

QUARTERLY FINANCIAL REPORT: 1ST QUARTER FY2024

Dr. Barton will provide the Board with the Quarterly Financial Report: 1st Quarter FY2024.

The 1st Quarter FY2024 financials are presented in a format that emphasizes the overall results of the fiscal year-to-date. These financials are unaudited. These schedules exclude the results from the Shepherd Entrepreneurial and Research Corporation (SERC).

CASH:

\$16.9 million – Increased by \$2.6 million

This increase is due to cash flow from a \$1.4M grant that was awarded in June 2023 and also a \$350,000 increase in the State Appropriation for 1st Qtr FY2024 to help fund raises to employees. The remainder of the increase is due to the timing of the draws for the Federal funding of PELL and Direct Loans.

Days Cash on Hand = 128

TOTAL ASSETS:

\$126.9 million – Decreased by \$1.8 million

A decrease of \$1.1 million in Capital Assets accounts for a large part of this decrease. This decrease is due to normal depreciation and a decrease in capital purchases. The CMTA project is now complete, and the demolition project for Turner and Kenamond Residence Halls under the Congressionally Funded Grant was the only major capital project in the past year.

TOTAL LIABILITIES:

\$44.9 million – Decreased by \$226,000

This decrease is due to the reduction of outstanding long-term debt balances.

TOTAL OPERATING REVENUES:

\$17 million – Increased by \$1 million

Comparing year-over-year, there were two components in this increase. First, there was an increase of \$350,000 in Auxiliary Enterprises. This increase is due to the success of the fall sports programs, especially football and increased membership at the Wellness Center. Second, there was an increase of \$595,000 in Tuition and Fees.

TOTAL OPERATING EXPENSES:

\$13 million – Increased by \$2.7 million

This increase is in Scholarships and Fellowships and also has to do with the timing of the draw downs of Federally funded PELL grants for students.

NONOPERATING REVENUES AND EXPENSES:

\$6.3 million – Increased by \$2.7 million

This increase is due to the timing of the draw downs of Federally funded PELL grants for students.

INCREASE (DECREASE) IN NET POSITION:

\$10.2 million – Increased by \$1 million

This increase is accounted for by the overall increase in operating expenses which is mainly due to inflation, increased cost of employee benefits, and increased cost of BRIM insurance.

SUMMARY:

The University has entered FY2024 with focus on reducing the structural deficit. Progress has been made on reducing expenses and finding new revenue streams. Increased enrollment and enhancing the student experience continues to be the major focus as we move forward in 2024.

<p style="text-align: center;">Shepherd University Statements of Net Position As of September 30, 2023 and 2022</p>			
	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>% Change</u>
Current Assets			
Cash and cash equivalents	\$ 16,901,704.94	14,272,728.69	18.42%
Accounts receivable net	2,357,287.50	2,342,914.18	0.61%
Grants and contracts receivable, net	2,327,252.61	5,369,068.92	-56.65%
Other assets	49,083.69	311,908.67	-84.26%
Total Current Assets	21,635,328.74	22,296,620.46	-2.97%
Noncurrent Assets			
Capital assets net	105,103,650.40	106,205,115.57	-1.04%
Loans receivable, net	62,534.14	88,796.98	-29.58%
Other Receivables NCA	97,481.48	109,304.02	-10.82%
Total Noncurrent Assets	105,263,666.02	106,403,216.57	-1.07%
Total Assets	126,898,994.76	128,699,837.03	-1.40%
Deferred Outflows of Resources GASB 68	580,282.06	466,402.51	24.42%
Total Assets and Deferred Outflows	\$ 127,479,276.82	\$ 129,166,239.54	-1.31%
Current Liabilities			
Accounts payable	\$ 686,314.11	\$ 865,865.64	-20.74%
Accrued liabilities	2,167,540.68	2,131,067.92	1.71%
Deferred revenue	2,466,338.95	1,084,944.84	127.32%
Long-term liabilities - current portion	3,793,782.40	3,165,660.79	19.84%
Total Current Liabilities	9,113,976.14	7,247,539.19	25.75%
Noncurrent Liabilities			
Advances from federal sponsors	144,680.62	187,126.74	-22.68%
Compensated absences	509,842.43	579,633.99	-12.04%
OPEB	353,098.88	(105,526.12)	-434.61%
Net Pension Liability	52,959.00	47,790.00	10.82%
Deposits	192,445.34	183,340.33	4.97%
Bonds Payable - noncurrent	27,204,109.49	29,198,200.55	-6.83%
Leases Payable and SBITA - noncurrent	7,361,361.84	7,820,819.24	-5.87%
Total Noncurrent Liabilities	35,818,497.60	37,911,384.73	-5.52%
Total Liabilities	44,932,473.74	45,158,923.92	-0.50%
Deferred Inflows of Resources GASB 68	1,911,150.05	4,223,766.05	-54.75%
Total Liabilities and Deferred Inflows of Resources	\$ 46,843,623.79	\$ 49,382,689.97	-5.14%
Net Assets			
Total Net Assets	80,635,653.03	79,783,549.57	1.07%
Total Liabilities, Deferred Inflows, and Net Position	\$ 127,479,276.82	\$ 129,166,239.54	-1.31%

Shepherd University				
Statements of Revenue, Expenses and Changes in Net Position				
For the Quarters Ending September 30, 2023 and 2022				
	<u>9/30/2023</u>	<u>9/30/2022</u>		<u>% Change</u>
Operating Revenues				
Tuition and Fees	\$ 13,615,286.41	13,020,926.64		4.56%
Scholarship Allowances	(5,873,621.49)	(5,884,440.77)		-0.18%
Federal Grants and Contracts	1,112,426.50	541,748.91		105.34%
State Grants and Contracts	1,658,735.01	2,270,350.37		-26.94%
Auxiliary enterprise revenue	6,267,862.71	5,919,146.44		5.89%
Other Operating Revenues	185,158.91	167,020.47		10.86%
Total Operating Revenues	16,965,848.05	16,034,752.06		5.81%
Operating Expenses				
Salaries and Wages	6,095,305.15	6,043,899.37		0.85%
Benefits	1,432,941.63	1,214,001.99		18.03%
Supplies and Other Services	2,587,110.55	2,375,282.12		8.92%
Utilities	367,486.33	297,074.62		23.70%
Scholarships and Fellowships	1,106,244.37	(966,747.42)		-214.43%
Depreciation and Amortization	1,459,603.21	1,343,923.14		8.61%
Total Operating Expenses	13,048,691.24	10,307,433.82		26.59%
Operating Income/(Loss)	\$ 3,917,156.81	\$ 5,727,318.24		-31.61%
Nonoperating Revenues (Expenses)				
State appropriations	3,604,706.00	3,256,707.00		10.69%
Federal Nonoperating revenues	2,282,770.26	12,434.00		18259.10%
Interest on capital asset related debt	(242,884.03)	(228,801.44)		6.15%
Investment Income	70,097.63	30,702.14		128.32%
Fees assessed by the Commission for debt service	(8,311.00)	(8,320.00)		-0.11%
Gifts	621,358.96	509,730.39		21.90%
Total Nonoperating Revenues (Expenses)	6,327,737.82	3,572,452.09		77.13%
Increase (Decrease) in Net Position	\$ 10,244,894.63	\$ 9,299,770.33		10.16%