

QUARTERLY FINANCIAL REPORT: 1ST QUARTER FY2025

Dr. Scott Barton, Vice President for Finance and Administration, will provide the Committee with the Quarterly Financial Report: 1st Quarter FY2025.

The 1st Quarter FY2025 financials are presented in a format that emphasizes the overall results of the fiscal year-to-date. These schedules exclude the results from the Shepherd Entrepreneurial and Research Corporation (SERC).

CASH:

\$19.4M – Increased by \$2.5M

The increase is mainly due to increased grant activity, both at the federal and state level (including deferred maintenance). There is an increase in receivables as well.

Unrestricted Days Cash on Hand = 79

TOTAL ASSETS:

\$134.7M – Increased by \$7.2M

An increase in cash of \$2.5 million and a \$4.3M in receivables are primarily responsible for this increase.

TOTAL LIABILITIES:

\$45.5M – Decreased by \$1.3M

This decrease is mostly due to GASB 68 and long-term payables. This is offset by some increases in deferred revenue and a small increase in the current portion of payables.

TOTAL OPERATING REVENUES:

\$15.7M – Decreased by \$1.3M

Comparing year-over-year, there is a small increase attributed to sale of the Human Resources building, but the majority of the difference (decrease) is from an increase in scholarship allowance. Scholarship allowance is largely impacted by student refunds which are higher due to increased support from the West Virginia Grant.

TOTAL OPERATING EXPENSES:

\$11.9M – Decreased by \$1.2M

Compared to FY2024, all expense lines with the exception of utilities are down year over year.

**NONOPERATING REVENUES AND
EXPENSES:**

\$6.3M – Decreased by \$45K

State Appropriations are slightly lower than previous year because of the state allocation to salaries in July 2023.

This year's addition was spread over the entire year so the increase in FY2025 will not fully reflect until the end of the year. The other revenue/expenses are in line with FY2024.

**INCREASE (DECREASE) IN NET
POSITION:**

\$10.1M – Decreased by \$112K

The decreases in revenue are offset, so far, by the savings in the expense lines at Shepherd. This is leaving the university relatively flat year over year.

SUMMARY:

The University has made progress in reducing the structural deficit and is finding an equilibrium between revenue and expenses. The University's focus in FY2025 is on increasing revenue through diversification of sources, as well as analyzing fee structures to ensure that the students and the Institution are supported now and into the future.

Shepherd University
Statements of Financial Position
As of September 30, 2024 and 2023

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>% Change</u>
Current Assets			
Cash and cash equivalents	\$ 19,414,335.83	\$ 16,901,704.94	14.87%
Accounts receivable net	2,448,794.07	2,357,287.50	3.88%
Grants and contracts receivable, net	6,515,604.27	2,327,252.61	179.97%
Other assets	376,566.30	49,083.69	667.19%
Total Current Assets	28,755,300.47	21,635,328.74	32.91%
Noncurrent Assets			
Capital assets net	105,630,502.11	105,103,650.40	0.50%
Loans receivable, net	33,446.39	62,534.14	-46.51%
Other Receivables NCA	79,065.39	97,481.48	-18.89%
Total Noncurrent Assets	105,743,013.89	105,263,666.02	0.46%
Total Assets	134,498,314.36	126,898,994.76	5.99%
Deferred Outflows of Resources GASB 68	186,869.72	580,282.06	-67.80%
Total Assets and Deferred Outflows	\$ 134,685,184.08	\$ 127,479,276.82	5.65%
Current Liabilities			
Accounts payable	\$ 798,948.63	\$ 686,314.11	16.41%
Accrued liabilities	2,145,152.66	2,167,540.68	-1.03%
Deferred revenue	4,628,794.73	2,466,338.95	87.68%
Long-term liabilities - current portion	4,060,914.14	3,793,782.40	7.04%
Total Current Liabilities	11,633,810.16	9,113,976.14	27.65%
Noncurrent Liabilities			
Advances from federal sponsors	106,683.34	144,680.62	-26.26%
Compensated absences	433,843.56	509,842.43	-14.91%
OPEB	(446,801.12)	353,098.88	-226.54%
Net Pension Liability	8,104.00	52,959.00	-84.70%
Deposits	195,508.62	192,445.34	1.59%
Bonds Payable - noncurrent	25,371,048.38	27,204,109.49	-6.74%
Leases Payable and SBITA - noncurrent	7,265,486.76	7,361,361.84	-1.30%
Total Noncurrent Liabilities	32,933,873.54	35,818,497.60	-8.05%
Total Liabilities	44,567,683.70	44,932,473.74	-0.81%
Deferred Inflows of Resources GASB 68	949,466.05	1,911,150.05	-50.32%
Total Liabilities and Deferred Inflows of Resources	\$ 45,517,149.75	\$ 46,843,623.79	-2.83%
Net Assets			
Total Net Assets	89,168,034.33	80,635,653.03	10.58%
Total Liabilities, Deferred Inflows, and Net Position	\$ 134,685,184.08	\$ 127,479,276.82	5.65%

Shepherd University
Statements of Activities
For the Quarters Ending September 30, 2024 and 2023

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>% Change</u>
Operating Revenues			
Tuition and Fees	\$ 13,649,625	\$ 13,615,286	0.25%
Scholarship Allowances	(7,636,401)	(5,873,621)	30.01%
Federal Grants and Contracts	789,849	1,112,427	-29.00%
State Grants and Contracts	2,006,267	1,658,735	20.95%
Auxiliary enterprise revenue	6,240,663	6,267,863	-0.43%
Other Operating Revenues	667,155	185,159	260.31%
Total Operating Revenues	<u>15,717,159</u>	<u>16,965,848</u>	-7.36%
Operating Expenses			
Salaries and Wages	\$ 5,880,449	\$ 6,095,305	-3.52%
Benefits	1,261,247	1,432,942	-11.98%
Supplies and Other Services	2,509,652	2,587,111	-2.99%
Utilities	379,096	367,486	3.16%
Scholarships and Fellowships	668,934	1,106,244	-39.53%
Depreciation and Amortization	1,167,038	1,459,603	-20.04%
Total Operating Expenses	<u>11,866,416</u>	<u>13,048,691</u>	-9.06%
Operating Income/(Loss)	\$ 3,850,743	\$ 3,917,157	-1.70%
Nonoperating Revenues (Expenses)			
State appropriations	\$ 3,433,744	\$ 3,604,706	-4.74%
Federal Nonoperating revenues	2,626,443	\$ 2,282,770	15.06%
Interest on capital asset related debt	(238,692)	\$ (242,884)	-1.73%
Investment Income	85,610	\$ 70,098	22.13%
Fees assessed by the HEPC for debt service	(7,964)	\$ (8,311)	-4.18%
Gifts	380,969	\$ 621,359	-38.69%
Other Non Operating Revenues	2,000	\$ -	
Total Nonoperating Revenues (Expenses)	<u>6,282,110</u>	<u>6,327,738</u>	-0.72%
Increase (Decrease) in Net Position	<u>\$ 10,132,853</u>	<u>\$ 10,244,895</u>	1.09%

Shepherd University
Statements of Revenue, Expenses and Changes in Net Position
FY2025 Budget Variance

	<u>9/30/2024</u>	<u>Projected 6/30/2025</u>	<u>Budget 2025</u>	<u>Projected Variance</u>
Operating Revenues				
Tuition and Fees	\$ 13,649,625	\$ 26,504,126	\$ 26,749,841	\$ (245,715)
Scholarship Allowances	(7,636,401)	(12,500,000)	(12,500,000)	-
Grants	2,796,117	22,481,800	22,481,800	-
Auxiliary enterprise revenue	6,240,663	13,001,382	13,151,000	(149,618)
Other Operating Revenues	667,155	900,000	425,000	475,000
Total Operating Revenues	\$ 15,717,159	\$ 50,387,308	\$ 50,307,641	\$ 79,667
Operating Expenses				
Salaries and Wages	\$ 5,880,449	\$ 23,586,417	\$ 24,343,498	\$ (757,081)
Benefits	1,261,247	5,058,847	5,283,752	(224,905)
Supplies and Other Services	2,509,652	12,066,188	12,347,812	(281,624)
Utilities	379,096	3,128,651	3,128,651	-
Scholarships and Fellowships	668,934	3,120,000	3,120,000	-
Depreciation and Amortization	1,167,038	6,000,264	6,000,264	-
Total Operating Expenses	\$ 11,866,416	\$ 52,960,367	\$ 54,223,977	\$ (1,263,610)
Operating Income/(Loss)	\$ 3,850,743	\$ (2,573,059)	\$ (3,916,336)	\$ 1,343,277
Nonoperating Revenues (Expenses)				
State appropriations	\$ 3,433,744	\$ 13,734,975	\$ 13,734,975	\$ -
Federal Nonoperating revenues	2,626,443	4,600,000	4,600,000	-
Interest on capital asset related debt	(238,692)	(1,297,505)	(1,297,505)	-
Investment Income	85,610	343,382	455,100	(111,718)
Fees assessed by the HEPC for debt service	(7,964)	(7,964)	(17,000)	9,036
Gifts	380,969	1,528,063	1,510,000	18,063
Other	2,000	100,000	119,670	(19,670)
Total Nonoperating Revenues (Expenses)	\$ 6,282,110	\$ 19,000,952	\$ 19,105,240	\$ (104,289)
Increase (Decrease) in Net Position	\$ 10,132,853	\$ 16,427,893	\$ 15,188,904	\$ 1,238,989

FY2024 - FY2025 - September: Days of Cash

<u>September 2023</u>		<u>September 2024</u>	
Cash (as of September 30, 2023)		Cash (as of September 30, 2024)	
Restricted	6,669,967.85	Restricted	10,201,985.77
Unrestricted	10,231,737.09	Unrestricted	9,212,350.06
Total	16,901,704.94	Total	19,414,335.83
 Days of Cash (as of September 30, 2023)		 Days of Cash (as of September 30, 2024)	
Total Cash	128 days	Total Cash	167 days
Unrestricted	75 days	Unrestricted	79 days

Shepherd University
Statements of Revenue, Expenses and Changes in Net Position
FY2025 - FY2024 Grant Funded to E&G Comparison

	<u>Income Statement</u> <u>9/30/2024</u>	<u>Sept 2024 - Grant/E&G</u>		<u>Income Statement</u> <u>9/30/2023</u>	<u>Sept 2023 - Grant/E&G</u>		<u>23/24 E&G Variance</u>
		<u>Grant Funded</u>	<u>Educational & General</u>		<u>Grant Funded</u>	<u>Educational & General</u>	
Operating Revenues							
Tuition and Fees	\$ 13,649,625	\$ -	\$ 13,649,625	\$ 13,615,286	\$ -	\$ 13,615,286	\$ 34,339
Scholarship Allowances	(7,636,401)	-	(7,636,401)	(5,873,621)	-	(5,873,621)	(1,762,780)
Grants	2,796,117	925,634	1,870,483	2,771,162	1,470,889	1,300,272	570,211
Auxiliary enterprise revenue	6,240,663	-	6,240,663	6,267,863	-	6,267,863	(27,199)
Other Operating Revenues	667,155	14,410	652,746	185,159	25,100	160,059	492,687
Total Operating Revenues	15,717,159	940,043	14,777,116	16,965,848	1,495,989	15,469,859	(692,743)
Operating Expenses							
Salaries and Wages	\$ 5,880,449	\$ 259,465	\$ 5,620,984	\$ 6,095,305	\$ 326,305	\$ 5,769,000	\$ (148,016)
Benefits	1,261,247	53,248	1,207,999	1,432,942	261,788	1,171,154	36,845
Supplies and Other Services	2,509,652	271,968	2,237,684	2,587,111	538,844	2,048,266	189,418
Utilities	379,096	-	379,096	367,486	70,412	297,075	82,021
Scholarships and Fellowships	668,934	224,243	444,690	1,106,244	-	1,106,244	(661,554)
Depreciation and Amortization	1,167,038	-	1,167,038	1,459,603	-	1,459,603	(292,565)
Total Operating Expenses	11,866,416	808,925	11,057,490	13,048,691	1,197,349	11,851,342	(793,852)
Operating Income/(Loss)	\$ 3,850,743	\$ 131,118	\$ 3,719,625	\$ 3,917,157	\$ 298,640	\$ 3,618,517	\$ 101,109
Nonoperating Revenues (Expenses)							
State appropriations	\$ 3,433,744	\$ -	\$ 3,433,744	\$ 3,604,706	\$ -	\$ 3,604,706	\$ (170,962)
Federal Nonoperating revenues	2,626,443	-	2,626,443	2,282,770	-	2,282,770	343,672
Interest on capital asset related debt	(238,692)	-	(238,692)	(242,884)	-	(242,884)	4,192
Investment Income	85,610	19,623	65,988	70,098	43,334	26,764	39,224
Fees assessed by the HEPC for debt service	(7,964)	-	(7,964)	(8,311)	-	(8,311)	347
Gifts	380,969	3,398	377,571	621,359	178,609	442,750	(65,179)
Other	2,000	-	2,000	-	-	-	2,000
Total Nonoperating Revenues (Expenses)	6,282,110	23,020	6,259,089	6,327,738	221,943	6,105,795	153,294
Increase (Decrease) in Net Position	\$ 10,132,853	\$ 154,139	\$ 9,978,715	\$ 10,244,895	\$ 520,583	\$ 9,724,312	\$ 254,403