

QUARTERLY FINANCIAL REPORT: 2nd Quarter FY2025

Dr. Scott Barton, Vice President for Finance and Administration, will provide the Committee with the Quarterly Financial Report: 2nd Quarter FY2025.

The 2nd 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:

\$46.66M – Increased by \$31.13M

The increase is mainly due to the special funding given to Shepherd by the State (\$30M). The adjusted cash balance is \$16.66M which is an increase of \$1.13M from Q2 2024. This increase is attributed to restricted funds as the unrestricted cash balance is \$379K lower than last year at this time. The difference in unrestricted cash is primarily made up of the decrease in approximately \$70K in tuition revenue, a decrease of \$150K in auxiliary revenue and a \$140K increase in utility expenses between Q2 in FY2024 and FY2025.

Unrestricted Days Cash on Hand = 45

TOTAL ASSETS:

\$172.56M – Increased by \$35.19M

The \$30M is the majority of the variance. There are small increases in Accounts Receivable, Restricted Cash, and Capital Assets. This is offset by a lower Grants Receivable.

TOTAL LIABILITIES:

\$61.50M – Decreased by \$3.64M

This decrease is mostly due to a decrease in GASB 68 and long-term payables. There is a small decrease in Deferred revenue from last year at this time. Accounts Payable is also higher with some payments due for larger projects.

TOTAL OPERATING REVENUES:

\$23.44M – Increased by \$4.47M

Comparing year-over-year, there is a small increase attributed to sale of the Human Resources building, but the majority of the difference is a combination of the increase in scholarship allowance and the grant revenue in both the federal and state lines.

TOTAL OPERATING EXPENSES:**\$27.07 million – Decreased by \$246K**

Compared to FY2024, all expense lines with the exception of Personnel are up year-over-year. The Scholarship line is related to the higher 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:**\$39.82M – Increased by \$34.36M**

This is attributed largely to the Special funding received by the State. The adjusted change is an increase of \$133K overall. State Appropriations are higher than previous year because of the special funding distributions this year. The other revenue/expenses are in line with FY2024 with the exception of “Other”, which is part of the write off of the Human Resources building.

INCREASE (DECREASE) IN NET POSITION:**\$39.82M – Increased by \$30.13M**

The adjusted amount (without the special funding) is \$6.19M which is \$4.36M higher than last year at this time. The vast majority of this can be attributed to grant activity. The Educational and General (E&G) variance (non-grant related) is up by \$166K from last year.

SUMMARY:

The University has made progress on reducing the structural deficit and is finding 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 student and the Institution are supported now and into the future.

Shepherd University
Statements of Financial Position
As of December 31, 2024 and 2023

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>% Change</u>
Current Assets			
Cash and cash equivalents	\$ 46,658,704	\$ 15,533,433	200.38%
Accounts receivable net	\$ 16,145,594	\$ 15,183,817	6.33%
Grants and contracts receivable, net	\$ 347,196	\$ 1,283,664	-72.95%
Other assets	\$ 367,710	\$ 398,942	-7.83%
Total Current Assets	\$ 63,519,203	\$ 32,399,856	96.05%
Noncurrent Assets			
Capital assets net	\$ 108,744,853	\$ 104,241,545	4.32%
Loans receivable, net	\$ 28,737	\$ 44,561	-35.51%
Other Receivables NCA	\$ 75,653	\$ 94,858	-20.25%
Total Noncurrent Assets	\$ 108,849,244	\$ 104,380,964	4.28%
Total Assets	\$ 172,368,446	\$ 136,780,820	26.02%
Deferred Outflows of Resources GASB 68	\$ 186,870	\$ 580,282	-67.80%
Total Assets and Deferred Outflows	\$ 172,555,316	\$ 137,361,102	25.62%
Current Liabilities			
Accounts payable	\$ 2,769,291	\$ 838,176	230.39%
Accrued liabilities	\$ 1,778,944	\$ 1,189,453	49.56%
Deferred revenue	\$ 19,879,343	\$ 22,638,887	-12.19%
Long-term liabilities - current portion	\$ 4,056,388	\$ 3,771,951	7.54%
Total Current Liabilities	\$ 28,483,965	\$ 28,438,467	0.16%
Noncurrent Liabilities			
Advances from federal sponsors	\$ 106,683	\$ 144,681	-26.26%
Compensated absences	\$ 464,948	\$ 545,750	-14.81%
OPEB	\$ (446,801)	\$ 353,099	-226.54%
Net Pension Liability	\$ 8,104	\$ 52,959	-84.70%
Deposits	\$ 193,270	\$ 193,296	-0.01%
Bonds Payable - noncurrent	\$ 24,463,465	\$ 26,214,560	-6.68%
Leases Payable and SBITA - noncurrent	\$ 7,280,419	\$ 7,293,829	-0.18%
Total Noncurrent Liabilities	\$ 32,070,088	\$ 34,798,173	-7.84%
Total Liabilities	\$ 60,554,053	\$ 63,236,639	-4.24%
Deferred Inflows of Resources GASB 68	\$ 949,466	\$ 1,911,150	-50.32%
Total Liabilities and Deferred Inflows of Resources	\$ 61,503,519	\$ 65,147,789	-5.59%
Net Assets			
Total Net Assets	111,051,797	72,213,313	53.78%
Total Liabilities, Deferred Inflows, and Net Position	172,555,316	137,361,102	25.62%

Cash (as of December 31, 2024)	
Restricted	40,858,226
Unrestricted	5,800,478
Total	46,658,704
Days of Cash	
(as of December 31, 2024)	
Total Cash	363 days
<i>Unrestricted</i>	<i>45 days</i>

Cash (as of December 31, 2023)	
Restricted	9,373,874
Unrestricted	6,179,559
Total	15,553,433
Days of Cash	
(as of December 31, 2023)	
Total Cash	121 days
<i>Unrestricted</i>	<i>48 days</i>

Shepherd University
Statements of Activities
For the Quarters Ending December 31, 2024 and 2023

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>% Change</u>
Operating Revenues			
Tuition and Fees	\$ 13,741,365	\$ 13,805,891	-0.47%
Scholarship Allowances	(7,765,724)	(6,515,014)	19.20%
Federal Grants and Contracts	2,286,289	1,860,396	22.89%
State Grants and Contracts	7,491,475	2,547,293	194.10%
Auxiliary enterprise revenue	6,852,094	6,997,704	-2.08%
Other Operating Revenues	838,045	274,145	205.69%
Total Operating Revenues	<u>23,443,545</u>	<u>18,970,415</u>	23.58%
Operating Expenses			
Salaries and Wages	\$ 12,206,379	\$ 12,379,230	-1.40%
Benefits	2,700,142	2,840,013	-4.93%
Supplies and Other Services	6,083,262	6,041,119	0.70%
Utilities	1,078,201	940,076	14.69%
Scholarships and Fellowships	1,555,683	1,442,581	7.84%
Depreciation and Amortization	3,448,592	3,183,264	8.34%
Total Operating Expenses	<u>27,072,259</u>	<u>26,826,284</u>	0.92%
Operating Income/(Loss)	\$ (3,628,714)	\$ (7,855,868)	-53.81%
Nonoperating Revenues (Expenses)			
State appropriations	\$ 7,069,563	\$ 6,861,414	3.03%
Special Project Funding	\$ 30,000,000	\$ -	N/A
Federal Nonoperating revenues	2,720,439	2,365,455	15.01%
Interest on capital asset related debt	(646,679)	(652,326)	-0.87%
Investment Income	158,917	177,483	-10.46%
Fees assessed by the HEPC for debt service	(7,964)	(8,311)	-4.18%
Gifts	663,204	945,359	-29.85%
Other Non Operating Revenues	(137,117)	(1,967)	
Total Nonoperating Revenues (Expenses)	<u>39,820,362</u>	<u>9,687,107</u>	311.07%
Increase (Decrease) in Net Position	<u>\$ 36,191,648</u>	<u>\$ 1,831,239</u>	-438.11%

Shepherd University

Statements of Revenue, Expenses and Changes in Net Position

FY2025 Budget Variance

	<u>12/31/2024</u>	<u>Projected*</u> <u>6/30/2025</u>	<u>Budget</u> <u>2025</u>	<u>Projected</u> <u>Variance</u>
Operating Revenues				
Tuition and Fees	\$ 13,741,365	\$ 27,032,194	\$ 26,749,841	\$ 282,353
Scholarship Allowances	(7,765,724)	(12,500,000)	(12,500,000)	-
Grants	9,777,764	22,481,800	22,481,800	-
Auxiliary enterprise revenue	6,852,094	13,479,530	13,151,000	328,530
Other Operating Revenues	838,045	1,261,946	425,000	836,946
Total Operating Revenues	<u>\$ 23,443,545</u>	<u>\$ 51,755,471</u>	<u>\$ 50,307,641</u>	<u>\$ 1,447,830</u>
Operating Expenses				
Salaries and Wages	\$ 12,206,379	\$ 23,604,758	\$ 24,343,498	\$ (738,740)
Benefits	2,700,142	\$ 5,400,284	5,283,752	116,531
Supplies and Other Services	6,083,262	\$ 12,166,525	12,347,812	(181,287)
Utilities	1,078,201	\$ 2,156,403	3,128,651	(972,248)
Scholarships and Fellowships	1,555,683	\$ 2,360,702	3,120,000	(759,298)
Depreciation and Amortization	3,448,592	\$ 6,897,183	6,000,264	896,919
Total Operating Expenses	<u>\$ 27,072,259</u>	<u>\$ 52,585,854</u>	<u>\$ 54,223,977</u>	<u>\$ (1,638,124)</u>
Operating Income/(Loss)	\$ (3,628,714)	\$ (830,383)	\$ (3,916,336)	\$ 3,085,953
Nonoperating Revenues (Expenses)				
State appropriations	\$ 7,069,563	\$ 14,139,125	\$ 13,734,975	\$ 404,150
Special Project Funding	30,000,000	\$ 30,000,000	\$ -	N/A
Federal Nonoperating revenues	2,720,439	\$ 5,440,878	4,600,000	840,878
Interest on capital asset related debt	(646,679)	\$ (1,293,358)	(1,297,505)	4,147
Investment Income	158,917	\$ 317,834	455,100	(137,266)
Fees assessed by the HEPC for debt service	(7,964)	\$ (15,928)	(17,000)	1,072
Gifts	663,204	\$ 1,326,408	1,510,000	(183,592)
Other	(137,117)	\$ (274,235)	119,670	(393,905)
Total Nonoperating Revenues (Expenses)	<u>\$ 39,820,362</u>	<u>\$ 49,640,723</u>	<u>\$ 19,105,240</u>	<u>\$ 535,483</u>
Increase (Decrease) in Net Position	<u>\$ 36,191,648</u>	<u>\$ 48,810,340</u>	<u>\$ 15,188,904</u>	<u>\$ 3,621,436</u>

Shepherd University
Statements of Revenue, Expenses and Changes in Net Position
FY2024 - FY2023 Grant Funded to E&G Comparison

	<u>Income Statement</u>	<u>Dec 2024 - Grant/E&G</u>		<u>Income Statement</u>	<u>Dec 2023 - Grant/E&G</u>		<u>23/24 E&G Variance</u>
	<u>12/31/2024</u>	<u>Grant Funded</u>	<u>Educational & General</u>	<u>12/31/2023</u>	<u>Grant Funded</u>	<u>Educational & General</u>	
Operating Revenues							
Tuition and Fees	\$ 13,741,365	\$ -	\$ 13,741,365	\$ 13,805,891	\$ -	\$ 13,805,891	\$ (64,526)
Scholarship Allowances	(7,765,724)	-	(7,765,724)	(6,515,014)	-	(6,515,014)	(1,250,710)
Grants	9,777,764	6,528,917	3,248,847	4,407,689	2,227,473	2,180,215	1,068,632
Auxiliary enterprise revenue	6,852,094	-	6,852,094	6,997,704	-	6,997,704	(145,609)
Other Operating Revenues	838,045	47,278	790,767	274,145	45,915	228,230	562,537
Total Operating Revenues	23,443,545	6,576,195	16,867,350	18,970,415	2,273,388	16,697,027	170,323
Operating Expenses							
Salaries and Wages	\$ 12,206,379	\$ 488,891	\$ 11,717,488	\$ 12,379,230	\$ 483,167	\$ 11,896,063	\$ (178,575)
Benefits	2,700,142	98,215	2,601,927	2,840,013	93,423	2,746,591	(144,663)
Supplies and Other Services	6,083,262	457,810	5,625,453	6,041,119	390,625	5,650,494	(25,041)
Utilities	1,078,201	-	1,078,201	940,076	-	940,076	138,125
Scholarships and Fellowships	1,555,683	246,372	1,309,311	1,442,581	206,020	1,236,561	72,750
Depreciation and Amortization	3,448,592	-	3,448,592	3,183,264	-	3,183,264	265,328
Total Operating Expenses	27,072,259	1,291,287	25,780,972	26,826,284	1,173,235	25,653,049	127,923
Operating Income/(Loss)	\$ (3,628,714)	\$ 5,284,908	\$ (8,913,622)	\$ (7,855,868)	\$ 1,100,154	\$ (8,956,022)	\$ 42,400
Nonoperating Revenues (Expenses)							
State appropriations	\$ 7,069,563	\$ -	\$ 7,069,563	\$ 6,861,414	\$ -	\$ 6,861,414	\$ 208,149
Special Project Funding	\$ 30,000,000	-	-	-	-	-	-
Federal Nonoperating revenues	2,720,439	-	2,720,439	2,365,455	-	2,365,455	354,984
Interest on capital asset related debt	(646,679)	-	(646,679)	(652,326)	-	(652,326)	5,647
Investment Income	158,917	30,980	127,937	177,483	12,197	165,287	(37,349)
Fees assessed by the HEPC for debt service	(7,964)	-	(7,964)	(8,311)	-	(8,311)	347
Gifts	663,204	48,679	614,525	945,359	57,995	887,365	(272,840)
Other	(137,117)	-	(137,117)	(1,967)	-	(1,967)	(135,151)
Total Nonoperating Revenues (Expenses)	39,820,362	79,659	9,740,704	9,687,107	70,192	9,616,916	123,788
Increase (Decrease) in Net Position	\$ 36,191,648	\$ 5,364,566	\$ 827,082	\$ 1,831,239	\$ 1,170,345	\$ 660,894	\$ 166,188