educators Money). New hires have the choice of either plan.

The University's total payroll for the years ended June 30, 2026, 2025, and 2024, was approximately $162,459,379, $164,391,827, and $159,747,236, respectively; total covered employees' salaries in the TIAA-CREF were approximately $130,982,917 in 2026, $129,691,189 in 2025, and $123,780,300 in 2024.

Defined Benefit Plan

Some employees of the University are enrolled in a defined benefit pension plan, the West Virginia Teachers' Retirement System (TRS), which is administered by the West Virginia Consolidated Public Retirement Board (CPRB).

Following is the University's pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, revenues, and the pension expense and expenditures for the fiscal years ended June 30, 2026 and 2025:

	2026	2025
Net Pension Liability	$ 450,664	$ 771,071
Deferred Outflows of Resources	218,275	233,739
Deferred Inflows of Resources	359,645	364,308
Revenues	33,814	123,534
Pension Expense (Credit)	(148,455)	(111,384)
Contributions Made by University	134,527	131,750

TRS

Plan Description

TRS is a multiple employer defined benefit cost sharing public employee retirement system providing retirement benefits as well as death and disability benefits. It covers all full-time employees of the 55 county public school systems in the State of West Virginia and certain personnel of the 13 State-supported institutions of higher education, State Department of Education and the Higher Education Policy Commission hired prior to July 1, 1991. Employees of the State-supported institutions of higher education and the Higher Education Policy Commission hired after June 30, 1991, are required to participate in the Higher Education Retirement System. TRS closed membership to new hires effective July 1, 1991.

NOTE 14 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Plan Description (Continued)

TRS is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the State of West Virginia's Comprehensive Annual Financial Report. TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the Plan. A copy of the report may be obtained from the TRS website at https://www.wvretirement.com/Publications.html#AnnualReport.

Benefits Provided

TRS provides retirement, death, and disability benefits. A member is eligible for normal retirement at age 60 with five years of service, age 55 with 30 years of service or any age with 35 years of service. A member may retire with 30 years of credited service at any age with the pension reduced actuarially if the member retires before age 55. Terminated members with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62. Retirement benefits are equivalent to 2% of average annual salary multiplied by years of service. Average salary is the average of the 5 highest fiscal years of earnings during the last 15 fiscal years of earnings. Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the Plan, including contribution rates, to the State Legislature.

Contributions

The funding objective of the CPRB pension trust funds is to meet long-term benefit requirements through contributions, which remain relatively level as a percentage of member payroll over time, and through investment earnings. Contribution requirements are set by CPRB. A member who withdraws from service for any cause other than death or retirement may request that the accumulated employee contributions plus interest be refunded.

Member Contributions: TRS funding policy provides for member contributions based on 6% of members' gross salary. Contributions as a percentage of payroll for members and employers are established by State law and are not actuarially determined.

Employer Contributions: Employers make the following contributions:

The State (including institutions of higher education) contributes:

1. 15% of gross salary of their State-employed members hired prior to July 1, 1991;
2. 15% of School Aid Formula (SAF) covered payroll of county-employed members;
3. 7.5% of SAF-covered payroll of members of the TDCRS;

NOTE 14 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Contributions (Continued)

Employer Contributions (Continued):

4. a certain percentage of fire insurance premiums paid by State residents; and
5. under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the TRS unfunded liability within 40 years of June 30, 1994. As of June 30, 2026 and 2025, respectively, the University's proportionate share attributable to this special funding subsidy was $20,490 and $27,548

The University's contributions to TRS for the years ended June 30, 2026 and 2025, were approximately $134,527 and $131,750, respectively.

Assumptions

The total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2024 and 2023, respectively, and rolled forward to the measurement dates of June 30, 2025 and 2024, respectively. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll
- Asset valuation method: Investments are reported at fair value
- Amortization method and period: Level dollar, fixed period through fiscal year 2034
- Investment rate of return of 7.25, net of investment expenses
- Projected salary increases: Teachers 2.75% - 5.90%, and nonteachers 2.75% - 6.5%, based on age
- Inflation rate of 2.75% as of June 30, 2025 and 2024
- Discount rate of 7.25% as of June 30, 2025 and 2024
- Mortality rates based on Pub-2016 with scale MP-2021 Mortality Tables
- Withdrawal rates: Teachers 1.90% - 31.50% and nonteachers 2.50% - 18.00%
- Disability rates: 0.000% - 0.507%
- Retirement age: An age-related assumption is used for participants not yet receiving payments
- Retirement rates:15% - 100%
- *Ad hoc* cost-of-living increases in pensions are periodically granted by the State Legislature. However, the retirement system makes no automatic provision for such increases.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2019, to June 30, 2024. These assumptions will remain in effect for valuation purposes until such time as the CPRB adopts revised assumptions.

NOTE 14 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term geometric rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2025 and 2024, are summarized below:

	2026	
Asset Class	Long-Term Expected Rate of Return	Target Allocation
Domestic Equity	5.3%	27.5%
International Equity	6.7%	27.5%
Core Fixed Income	4.3%	15.0%
Real Estate	7.2%	10.0%
Private Equity	8.0%	10.0%
Hedge Funds	5.0%	10.0%

	2025	
Asset Class	Long-Term Expected Rate of Return	Target Allocation
Domestic Equity	5.9%	27.5%
International Equity	8.1%	27.5%
Core Fixed Income	4.9%	15.0%
Real Estate	6.8%	10.0%
Private Equity	8.0%	10.0%
Hedge Funds	4.3%	10.0%

Discount Rate. The discount rate used to measure the total TRS pension liability was 7.25% as of June 30, 2025 and 2024, respectively. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, TRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on TRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the TRS net pension liability as of June 30, 2026 and 2025, calculated using the discount rate of 7.25%, as well as what the Commission's TRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate (dollars in thousands) for 2026 and 2025.

NOTE 14 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Assumptions (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
June 30, 2026	$ 900,103	$ 450,664	$ 69,160
June 30, 2025	$ 1,293,482	$ 771,071	$ 328,518

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2026, the TRS net pension liability was measured as of June 30, 2025. The total pension liability was determined by an actuarial valuation as of July 1, 2024 and rolled forward to the measurement date. At June 30, 2025, the TRS net pension liability was measured as of June 30, 2024. The total pension liability was determined by an actuarial valuation as of July 1, 2023 and rolled forward to the measurement date.

At June 30, 2026 and 2025, the University's proportionate share of the TRS net pension liability was approximately $1,284,705 and $2,046,184, respectively. Of this amount, the University recognized approximately $450,664 and $771,071, respectively, as its proportionate share on the statement of net position. The remainder of $834,041 and $1,275,113, respectively, denotes the University's proportionate share of net pension liability attributable to the special funding.

The allocation percentage assigned to each participating employer and nonemployer contributing entity is based on their proportionate share of employer and nonemployer contributions to TRS for each of the fiscal years ended June 30, 2025 and 2024. Employer contributions are recognized when due. At June 30, 2025, the University's proportion was .034679%, a decrease of .006184% from its proportion of .040863% calculated as of June 30, 2024. At June 30, 2024, the University's proportion was .040863%, an decrease of .004679% from its proportion of 0.045542%, calculated as of June 30, 2023.

For the years ended June 30, 2026 and 2025, the University recognized TRS pension (credit) of $(175,211) and $(111,384) respectively. Of this amount, $(162,679) and $(234,918) respectively, was recognized as the University's proportionate share of the TRS expense (credit); $6,266 and $95,986, respectively, as the amount of pension expense attributable to special funding from a nonemployer contributing entity; and $20,490 and $27,548, respectively, as the amount of pension expense from a nonemployer contributing entity not attributable to a special funding situation. The University also recognized revenue of $33,814 and $123,534, respectively, for support provided by the State.

NOTE 14 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2026, deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ 1,738	$ 236,904
Net Difference Between Projected and Actual Investment Earnings	-	97,813
Difference Between Expected and Actual Experience	77,710	-
Changes in Assumptions	940	24,928
Contributions After the Measurement Date	137,887	-
Total	$ 218,275	$ 359,645

At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ 2,590	$ 284,695
Net Difference Between Projected and Actual Investment Earnings	-	79,613
Difference Between Expected and Actual Experience	79,815	-
Changes in Assumptions	19,584	-
Contributions After the Measurement Date	131,750	-
Total	$ 233,739	$ 364,308

The University will recognize the $137,888 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the TRS net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in TRS pension expense as follows for the fiscal years ending June 30:

Year Ending June 30,	Amortization
2027	$ (24,745)
2028	(106,725)
2029	(92,204)
2030	(55,583)
Total	$ (279,257)

NOTE 14 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Payables to the Pension Plan

The University did not report any amounts payable for normal contributions to the TRS as of June 30, 2026 and 2025.

NOTE 15 MARSHALL UNIVERSITY FOUNDATION, INC.

The Foundation is a separate nonprofit organization incorporated in the State whose purpose is to benefit the work and services of the University and its affiliated nonprofit organizations. The Foundation has a board of directors authorized to have 40 members selected by its Board members. At present, there are 34 members, including the President of the University as a nonvoting ex-officio member. In carrying out its responsibilities, the board of directors of the Foundation employs management, forms policy, and maintains fiscal accountability over funds administered by the Foundation. The University administration does not control the resources of the Foundation. The Foundation's financial statements are presented as a discretely presented component unit of the University's financial statements in accordance with GASB.

Total funds expended by the Foundation in support of University activities totaled $19,175,225 and $14,276,301 during the years 2026 and 2025, respectively. This support and related expenditures are recorded in the University's financial statements.

NOTE 16 BIG GREEN SCHOLARSHIP FOUNDATION, INC.

Big Green is a separate nonprofit organization incorporated in the State whose purpose is to provide scholarship aid to student athletes and program support for the University's intercollegiate athletic program. Big Green has a board of directors authorized to have 48 members selected by its Board members. The following persons are ex-officio, nonvoting members of the Board: the University Director of Athletics, the Associate Athletic Director, the Athletic Director Executive Director, Director of Athletic Development, Assistant Director of Athletic Development and the Director of External Affairs. In carrying out its responsibilities, the board of directors of Big Green is responsible for all the business of Big Green and all lawful corporate powers including the selection and removal of all officers, agents, and employees. The University administration does not control the resources of Big Green. Big Green's financial statements are presented as a discretely presented component unit of the University's financial statements in accordance with GASB.

Total funds expended by Big Green in support of University activities totaled $9,103,750 and $5,361,916 during the years 2026 and 2025, respectively. This support and related expenditures are recorded in the University's financial statements.

NOTE 17 PROVIDENT – MARSHALL PROPERTIES L.L.C.

Provident – Marshall, a West Virginia limited liability company, was created on June 4, 2010, by its sole member, Provident Resources Group, Inc. (Provident), a Georgia nonprofit corporation and organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 (the Code), as amended as a charitable organization described in Section 501(c)(3) of the Code. Provident – Marshall was created to own, operate, and maintain a 418 unit, 812 bed, student housing facility and a 123,850 square foot student recreation/wellness center located on the campus of Marshall University, located in Huntington, West Virginia (Project). On July 30, 2010, Provident – Marshall purchased the Project from MSH – Marshall and commenced operations on that date.

Provident and Provident – Marshall promote and advance education through various means, including, without limitation, the development, construction, acquisition, ownership, management, maintenance, operation, and disposition of facilities of various types, including, but not limited to, educational, research, and student housing facilities and through the provision of development, enrichment, counseling, tutoring, and other services and activities, so as to assist colleges and universities in fulfilling their education mission. The Provident – Marshall financial statements are presented as a discretely presented component unit of the University's financial statements in accordance with GASB.

NOTE 18 AFFILIATED ORGANIZATION

The University has a separately incorporated affiliated organization, Marshall Health, Inc. (formerly UP & S) (Marshall Health). Oversight responsibility for Marshall Health rests with its independent board and management not otherwise affiliated with the University. Accordingly, the financial statements of Marshall Health are not included in the accompanying financial statements under the blended component unit requirements. Marshall Health is not included in the University's accompanying financial statements under discretely presented component unit requirements as they have dual purposes (i.e., not entirely or almost entirely for the benefit of the University).

NOTE 19 CONTINGENCIES AND COMMITMENTS

The nature of the educational industry is such that, from time to time, claims will be presented against the University on account of alleged negligence, acts of discrimination, breaches 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 University would not seriously affect the financial position of the University.

NOTE 19 CONTINGENCIES AND COMMITMENTS (CONTINUED)

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

The Code establishes rules and regulations for arbitrage rebates. No arbitrage rebate liabilities have been recorded in the accompanying financial statements as of June 30, 2026 and 2025.

The University owns various buildings that are known to contain asbestos. The University is not required by federal, state, or local law to remove the asbestos from its buildings. The University is required under federal environmental, health, and safety regulations to manage the presence of asbestos in its buildings in a safe manner. The University addresses its responsibility to manage the presence of asbestos in its buildings on a case-by-case basis.

Significant problems of dangerous asbestos conditions are abated as the conditions become known. The University also addresses the presence of asbestos as building renovation or demolition projects are undertaken and through asbestos operation and maintenance programs directed at containing, managing, or operating with the asbestos in a safe manner.

NOTE 20 CONDENSED COMPONENT UNIT INFORMATION - MURC

Condensed component unit information for MURC, the University's blended component unit, for the years ended June 30 is as follows:

CONDENSED STATEMENTS OF NET POSITION

	2026	2025
Assets:		
Current Assets	$ 36,227,736	$ 32,202,480
Capital Assets, Net	17,248,082	16,436,420
Other Assets	34,448,116	30,800,800
Total Assets	87,923,934	79,439,700
Liabilities:		
Current Liabilities	25,365,600	21,569,858
Long-Term Liabilities	258,444	564,883
Total Liabilities	25,624,044	22,134,741
Net Position:		
Net Investment in Capital Assets	16,844,313	15,682,498
Restricted:		
Nonexpendable	15,000,000	15,000,000
Sponsored Projects	26,196,452	24,188,064
Unrestricted	4,259,125	2,434,397
Total Net Position	$ 62,299,890	$ 57,304,959

NOTE 20 CONDENSED COMPONENT UNIT INFORMATION – MURC (CONTINUED)

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2026	2025
Operating Revenues:		
Federal, State, and Local Grants	$ 65,559,077	$ 61,964,903
Other Operating Revenues	5,838,456	6,948,772
Total Operating Revenues	71,397,533	68,913,675
Operating Expenses:		
Operations	69,807,352	66,108,856
Depreciation	2,489,217	2,025,269
Total Operating Expenses	72,296,569	68,134,125
Operating Income (Loss)	(899,036)	779,550
Nonoperating Revenues (Expenses):		
Investment Income	5,946,680	1,759,835
Other Nonoperating Revenues (Expenses)	(52,713)	(53,224)
Total Nonoperating Revenues (Expenses)	5,893,967	1,706,611
INCREASE IN NET POSITION	4,994,931	2,486,161
Net Position - Beginning of Year	57,304,959	54,818,798
NET POSITION - END OF YEAR	$ 62,299,890	$ 57,304,959

CONDENSED STATEMENTS OF CASH FLOWS

	2026	2025
Net Cash Provided (Used) by:		
Operating Activities	$ 4,626,845	$ 5,077,385
Noncapital Financing Activities		
Capital Financing Activities	(3,703,745)	(3,377,774)
Investing Activities	2,299,364	(8,031,684)
INCREASE (DECREASE) IN CURRENT CASH AND CASH EQUIVALENTS	3,222,464	(6,332,073)
Current Cash and Cash Equivalents - Beginning of Year	9,408,897	15,740,970
CURRENT CASH AND CASH EQUIVALENTS - END OF YEAR	$ 12,631,361	$ 9,408,897

NOTE 21 SEGMENT INFORMATION

The University issues revenue bonds to finance certain of its activities. Investors in those bonds rely solely on the revenues generated by the activities of the auxiliaries, capital fees, and other revenues pledged for repayment.

Marshall University Board of Governors, Improvement and Refunding Revenue Bonds, Series 2020A

In April 2020, the Board sold $56,035,000 of 2020A series bonds. The 2020 Bonds were issued under the authority contained in Chapter 18, Article 18B of the Code of West Virginia, 1931, as amended, and the 2020 Bonds are secured pursuant to a Trust Indenture dated as of April 1, 2020, between the University and United Bank, Inc., Charleston, West Virginia, as the Trustee. The 2020A Bonds are secured by and payable from certain revenues as defined in the Trust Indenture. The proceeds of the 2020A Bonds will be used to (1) finance a portion of the costs of the construction, equipping and furnishing of a new building for the University's Lewis College of Business along with other capital improvements approved by the issuer and (2) refund and redeem all or a portion of the 2010 and 2011 Bonds and (3) paying bond insurance premiums or other credit enhancement and (4) to pay the costs of issuance of the 2020A Bonds.

Marshall University Board of Governors, Refunding Revenue Bonds, Series 2020B

In April 2020, the Board sold $45,960,000 of 2020B series bonds. The 2020B Bonds were issued under the authority contained in Chapter 18, Article 18B of the Code of West Virginia, 1931, as amended, and the 2020 Bonds are secured pursuant to a Trust Indenture dated as of April 1, 2020, between the University and United Bank, Inc., Charleston, West Virginia, as the Trustee. The 2020B Bonds are secured by and payable from certain revenues as defined in the Trust Indenture. The proceeds of the 2020B Bonds will be used to (1) refund and redeem all or a portion of the 2011 Bonds, (2) pay bond insurance premiums or other credit enhancement and (3) to pay the costs of issuance of the 2020B Bonds.

NOTE 21 SEGMENT INFORMATION (CONTINUED)

Marshall University Board of Governors, Refunding Revenue Bonds, Series 2020B (Continued)

Condensed accrual basis financial information for the University's segment as of June 30 is as follows:

CONDENSED SCHEDULES OF POSITION

	2026	2025
Assets:		
Current Assets	$ 29,623,623	$ 22,072,010
Noncurrent Assets	155,084,917	156,666,954
Total Assets	184,708,540	178,738,964
Deferred Outflows of Resources	2,344,602	2,473,170
Total Assets and Deferred Outflows	$ 187,053,142	$ 181,212,134
Liabilities and Deferred Inflows:		
Current Liabilities	$ 9,845,815	$ 9,930,160
Noncurrent Liabilities	131,165,935	129,108,000
Total Liabilities	141,011,750	139,038,160
Deferred Inflows of Resources	-	-
Total Liabilities and Deferred Inflows	141,011,750	139,038,160
Net Position:		
Net Investment in Capital Assets	25,772,117	27,866,414
Restricted for Debt Service	735	887
Unrestricted	20,268,540	14,306,673
Total Net Position	46,041,392	42,173,974
Total	$ 187,053,142	$ 181,212,134

NOTE 21 SEGMENT INFORMATION (CONTINUED)

Marshall University Board of Governors, Refunding Revenue Bonds, Series 2020B (Continued)

CONDENSED SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2026	2025
Operating:		
Operating Revenues	$ 26,806,495	$ 26,226,728
Operating Expenses	(21,246,616)	(21,375,648)
Net Operating Income	5,559,879	4,851,080
Nonoperating:		
Nonoperating Revenues	215,738	254,568
Nonoperating Expenses	(4,000,409)	(4,719,592)
Total Nonoperating	(3,784,671)	(4,465,024)
Net Revenues	1,775,208	386,056
Transfers (to) from the University	2,092,210	1,952,445
CHANGES IN NET POSITION	3,867,418	2,338,501
Net Position - Beginning of Year	42,173,974	39,835,473
NET POSITION - END OF YEAR	$ 46,041,392	$ 42,173,974

CONDENSED SCHEDULES OF CASH FLOWS

	2026	2025
Net Cash Provided by Operating Activities	$ 18,366,443	$ 19,839,300
Net Cash Used by Capital and Related Financing	(10,877,463)	(13,439,586)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,488,980	6,399,714
Cash and Cash Equivalents - Beginning of Year	21,926,785	15,527,071
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 29,415,765	$ 21,926,785

NOTE 22 LEASE OBLIGATIONS

The University leases certain office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2052 and provide for renewal options ranging from three months to six years. The University has a building lease with the Foundation with an outstanding lease liability of $648,445 and a corresponding asset and accumulated amortization of $22,055,917 and $1,102,796, respectively, as of June 30, 2026. The asset includes amounts paid for the construction of the building prior to start of the lease agreement.

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

Year Ending June 30,	Principal	Interest	Total
2027	$ 1,682,997	$ 813,923	$ 2,496,920
2028	1,355,978	737,234	2,093,212
2029	1,435,336	657,876	2,093,212
2030	1,519,712	573,500	2,093,212
2031	1,609,432	483,780	2,093,212
2032-2036	5,328,344	1,053,813	6,382,157
2037-2041	1,308,813	406,028	1,714,841
2042-2046	1,454,519	260,321	1,714,840
2047-2051	1,440,363	98,077	1,538,440
2052 and Thereafter	126,627	5,463	132,090
Total Minimum Lease Payments	$ 17,262,121	$ 5,090,015	$ 22,352,136

NOTE 23 LEASE RECEIVABLES

The University, acting as lessor, leases space in facilities under long-term, noncancelable lease agreements. The leases expire at various dates through 2032 and provide for renewal options ranging from three months to six years. During the year ended June 30, 2026, the University recognized $126,162 and $3,883 in lease revenue and interest revenue, respectively, pursuant to these contracts. During the year ended June 30, 2025, the University recognized $266,560 and $8,119 in lease revenue and interest revenue, respectively, pursuant to these contracts. Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 81,341	$ 3,233	$ 84,574
2028	82,337	2,237	84,574
2029	62,946	1,228	64,174
2030	53,803	460	54,263
Total Minimum Lease Payments	$ 280,427	$ 7,158	$ 287,585

NOTE 24 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

The operating expenses within both natural and functional classifications for the years ended June 30, 2026 and 2025 are as follows:

	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Other Operating Expense	Total
2026								
Instruction	$ 68,087,999	$ 23,697,181	$ 10,233,699	$ 291,909	$ -	$ -	$ -	$ 102,310,788
Research	10,542,739	2,645,710	10,520,107	8,400	-	-	-	23,716,956
Public Service	16,245,257	4,729,759	11,599,235	45,028	-	-	-	32,619,279
Academic Support	18,757,563	6,981,402	5,882,832	80	-	-	-	31,621,877
Student Services	9,807,255	3,068,818	3,027,217	748	-	-	-	15,904,038
General Institutional Support	23,761,159	2,572,317	12,946,353	79,275	-	-	112,436	39,471,540
Operations and Maintenance of Plant	5,940,619	1,907,041	4,939,709	8,621,444	-	-	-	21,408,813
Student Financial Aid	-	1,014,123	-	-	14,568,892	-	-	15,583,015
Auxiliary Enterprises	15,096,355	4,900,918	25,751,774	2,881,801	-	-	-	48,630,848
Depreciation/Amortization	-	-	-	-	-	27,412,924	-	27,412,924
Other	-	-	(93,507)	-	-	-	131,281	37,774
Total	$ 168,238,946	$ 51,517,269	$ 84,807,419	$ 11,928,685	$ 14,568,892	$ 27,412,924	$ 243,717	$ 358,717,852
2025								
Instruction	$ 70,599,583	$ 18,982,061	$ 21,431,672	$ 258,950	$ -	$ -	$ -	$ 111,272,266
Research	9,040,328	3,154,040	9,412,539	-	-	-	-	21,606,907
Public Service	16,544,551	4,137,227	13,028,540	144,657	-	-	-	33,854,975
Academic Support	18,806,970	4,626,404	6,599,572	8,268	-	-	-	30,041,214
Student Services	9,515,394	2,695,405	9,041,288	4,101	-	-	-	21,256,188
General Institutional Support	19,451,009	6,643,495	5,064,371	108,212	-	-	-	31,267,087
Operations and Maintenance of Plant	5,523,851	1,449,379	3,748,657	8,587,092	-	-	-	19,308,979
Student Financial Aid	-	936,283		-	18,311,681	-	-	19,247,964
Auxiliary Enterprises	14,910,142	3,777,334	26,538,960	3,165,795	-	-	-	48,392,231
Depreciation/Amortization	-	-	-	-	-	25,692,354	-	25,692,354
Other		-	154,193	-	-	-	229,452	383,645
Total	$ 164,391,828	$ 46,401,628	$ 95,019,792	$ 12,277,075	$ 18,311,681	$ 25,692,354	$ 229,452	$ 362,323,810

NOTE 25 COMPONENT UNIT DISCLOSURES

Selected disclosures from the audited financial statements of Foundation, Big Green and Provident – Marshall:

Fair Value and Investments

Marshall University Foundation

The Foundation determines the fair values of its financial instruments based on the fair value hierarchy established by the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification which specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Foundation's market assumptions. The three levels of the fair value hierarchy based on these two types of inputs are as follows:

Level 1 - Valuation is based on quoted prices in an active market for identical assets and liabilities at the measurement date.

Level 2 - Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market.

Level 3 - Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

The hierarchy requires the use of observable market data when available. When determining fair value measurements, the Foundation utilizes active and observable market prices for identical assets and liabilities whenever possible and classifies such items as Level 1. When identical assets and liabilities are not traded in active markets, the Foundation utilizes market observable data for similar assets and liabilities in an active market, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market and classifies such items as Level 2. When observable data is not available, the Foundation uses alternative valuation techniques using unobservable inputs to determine a fair value and classify such items as Level 3. Items valued using such internally generated valuation techniques are based on the lowest level of input that is significant to the valuation.

NOTE 25 COMPONENT UNIT DISCLOSURES (CONTINUED)

Fair Value and Investments (Continued)

Marshall University Foundation (Continued)

Fair values of assets measured on a recurring basis on June 30, 2026, are as follows:

	June 30, 2026			
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobserable Inputs (Level 3)
Beneficial Interest in Perpetual Trusts	$ 13,233,742	$ 13,233,742	$ -	$ -
Investments				
Fixed Income				
Domestic Mutual Funds	16,566,825	16,566,825	-	-
International Mutual Funds	19,667,616	19,667,616	-	-
Total Fixed Income	36,234,441	36,234,441	-	-
Equities				
Publicly Traded Equity	73,301	73,301	-	-
Domestic Mutual Funds	486,153	486,153	-	-
International Mutual Funds	6,072,139	6,072,139	-	-
Public Real Assets	10,719	10,719	-	-
Other	8,250	8,250	-	-
Total Equities	6,650,562	6,650,562	-	-
Net Asset Value Per Share (NAV)				
Commingled Domestic Fixed	34,808,952	-	-	-
Commingled Global Fixed	17,268,644	-	-	-
Commingled Global Equity	158,973,612	-	-	-
Commingled Hedge Funds	17,249,755	-	-	-
Commingled Real Asset Fund	7,394,920	-	-	-
Commingled Private Capital Fund	14,257,656	-	-	-
Private Equity	19,175,905	-	-	-
Private Infrastructure	7,117,313	-	-	-
Private Real Estate	16,277,192	-	-	-
Natural Resources	10,954,063	-	-	-
Venture	976,856	-	-	-
Total Investments	$ 347,339,871	$ 42,885,003	$ -	$ -

NOTE 25 COMPONENT UNIT DISCLOSURES (CONTINUED)

Fair Value and Investments (Continued)

Marshall University Foundation (Continued)

Fair values of assets measured on a recurring basis on June 30, 2025, are as follows:

	June 30, 2025			
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobserable Inputs (Level 3)
Beneficial Interest in Perpetual Trusts	$ 11,840,269	$ 11,840,269	$ -	$ -
Investments				
Fixed Income				
Domestic Mutual Funds	7,847,304	7,847,304	-	-
International Mutual Funds	15,668,709	15,668,709	-	-
Total Fixed Income	23,516,013	23,516,013	-	-
Equities				
Publicly Traded Equity	55,315	55,315	-	-
Domestic Mutual Funds	611,232	611,232	-	-
International Mutual Funds	4,016,220	4,016,220	-	-
Public Real Assets	25,044	25,044	-	-
Other	8,250	8,250	-	-
Total Equities	4,716,061	4,716,061	-	-
Net Asset Value Per Share (NAV)				
Commingled Domestic Fixed	15,594,997	-	-	-
Commingled Global Fixed	6,988,211	-	-	-
Commingled Global Equity	143,948,662	-	-	-
Commingled Hedge Funds	20,324,697	-	-	-
Commingled Real Asset Fund	7,408,345	-	-	-
Commingled Private Capital Fund	15,288,622	-	-	-
Private Equity	11,708,347	-	-	-
Private Infrastructure	6,644,913	-	-	-
Private Real Estate	12,388,865	-	-	-
Natural Resources	16,870,736	-	-	-
Commodities	8,347,554	-	-	-
Distressed debt	11,381	-	-	-
Venture	1,235,844	-	-	-
Total Investments	$ 294,993,248	$ 28,232,074	$ -	$ -

Beneficial Interest in Perpetual Trusts

The Foundation uses quoted market prices of the underlying investments of beneficial interest in perpetual trusts and, therefore, they are included in Level 1. The quoted market prices are provided by independent third-party banks. The underlying investments consist principally of cash equivalents, equities, fixed income, alternative assets, diversified strategies, and mutual funds.

Investments

The Foundation uses quoted market prices in an active market when available. These investments consist principally of equities and fixed income securities and are included in Level 1. Independent third-party banks and brokers provide the quoted market prices. The Foundation had no Level 2 or Level 3 investments on June 30, 2026, and 2025.

NOTE 25 COMPONENT UNIT DISCLOSURES (CONTINUED)

Fair Value and Investments (Continued)

Marshall University Foundation (Continued)

Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The total fair value of the external funds valued using the practical expedients that are not included in the fair value hierarchy table is $304,454,868 and $266,761,174 on June 30, 2026, and June 30, 2025, respectively.

The following table summarizes liquidity for the External Funds which are not private equity:

Asset Class	Withdrawal Frequency	Notice Period
Commingled Domestic Fixed Income	Daily	1 Day
Commingled Global Fixed Income	Daily, Quarterly	Daily, 90 Days
Commingled Global Equity	Daily, Monthly	1 to 5 Days
Commingled Hedge Funds	Daily, Monthly, Quarterly	1 Day, 5 Days, 30 Days
Commingled Real Assets	Daily	1 Day
Commodities	Twice a month	5 Days

Commingled Domestic Fixed Income: This class includes investments in commingled funds that invest in domestic debt, including government bonds, investment grade corporate bonds, commercial mortgage securities, and other asset-backed securities that are publicly for sale within U.S. fixed income markets. These funds attempt to correspond generally to the Barclays U.S Aggregate Bond Index. The External Funds that are not private equity are available daily with one-day notice.

Commingled Global Fixed Income: This class includes investments in commingled funds that invest in foreign and domestic debt and structured asset classes, including exposure to convertible securities, debt instruments, US Obligations, and asset-backed securities. These funds attempt to meet or exceed the Barclays U.S Aggregate Bond Index. External Funds that are not private equity in nature provide liquidity on varying schedules. Certain funds have an initial lock-up period ranging from three to four years and provide quarterly liquidity thereafter with 90-day notice. The balance of the External Funds that are not private equity are available daily with a one-day notice.

Commingled Global Equity: This class includes investments in commingled funds that invest primarily in U.S. or foreign equities, and which attempt to meet or exceed the return of specific equity indices, including the MSCI All Country World Total Return Net Index (ACWI) in the aggregate. External Funds that are not private equity in nature provide liquidity on varying schedules. Certain funds provide liquidity monthly with a 5-day notice. The balance of the External Funds that are not private equity are available daily with a one-day notice.

NOTE 25 COMPONENT UNIT DISCLOSURES (CONTINUED)

Fair Value and Investments (Continued)

Marshall University Foundation (Continued)

Commingled Hedge Funds: This class includes investments in hedge funds that expand the universe of potential investment approaches available by employing a variety of strategies and techniques within and across various asset classes. The primary objective for these funds is to produce attractive returns with moderate to low correlations to equity and credit markets, to generate fixed income like volatility, and to be opportunistic during periods of market duress. The objective is pursued by allocating external portfolio managers selected for expertise in one or more investment strategies which may include, but are not limited to, equity long/short, event driven, relative value, directional, macro, and quantitative methods. External Funds that are not private equity in nature provide liquidity on varying schedules. Certain funds provide monthly liquidity with a one-day notice, some with a 5-day notice, some with a 30-day notice. Certain funds provide liquidity on a quarterly basis. The balance of the External Funds that are not private equity are available daily with a one-day notice.

Commingled Real Assets: This class includes investments with the objective of providing exposure consistent with the Dow Jones US Select REIT index. The objective is pursued through real estate-related equity securities which may include common stocks, preferred stocks, depository receipts and other securities convertible into common stocks in approximately the same proportion as they are represented in the index. External funds that are not private in nature provide liquidity on a daily basis with a one-day notice period.

Commodities: This class includes investments with the objective of providing exposure to commodity markets via an actively managed format. The objective is pursued with commodity-related or commodity-linked financial instruments of a type traded or cleared through a regulated clearing organization or futures exchange, including buying and selling commodity futures contracts and forward contracts or exchange traded options on futures contracts. External funds that are not private equity in nature provide liquidity twice a month with a 5-day notice.

Certain External Funds include private equity investments (“PE Funds”) which are illiquid in nature and typically cannot be redeemed. Commitments to PE Funds are typically funded through capital calls. The following table provides details about the inception, commitment, and uncalled portion of the commitments to these illiquid PE Funds.

Asset Class	Commitment	Uncalled Commitments	Redemption
Commingled Real Assets	$ 11,000,000	$ 1,808,714	Illiquid
Commingled Private Capital	22,500,000	2,331,858	Illiquid
Private equity	27,685,000	11,909,515	Illiquid
Private Infrastructure	5,600,000	-	Illiquid
Private Real Estate	22,250,000	6,293,910	Illiquid
National Resources	5,750,000	2,965,842	Illiquid
Venture	1,800,000	36,500	Illiquid

NOTE 25 COMPONENT UNIT DISCLOSURES (CONTINUED)

Fair Value and Investments (Continued)

Marshall University Foundation (Continued)

Commingled Real Assets: This class includes investments in commingled funds that invest primarily in illiquid real assets with the objective of providing an inflation hedge, diversification in assets with low or negative correlation to other assets, and attractive risk adjusted returns. This class achieves its objective by allocating external portfolio managers selected for expertise in one or more investment strategies which may include, but are not limited to real estate, energy, infrastructure, credit strategies, and asset backed securities. There is no provision for redemption during the life of these funds. Distributions from each fund will be received as the underlying investments of the fund are liquidated, estimated at June 30, 2026 to be over the next 0 to 4 years.

Commingled Private Capital: This class includes investments in commingled funds that invest primarily in illiquid private capital with the objective of providing enhanced returns, diversification through investments with low correlations to other assets, and access to private companies. This class achieves its objective by allocating external portfolio managers selected for expertise in one or more investment strategies which may include, but are not limited to buyouts, growth equity, venture capital, and opportunistic credit. There is no provision for redemption during the life of these funds. Distributions from each fund will be received as the underlying investments of the fund are liquidated, estimated at June 30, 2026, to be over the next 0 to 8 years.

Private Equity: This class includes investments in funds that invest primarily in a diversified group of both U.S. and foreign private equity investments with the objective of providing enhanced returns, diversification through investments with low correlations to other assets, and access to private companies. This class achieves its objective by allocating external portfolio managers selected for expertise in one or more investment strategies which may include, but are not limited to equity securities, warrants, and other options that are not generally actively traded. There is no provision for redemption during the life of these funds. Distributions from each fund will be received as the underlying investments of the fund are liquidated, estimated at June 30, 2026, to be over the next 0 to 11 years.

Private Infrastructure: This class includes investments in funds that invest primarily in investments in core infrastructure in developed OECD countries with low volatility and strong downside protection. Redemptions are limited during a three-year hard-lock up period, at a 5% early redemption penalty for a three-year soft lock-up period and are available quarterly thereafter.

Private Real Estate: This class includes investments in funds that invest primarily in a diversified group of core U.S. real estate investments with the objective of achieving current income, capital appreciation, or both. Redemptions may be requested quarterly but are subject to cash available in the investment fund, and in a manner consistent with REIT rules and principles of prudent management. There is no provision for redemption during the life of some of these funds. Distributions from each fund will be received as the underlying investments of the fund are liquidated, estimated at June 30, 2026, to be over the next 0 to 14 years.

NOTE 25 COMPONENT UNIT DISCLOSURES (CONTINUED)

Fair Value and Investments (Continued)

Marshall University Foundation (Continued)

Natural Resources: This class includes investments in funds that invest in natural gas and oil, power, industrial and manufacturing, chemicals and energy, energy efficiency and green fuels and food and agriculture, and other natural resource opportunities with the objective of providing long-term capital appreciation and superior risk-adjusted returns. This class achieves its objective by allocating external portfolio managers selected for expertise in one or more investment strategies which may include, but are not limited to equity securities, and property acquisitions are not generally actively traded. There is no provision for redemption during the life of these funds. Distributions from each fund will be received as the underlying investments of the fund are liquidated. Funds have remaining partnership terms ranging from 0 to 8 years.

Venture Capital: This class includes investments in funds that invest primarily in emerging growth companies with the objective of obtaining long-term growth capital and superior risk-adjusted returns. This class achieves its objective by allocating external portfolio managers selected for expertise in one or more investment strategies which may include but are not limited to early-stage information technology, and late-stage healthcare technology that are not generally actively traded. There is no provision for redemption during the life of these funds. Distributions from each fund will be received as the underlying investments of the fund are liquidated, estimated at June 30, 2026, to be over the next 0 to 1 year.

Distressed Debt: This class includes investments in funds that invest primarily in a diverse set of debt investments across the U.S. and globally with the objective of providing enhanced returns in a variety of credit environments. This class achieves its objective by allocating to external portfolio managers selected for expertise in one or more investment strategies which may include, but are not limited to restructured debt, stressed debt, distressed debt, “special situation” and mezzanine debt. There is no provision for redemption during the life of these funds. The funds were liquidated in 2026.

Big Green Scholarship Foundation, Inc.

Fair value of investments measures on a recurring basis at June 30, 2026 and 2025, are as follows:

	June 30, 2026			
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobserable Inputs (Level 3)
Cash Equivalents	$ 257,160	$ 257,160	$ -	$ -
Mutual Funds	15,517,111	15,517,111	-	-
Total	$ 15,774,271	$ 15,774,271	$ -	$ -

NOTE 25 COMPONENT UNIT DISCLOSURES (CONTINUED)

Fair Value and Investments (Continued)

Big Green Scholarship Foundation, Inc. (Continued)

	June 30, 2025			
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobserable Inputs (Level 3)
Cash Equivalents	$ 578,702	$ 578,702	$ -	$ -
Corporate Stock	1,101,654	1,101,654	-	-
Mutual Funds	12,487,439	12,487,439	-	-
Total	$ 14,167,795	$ 14,167,795	$ -	$ -

Capital Assets

Marshall University Foundation

The following is a summary of property and equipment as of June 30, 2026 and 2025:

	2026	2025
Land	1,642,000	1,642,000
Buildings	10,912,847	10,901,884
Equipment	1,300,227	1,220,527
Total	13,855,074	13,764,411
Less: Accumulated depreciation	(5,704,611)	(5,383,910)
Property and equipment, net	8,150,463	8,380,501

Big Green Scholarship Foundation, Inc.

	6/30/2025 Balance	Additions	Disposals	6/30/2026 Balance
Vehicles	$ 124,484	$ -	$ -	$ 124,484
Right of Use Asset, Office Space	289,576	-	-	289,576
Less: Accumulated Depreciation	(276,677)	(101,136)	-	(377,813)
Total	$ 137,383	$ (101,136)	$ -	$ 36,247

Notes Payable

In April 2022, the Marshall Real Estate Foundation, Inc. entered into a promissory note with United Bank to provide a $12,500,000 line of credit to finance the remaining costs of the construction of the College of Business building once all additional funding had been exhausted. The terms of the note required interest only payments for two years beginning December 15, 2022. Annual payments of principal and interest in the amount of $1,000,000 are due beginning on December 15, 2024, and continuing each year thereafter. The initial variable interest rate on the debt is 4.29% per annum. This interest rate may change on April 15, 2037, and every day thereafter. The new interest rate may be calculated based on the Wall Street Journal U.S. Prime Rate, but the rate will never be less than 3.0%. All unpaid principle and interest are due and payable on April 15, 2041. The debt may be prepaid, in full or in part, at any time, without penalty.

NOTE 25 COMPONENT UNIT DISCLOSURES (CONTINUED)

Notes Payable (Continued)

The Note is secured by the Foundation's personal property, interest in all annual annuity payments distributed to the Foundation from the 2018 Smith Charitable Lead Annuity Trust Agreement, and assignment of the Ground Lease between the Marshall University Real Estate Foundation and Marshall University Board of Governors.

The balance of notes payable on June 30, 2026, and 2025 totaled $11,507,790 and $11,986,262, respectively.

Scheduled principal and interest payments on the note are as follows on June 30, 2026:

Years Ending June 30	Principal	Interest	Total
2027	$ 499,459	$ 500,541	$ 1,000,000
2028	521,183	478,817	1,000,000
2029	542,603	457,397	1,000,000
2030	567,454	432,546	1,000,000
2031	592,136	407,864	1,000,000
Thereafter	8,784,955	2,480,528	11,265,483
Total	$ 11,507,790	$ 4,757,693	$ 16,265,483

Interest expense on notes payable charged to operations was $510,291 and $531,376 for the years ended June 30, 2026, and 2025.

Revenue Bonds Payable

Provident-Marshall has the following revenue bonds payable as of June 30, 2026 and 2025:

	Fixed/ Variable Rate	Fiscal Year Maturity	Interest Rate	2026	2025
West Virginia Economic Development Authority Series 2023A-1 Tax Exempt Revenue Bonds Payable	Various	July 1,2044	4% - 5%	$ 63,980,000	$ 65,230,000
West Virginia Economic Development Authority Series 2023A-x Taxable Revenue Bonds Payable	Various	July 1, 2028	5.2% - 5.37%	2,740,000	3,565,000
West Virginia Economic Development Authority Series 2023B Tax Exempt Revenue Bonds Payable	Fixed	July 1, 2044	7.50%	8,736,000	8,736,000
				75,456,000	77,531,000
Unamortized Premium				4,169,609	4,559,514
Unamortized Deferred Financing Costs				(1,763,780)	(2,177,314)
				77,861,829	79,913,200
Less Current Maturities				2,185,000	2,075,000
				$ 75,676,829	$ 77,838,200

NOTE 25 COMPONENT UNIT DISCLOSURES (CONTINUED)

Aggregate annual maturities of the revenue bonds payable at June 30, 2026, are as follows:

Year Ending June 30,	
2027	$ 2,185,000
2028	2,524,000
2029	2,661,000
2030	2,800,000
2031	2,950,000
Thereafter	62,336,000
Total	$ 75,456,000

Revenue Bonds Payable (Continued)

Pursuant to the loan agreement, trust indenture and ground lease, Provident-Marshall is subject to certain financial covenants, reporting covenants, and other requirements. At June 30, 2026, management believes Provident-Marshall was not in compliance with certain financial covenants. The debt service coverage ratio on June 30, 2026, was less than the required ratio of 1.2, but greater than the minimum requirement of 1.00 so as not to constitute an event of default. However, pursuant to the loan and trust agreement, Provident-Marshall will be engaging a rate covenant consultant to review the operating policies of Provident-Marshall. At June 30, 2025, management believes Provident-Marshall was in compliance with certain financial covenants.

Loan Payable

During the year ended June 30, 2023, Big Green entered into a $4,000,000 loan and obtained a 5.10% interest-bearing, twelve-year note payable in monthly installments of $37,347 that was to assist in the funding of capital improvement projects. This note is secured by all corporate assets.

During the year ended June 30, 2026, Big Green entered into a $2,400,000 loan and obtained a 5.98% interest-bearing, ten-year note payable in monthly installments of $26,708 to assist in funding the Endzone Deck capital improvement project. The note is secured by substantially all Big Green's assets, excluding certain scholarship endowment investment accounts.

Future principal maturities under these loans are as follows:

Years Ending June 30	Capital Fund
2027	$ 475,342
2028	503,701
2029	532,501
2030	562,532
2031	594,266
Thereafter	2,846,527
Total	$ 5,514,869

MARSHALL UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
TEN YEARS ENDED JUNE 30
(UNAUDITED)

SCHEDULE OF PROPORTIONATE SHARE OF TRS NET PENSION LIABILITY

(In Thousands)

Measurement Date	University's Proportionate Share as a Percentage of Net Pension Liability	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Employee Payroll	University's Proportionate Share as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
June 30, 2016	0.111053%	4,564	8,693	13,257	2,545	179%	61.42%
June 30, 2017	0.085784%	2,963	6,554	9,517	2,254	131%	67.85%
June 30, 2018	0.074310%	2,320	6,012	8,332	2,050	113%	30.98%
June 30, 2019	0.069835%	2,077	5,015	7,092	2,127	98%	29.29%
June 30, 2020	0.068057%	2,192	4,778	6,970	3,530	62%	31.45%
June 30, 2021	0.060690%	948	(2,121)	(1,173)	1,679	56%	-80.82%
June 30, 2022	0.045350%	1,017	2,748	3,765	1,230	83%	77.78%
June 30, 2023	0.045542%	1,042	2,129	3,171	1,064	98%	80.42%
June 30, 2024	0.048630%	771	1,275	2,046	854	90%	84.21%
June 30, 2025	0.034679%	451	834	1,285	1,216	37%	89.27%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(In Thousands)

Reporting Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a Percentage of Covered Payroll
June 30, 2017	334	368	(34)	2,545	13.12%
June 30, 2018	430	339	91	2,254	20.81%
June 30, 2019	350	301	49	2,050	18.98%
June 30, 2020	336	283	53	2,127	14.15%
June 30, 2021	355	254	101	3,530	7.20%
June 30, 2022	253	176	77	1,679	15.07%
June 30, 2023	187	173	14	1,230	15.20%
June 30, 2024	185	154	31	1,064	17.39%
June 30, 2025	171	131	40	907	18.85%
June 30, 2026	135	138	(3)	1,216	11.10%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

There are no factors that affect trends in the amounts reported, such as change in benefit terms or assumptions. With only seven years reported in the required supplementary information, there is no additional information to include in notes. Information, if necessary, can be obtained from the CPRB Comprehensive Annual Financial Report.

MARSHALL UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
SCHEDULES OF PROPORTIONATE SHARE OF NET OPEB LIABILITY AND CONTRIBUTIONS
SEVEN YEARS ENDED JUNE 30*
(UNAUDITED)

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET)

(In Thousands)

Measurement Date	University's Proportionate Share as a Percentage of Net OPEB Liability (Asset)	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Employee Payroll	University's Proportionate Share as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
June 30, 2017	1.678119%	$ 41,265	$ 8,475	$ 49,740	$ 37,137	1.11115599	25.10%
June 30, 2018	1.803470%	38,692	7,996	46,688	37,243	1.03890664	30.98%
June 30, 2019	1.855690%	30,788	6,300	37,088	38,045	0.809252201	39.69%
June 30, 2020	1.838645%	8,121	1,796	9,917	35,309	0.229998018	73.49%
June 30, 2021	1.838744%	(546)	(107)	(653)	33,458	-0.016318967	101.81%
June 30, 2022	1.661519%	1,849	633	2,482	29,783	0.062082396	93.59%
June 30, 2023	1.545814%	(2,446)	(1,044)	(3,490)	27,920	-0.08760745	109.66%
June 30, 2024	0.752843%	(313)	(985)	(1,298)	26,837	-0.011663003	102.19%
June 30, 2025	1.327336%	1,252	993	2,245	24,792	0.050500161	95.76%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(In Thousands)

Reporting Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a Percentage of Covered Payroll
June 30, 2017	$ 3,447	$ 3,447	$ -	$ 37,137	9.28%
June 30, 2018	3,685	3,350	335	37,137	9.89%
June 30, 2019	3,823	3,143	680	37,243	8.26%
June 30, 2020	3,553	2,883	670	38,045	7.58%
June 30, 2021	3,353	1,557	1,796	36,053	9.30%
June 30, 2022	1,954	1,191	763	34,001	5.75%
June 30, 2023	1,550	298	1,252	35,309	4.39%
June 30, 2024	298	288	10	27,920	1.07%
June 30, 2025	883	883	-	26,837	3.29%
June 30, 2026	465	465	-	24,792	1.88%

*These schedules are intended to show information for ten years. Additional years will be displayed as the information becomes available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Change of assumptions. In the June 30, 2020 actuarial valuation, there were significant changes in capped subsidy rates, per capita costs, and trend rates. The key reason is due to significant decreases in the Medicare Advantage prescription drug (MAPD) per member per month rates and the resulting decrease in the capped subsidy.

Other than noted above, there are no factors that affect trends in the amounts reported, such as change in benefit terms or assumptions. With only four years reported in the required supplementary information, there is no additional information to include in notes. Information, if necessary, can be obtained from the RHBT financial statements.

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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*

Governing Board
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 and the aggregate discretely presented component units of Marshall University (the University) (a component unit of the West Virginia Higher Education Fund), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 15, 2026. Our report includes a reference to other auditors who audited the financial statements of the Marshall University Foundation, Inc. (the Foundation); Provident Group – Marshall Properties L.L.C. (Provident – Marshall); and Big Green Scholarship Foundation, Inc. (Big Green) (collectively, discretely presented component units of the University), as described in our report on the University's financial statements. The financial statements of the discretely presented component units of the University were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the discretely presented component units of the University.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

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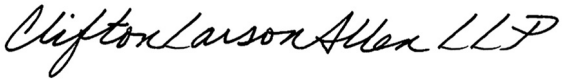
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 15, 2026



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