

QUARTERLY FINANCIAL REPORT: 1ST QUARTER FY2026

Dr. Scott Barton, Vice President for Finance and Administration, will provide the Committee with the Quarterly Financial Report: 1st Quarter FY2026.

The 1st Quarter FY2026 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:

\$48.32M – Increased by \$28.90M

The increase is mainly due to the special funding given to Shepherd by the State (\$30M). The adjusted cash balance is \$21.3M which is an increase of \$1.9M from 1st Quarter 2025. The difference in unrestricted cash is primarily made up of the increase in approximately \$350K in tuition revenue, an increase of \$403K in auxiliary revenue, and a \$560K decrease (cash) in operating expenses between 1st Quarter FY2025 and FY2026. Days Cash on Hand is up 27 days from last year at this time. This is due to an increase in unrestricted cash and a decrease in operating expenses year-over-year.

Unrestricted Days Cash on Hand = 106

TOTAL ASSETS:

\$171.11M – Increased by \$41.03M

The additional appropriation from the state (\$30M) accounts for most of the variance; however, capital assets have also increased by \$11.5M. The new construction and the deferred maintenance grants have helped Shepherd to invest in much-needed infrastructure projects.

TOTAL LIABILITIES:

\$41.06M – Decreased by \$4.54M

This is mostly due to a decrease in deferred revenue and long-term payables. Compensated absences are up a small amount due to the implementation of GASB 101 for FY2025 and FY2026.

TOTAL OPERATING REVENUES:**\$17.35M – Increased by \$1.63M**

Comparing year-over-year, there is a small increase attributed to tuition and auxiliary revenue. The increase in tuition and fees, along with the continued strength in enrollment, has contributed to this positive change. The scholarship allowance is also down from last year, mainly from the smaller amount of state aid (WV grant).

TOTAL OPERATING EXPENSES:**\$12.04M – Decreased by \$464K**

Compared to FY2025, Personnel is down year-over-year in the first quarter. The Scholarship line is returning back to FY2023 numbers due to the decrease in WV grant this year. Depreciation is up from the large amount of capital improvements, and supplies and utilities rise with usage and cost increases.

NONOPERATING REVENUES AND EXPENSES:**\$6.32M – Increased by \$105K**

Contributing to this variance are small decreases in appropriations, PELL grants, and investment income.

INCREASE (DECREASE) IN NET POSITION:**\$11.63M – Increased by \$2.19M**

The vast majority of this can be attributed to grant activity, increasing student revenue, and decreased operating expenses. The Educational and General (E&G) variance (non-grant related) is up by \$829K from this time last year.

SUMMARY:



The University has made significant progress on reducing the structural deficit and is finding equilibrium between revenue and expenses. The University's focus in FY2026 is on increasing revenue through diversification of sources, as well as analyzing funding and fee structures to ensure that the student and the Institution are supported now and into the future.

Balance Sheet

All Orgs, All Funds, All Programs

Last Closed Month: September, 2025

in Local currency

	Q12024 EndingBal	Q12025 EndingBal	YoY Change	Q12026 EndingBal	YoY Change
Current Assets					
[+] Cash and Cash Equivalents	20,201,705	19,414,336	-3.90%	48,315,615	148.87%
[+] Accounts Receivable Net	4,687,542	4,998,895	6.64%	6,100,806	22.04%
[+] Due from Commission	-	-	0.00%	-	0.00%
[+] Prepays	13,383	331,199	2374.79%	352,037	6.29%
[+] Loans to Student - Current Portion	35,100	35,100	0.00%	35,100	0.00%
[+] Inventories	601	436	-27.51%	1,019	133.86%
Total Current Assets	24,938,331	24,779,966	-0.64%	54,804,576	121.16%
Noncurrent Assets					
[+] Other Receivables NCA	97,481	79,065	-18.89%	49,062	-37.95%
[+] Loans to Students, Net	62,534	33,446	-46.51%	23,738	-29.03%
[+] Capital Assets Net	102,532,177	101,531,413	-0.98%	113,105,599	11.40%
[+] Right to Use Leased Assets	972,714	2,122,076	118.16%	1,108,845	-47.75%
[+] Subscription based information tech.	1,601,001	1,355,019	-15.36%	1,359,708	0.35%
[+] Deferred Outflows of Resources Gasb 68	580,282	186,870	-67.80%	662,136	254.33%
Total Noncurrent Assets	105,846,189	105,307,890	-0.51%	116,309,089	10.45%
Current Liabilities					
[+] Accounts Payable	818,341	886,440	8.32%	1,009,041	13.83%
[+] Accrued Liabilities	2,167,541	1,514,785	-30.12%	2,321,080	53.23%
[+] Due to Other State Agencies	711	711	0.00%	889	24.99%
[+] Compensated Absences - Current Portion	734,076	629,656	-14.22%	867,532	37.78%
[+] Deferred Revenue	2,461,554	4,628,795	88.04%	2,568,713	-44.51%
[+] Deposits held in custody for others	192,445	195,509	1.59%	173,605	-11.20%
[+] Payables - Current Portion	3,059,707	4,060,914	32.72%	3,357,213	-17.33%
Total Current Liabilities	9,434,374	11,916,810	26.31%	10,298,073	-13.58%
Noncurrent Liabilities					
[+] Advances from Federal Sponsors	144,681	106,683	-26.26%	74,165	-30.48%
[+] Compensated Absences	509,842	433,844	-14.91%	469,726	8.27%
[+] OPEB	353,099	(446,801)	-226.54%	(60,732)	-86.41%
[+] Net Pension Liability	52,959	8,104	-84.70%	-	-100.00%
[+] Bonds Payable net of Current Portion	27,204,109	25,371,048	-6.74%	23,474,391	-7.48%
[+] Notes Payable, net of Current Portion	1,039,000	721,000	-30.61%	403,000	-44.11%
[+] Leases Payable, net of Current Portion	6,046,100	6,115,264	1.14%	5,539,554	-9.41%
[+] SBITA - net of Current Portion	276,261	429,222	55.37%	461,597	7.54%
[+] Deferred Inflows of Resources Gasb 68	1,911,150	949,466	-50.32%	401,151	-57.75%
Total Noncurrent Liabilities	37,537,202	33,687,831	-10.25%	30,762,852	-8.68%
Net Assets					
Total Net Assets	83,812,943	84,483,215	0.80%	130,052,740	53.94%
KPIs					
Days Cash on Hand (Total)	128	167	30.47%	435 	268
Days Cash on Hand (Unrestricted)	75	79	5.33%	106 	27

Income Statement

All Orgs, All Funds, All Programs

Last Closed Month: September, 2025

in Local currency

	2024	2025	YoY	FY2026	YoY
	Total to Date	Total to Date	Change	Total	Change
Operating Revenues					
[+] Tuition and Fees	13,615,286	13,649,625	0.25%	14,002,273	2.58%
[+] Contracts and Grants	2,777,216	2,799,380	0.80%	3,596,949	28.49%
[+] Interest on Student Loan Receivable	676	584	-13.62%	688	17.77%
[+] Sales and Services of Educational Departments	75	15	-80.00%	1,830	0.00%
[+] Auxiliary Enterprise Revenue	6,269,596	6,242,582	-0.43%	6,645,579	6.46%
[+] Scholarship Allowances	(5,873,622)	(7,636,401)	30.01%	(7,058,224)	-7.57%
[+] Other Operating Revenues	185,084	667,140	260.45%	161,857	-75.74%
Total Operating Revenues	16,974,312	15,722,924	-7.37%	17,350,953	10.35%
Operating Expenses					
[+] Salaries and Wages	6,095,305	5,880,449	-3.52%	5,654,024	-3.85%
[+] Benefits	1,432,942	1,261,247	-11.98%	1,539,619	22.07%
[+] Supplies and Other Services	2,709,719	2,584,679	-4.61%	2,677,763	3.60%
[+] Utilities	375,375	386,897	3.07%	426,541	10.25%
[+] Scholarships and Fellowships	(2,193,756)	668,934	-130.49%	(79,353)	-111.86%
[+] Depreciation	1,459,603	1,724,109	18.12%	1,823,538	5.77%
Total Operating Expenses	9,879,188	12,506,315	26.59%	12,042,133	-3.71%
Total Operating Income (Loss)	7,095,123	3,216,610	-54.66%	5,308,820	65.04%
Nonoperating Revenues (Expenses)					
[+] State Appropriations	3,604,706	3,433,744	-4.74%	3,426,084	-0.22%
[+] Special Funding (Special Funding)	-	-	0.00%	-	0.00%
[+] Federal Nonoperating Revenues	2,282,770	2,626,443	15.06%	2,639,789	0.51%
[+] Investment Income	69,421	85,026	22.48%	215,320	153.24%
[+] Interest On Capital Asset Related Debt	(242,884)	(238,692)	-1.73%	(230,525)	-3.42%
[+] Fees Assessed by the Commission For Debt Service	(8,311)	(7,964)	-4.18%	-	-100.00%
[+] Gifts	621,359	383,699	-38.25%	267,347	-30.32%
[+] Other Nonoperating Revenues	-	(69,365)	0.00%	-	-100.00%
Total Nonoperating Revenues (Expenses)	6,327,062	6,212,891	-1.80%	6,318,014	1.69%
Increase (Decrease) in Net Position	13,422,185	9,429,501		11,626,834	23.30%

Budget Variance, Statement of Activities

All Orgs, All Funds, All Programs

Last Closed Month: September, 2025

in Local currency

	Actual Sep '25	Forecast Jun '25	Total Budget 2026	Variance
Operating Revenues				
[+] Tuition and Fees	14,002,273	30,104,888	29,970,451	134,437
[+] Contracts and Grants	3,596,949	15,968,000	15,968,000	-
[+] Interest on Student Loan Receivable	688	5,100	5,100	-
[+] Sales and Services of Educational Departments	1,830	35,100	35,100	-
[+] Auxiliary Enterprise Revenue	6,645,579	14,287,996	13,992,150	295,846
[+] Scholarship Allowances	(7,058,224)	(13,000,000)	(13,000,000)	-
[+] Other Operating Revenues	161,857	455,605	455,605	-
Total Operating Revenues	17,350,953	47,856,688	47,426,406	430,282
Operating Expenses				
[+] Salaries and Wages	5,654,024	23,935,370	24,825,538	(890,168)
[+] Benefits	1,539,619	6,415,081	6,585,712	(170,631)
[+] Supplies and Other Services	2,677,763	13,210,297	13,380,460	(170,163)
[+] Utilities	426,541	2,559,248	3,252,511	(693,263)
[+] Scholarships and Fellowships	(79,353)	3,429,825	3,429,825	-
[+] Depreciation	1,823,538	7,844,815	7,844,815	-
Total Operating Expenses	12,042,133	57,394,635	59,318,861	(1,924,226)
Total Operating Income (Loss)	5,308,820	(9,537,947)	(11,892,455)	2,354,508
Nonoperating Revenues (Expenses)				
[+] State Appropriations	3,426,084	13,704,338	13,704,338	-
[+] Federal Nonoperating Revenues	2,639,789	4,600,000	4,600,000	-
[+] Investment Income	215,320	861,280	792,190	69,090
[+] Interest On Capital Asset Related Debt	(230,525)	1,304,510	(1,304,510)	2,609,020
[+] Fees Assessed by the Commission For Debt Service	-	(16,500)	(16,500)	-
[+] Gifts	267,347	1,069,386	1,710,870	(641,484)
[+] Other Nonoperating Revenues	-	145,000	145,000	-
Total Nonoperating Revenues (Expenses)	6,318,014	21,668,014	19,631,388	2,036,626
Total Net Income	11,626,834	12,130,068	7,738,933	4,391,135

Grant Funded to E&G Comparison

All Orgs, All Funds, All Programs
Last Closed Month: September, 2025
in Local currency

	September 2026			September 2025			YoY Variance
	Income Statement	Grant Funded	E&G	Income Statement	Grant Funded	E&G	
Operating Revenues							
[+] Tuition and Fees	14,002,273	-	14,002,273	13,649,625	-	13,649,625	352,648
[+] Contracts and Grants	3,596,949	2,246,146	1,350,803	2,799,380	928,897	1,870,483	(519,680)
[+] Interest on Student Loan Receivable	688		688	584	-	584	104
[+] Sales and Services of Educational Departments	1,830		1,830	15	-	15	1,815
[+] Auxiliary Enterprise Revenue	6,645,579		6,645,579	6,242,582	-	6,242,582	402,998
[+] Scholarship Allowances	(7,058,224)		(7,058,224)	(7,636,401)	-	(7,636,401)	578,177
[+] Other Operating Revenues	161,857	24,806	137,051	667,140	14,395	652,746	(515,694)
Total Operating Revenues	17,350,953	2,270,952	15,080,001	15,722,924	943,291	14,779,633	300,368
Operating Expenses							
[+] Salaries and Wages	5,654,024	269,135	5,384,889	5,880,449	259,465	5,620,984	(236,095)
[+] Benefits	1,539,619	50,563	1,489,056	1,261,247	53,248	1,207,999	281,057
[+] Supplies and Other Services	2,677,763	284,304	2,393,459	2,584,679	277,961	2,306,718	86,741
[+] Utilities	426,541		426,541	386,897	-	386,897	39,644
[+] Scholarships and Fellowships	(79,353)	208,082	(287,435)	668,934	224,243	444,690	(732,126)
[+] Depreciation	1,823,538	-	1,823,538	1,724,109	-	1,724,109	99,429
Total Operating Expenses	12,042,133	812,084	11,230,048	12,506,315	814,917	11,691,397	(461,349)
Total Operating Income (Loss)	5,308,820	1,458,867	3,849,953	3,216,610	128,374	3,088,236	761,716
Nonoperating Revenues (Expenses)							
[+] State Appropriations	3,426,084	-	3,426,084	3,433,744	-	3,433,744	(7,660)
[+] Federal Nonoperating Revenues	2,639,789		2,639,789	2,626,443	-	2,626,443	13,346
[+] Investment Income	215,320	9,170	206,150	85,026	19,623	65,404	140,746
[+] Interest On Capital Asset Related Debt	(230,525)		(230,525)	(238,692)	-	(238,692)	8,167
[+] Fees Assessed by the Commission For Debt Service	-		-	(7,964)	-	(7,964)	7,964
[+] Gifts	267,347	53,624	213,723	383,699	6,127	377,571	(163,849)
[+] Other Nonoperating Revenues	-	-	-	(69,365)	-	(69,365)	69,365
Total Nonoperating Revenues (Expenses)	6,318,014	62,794	6,255,220	6,212,891	25,750	6,187,141	68,079
Total Net Income	11,626,834	1,521,661	10,105,173	9,429,501	154,124	9,275,377	829,795