

FINANCE AND ADMINISTRATION DIVISION QUARTERLY FINANCIAL REPORT: 2nd Quarter FY2026

Dr. Scott Barton, Vice President for Finance and Administration, will provide the Committee with Quarterly Financial Report: 2nd Quarter FY2026.

The 2nd 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:

\$42.99M – decreased by \$3.67M

The decrease is mainly due to the spending of the special funding given to Shepherd by the State (\$30M). The difference in unrestricted cash is primarily made up of the increase in approximately \$117K in tuition revenue, an increase of \$334K in auxiliary revenue and a \$730K decrease (cash) in operating expenses between Q2 in FY2025 and FY2026. Days Cash on hand is up 8 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 = 56

Projected (UR) Days of Cash 6/30/2026 = 41 days

Approved Budget UR Days of Cash = 38 Days

TOTAL ASSETS:

\$176.88M – Increased by \$4.97M

Capital assets has also increased by \$6.84M with Leased Assets falling by \$585K. The new construction and the deferred maintenance grants have helped Shepherd to invest in much needed infrastructure projects.

TOTAL LIABILITIES:

\$55.48M – Decreased by \$6.06M

This is mostly due to a decrease in long-term payables. Compensated absences are up a small amount due to implementation of GASB 101 for FY25 and FY26.

TOTAL OPERATING REVENUES:

\$20.14M – Decreased by \$3.78M

Comparing year over year the entire decrease is attributed to two lines; Grants and Other Revenues. Grant funding is a product of timing and specific grant awards. Other revenue is related to the sale of the HR house that was accrued in FY25. Overall, there are minimal increases in tuition and fees and auxiliary services at this time last year. In addition, the scholarship allowance is also down from last year, mainly from the smaller amount of state aid (WV grant).

TOTAL OPERATING EXPENSES:

\$27.23 – Decreased by \$527K

Compared to FY2025, Personnel Salaries is down year-over-year at the second quarter. The Scholarship line is returning back to FY24 numbers due to the decrease in WV grant this year. Depreciation is up from the large amount of capital improvements and supplies rise with usage and cost increases. Benefits is higher given the increased rates of PEIA, which is an increase shared by the agency and the employees.

NONOPERATING REVENUES AND EXPENSES:

\$10.21M – Increased by \$395K (adjusted)

The adjustment is backing out the one time \$30M special appropriation in FY25. Contributing to this adjusted variance is small decreases in appropriations, PELL grants and a larger increase in investment income related to the high cash balances.

INCREASE (DECREASE) IN NET POSITION:

\$3.13M – Decreased by \$2.39M

The vast majority of this can be attributed to grant activity, increasing student revenue and decreased operating expenses. The E&G variance (non-grant related) is up by \$737K 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.

Statement of Net Position

Shepherd University
Q2 - December 2025

	FY2024 EndingBal	FY2025 EndingBal	YoY Change	FY2026 EndingBal	YoY Change
Current Assets					
[+] Cash and Cash Equivalents	15,553,433	46,658,704	199.99%	42,989,142	-7.86%
[+] Accounts Receivable Net	16,192,332	15,851,858	-2.10%	17,399,215	9.76%
[+] Due from Commission	-	-	0.00%	-	0.00%
[+] Prepays	352,244	331,199	-5.97%	352,037	6.29%
[+] Loans to Student - Current Portion	35,100	35,100	0.00%	35,100	0.00%
[+] Inventories	520	1,410	171.23%	956	-32.24%
Total Current Assets	32,133,629	62,878,271	95.68%	60,776,449	-3.34%
Noncurrent Assets					
[+] Other Receivables NCA	94,858	75,653	-20.25%	48,024	-36.52%
[+] Loans to Students, Net	44,561	28,737	-35.51%	20,555	-28.47%
[+] Capital Assets Net	102,984,164	105,917,689	2.85%	112,758,909	6.46%
[+] Right to Use Leased Assets	508,999	1,546,428	203.82%	961,238	-37.84%
[+] Subscription based information tech.	750,890	1,281,052	70.60%	1,652,557	29.00%
[+] Deferred Outflows of Resources Gasb 68	580,282	186,870	-67.80%	662,136	254.33%
Total Noncurrent Assets	104,963,754	109,036,429	3.88%	116,103,418	6.48%
Current Liabilities					
[+] Accounts Payable	638,962	2,805,932	339.14%	62,537	-97.77%
[+] Accrued Liabilities	1,189,453	1,778,944	49.56%	1,463,388	-17.74%
[+] Due to Other State Agencies	-	2,304	0.00%	2,304	0.00%
[+] Compensated Absences - Current Portion	757,022	649,447	-14.21%	867,496	33.57%
[+] Deferred Revenue	22,638,887	19,879,325	-12.19%	19,465,567	-2.08%
[+] Deposits held in custody for others	193,296	193,270	-0.01%	170,738	-11.66%
[+] Payables - Current Portion	3,014,218	3,404,637	12.95%	3,483,066	2.30%
Total Current Liabilities	28,431,838	28,713,858	0.99%	25,515,096	-11.14%
Noncurrent Liabilities					
[+] Advances from Federal Sponsors	144,681	106,683	-26.26%	74,165	-30.48%
[+] Compensated Absences	545,750	464,948	-14.81%	496,350	6.75%
[+] OPEB	353,099	(446,801)	#####	(60,732)	-86.41%
[+] Net Pension Liability	52,959	8,104	-84.70%	-	-100.00%
[+] Bonds Payable net of Current Portion	26,214,560	24,463,465	-6.68%	22,535,195	-7.88%
[+] Notes Payable, net of Current Portion	1,039,000	721,000	-30.61%	403,000	-44.11%
[+] Leases Payable, net of Current Portion	6,016,889	6,184,446	2.78%	5,476,343	-11.45%
[+] SBITA - net of Current Portion	237,940	374,973	57.59%	638,642	70.32%
[+] Deferred Inflows of Resources Gasb 68	1,911,150	949,466	-50.32%	401,151	-57.75%
Total Noncurrent Liabilities	36,516,027	32,826,284	-10.10%	29,964,113	-8.72%
Net Assets					
Total Net Assets	72,149,519	110,374,558	52.98%	121,400,658	9.99%
KPIs					
Days Cash on Hand (Total)	121	353	232	335	↓ (18)
Days Cash on Hand (Unrestricted)	45	48	3	56	↑ 8

Statements of Revenue, Expenses and Changes in Net Position

Shepherd University
Q2 - December 2025

	Q2 2024	Q2 2025	YoY	Q2 2026	YoY
	Total to Date	Total to Date	Change	Total to Date	Change
Operating Revenues					
[+] Tuition and Fees	13,805,891	13,741,365	-0.47%	13,858,500	0.85%
[+] Contracts and Grants	4,407,689	9,777,764	121.83%	5,975,889	-38.88%
[+] Interest on Student Loan Receivable	1,297	1,226	-5.49%	1,126	-8.17%
[+] Sales and Services of Educational Departments	11,441	11,946	4.42%	15,574	30.37%
[+] Auxiliary Enterprise Revenue	6,997,704	6,854,663	-2.04%	7,188,857	4.88%
[+] Scholarship Allowances	(6,515,014)	(7,765,724)	19.20%	(7,143,070)	-8.02%
[+] Other Operating Revenues	261,407	826,099	216.02%	240,245	-70.92%
Total Operating Revenues	18,970,416	23,447,340	23.60%	20,137,121	-14.12%
Operating Expenses					
[+] Salaries and Wages	12,379,230	12,206,379	-1.40%	11,749,421	-3.74%
[+] Benefits	2,840,013	2,700,142	-4.93%	2,959,935	9.62%
[+] Supplies and Other Services	6,041,119	6,111,486	1.16%	6,228,124	1.91%
[+] Utilities	940,076	1,086,303	15.55%	1,005,830	-7.41%
[+] Scholarships and Fellowships	1,442,581	2,199,183	52.45%	1,636,257	-25.60%
[+] Depreciation	3,183,264	3,448,592	8.34%	3,645,443	5.71%
Total Operating Expenses	26,826,284	27,752,085	3.45%	27,225,011	-1.90%
Total Operating Income (Loss)	(7,855,868)	(4,304,745)	-45.20%	(7,087,890)	64.65%
Nonoperating Revenues (Expenses)					
[+] State Appropriations	6,861,414	7,069,563	3.03%	6,852,169	-3.08%
[+] Special Funding (Special Funding)	-	30,000,000	0.00%	-	-100.00%
[+] Federal Nonoperating Revenues	2,365,455	2,720,439	15.01%	2,760,178	1.46%
[+] Investment Income	177,483	157,691	-11.15%	535,111	239.34%
[+] Interest On Capital Asset Related Debt	(652,326)	(646,679)	-0.87%	(615,166)	-4.87%
[+] Fees Assessed by the Commission For Debt S	(8,311)	(7,964)	-4.18%	(7,970)	0.08%
[+] Gifts	945,359	663,222	-29.84%	714,691	7.76%
[+] Other Nonoperating Revenues	(1,967)	(137,117)	6872.10%	(24,917)	-81.83%
Total Nonoperating Revenues (Expenses)	9,687,107	39,819,154	311.05%	10,214,097	-74.35%
Total Net Income	1,831,239	35,514,409		3,126,207	

Pro Forma, Statement of Activities

Shepherd University
Q2 - December 2025

	Actual Dec '25	Forecast June '26	Total Budget 2026	Projected Variance
Operating Revenues				
[+] Tuition and Fees	13,858,500	27,716,999	29,970,451	(2,253,452)
[+] Contracts and Grants	5,975,889	15,968,000	15,968,000	-
[+] Interest on Student Loan Receivable	1,126	2,251	5,100	(2,849)
[+] Sales and Services of Educational Departments	15,574	35,100	35,100	-
[+] Auxiliary Enterprise Revenue	7,188,857	13,732,918	13,992,150	(259,232)
[+] Scholarship Allowances	(7,143,070)	(13,000,000)	(13,000,000)	-
[+] Other Operating Revenues	240,245	480,489	455,605	24,884
Total Operating Revenues	20,137,121	44,935,758	47,426,406	(2,490,648)
Operating Expenses				
[+] Salaries and Wages	11,749,421	23,998,843	24,825,538	(826,695)
[+] Benefits	2,959,935	5,919,870	6,585,712	(665,842)
[+] Supplies and Other Services	6,228,124	12,456,247	13,380,460	(924,213)
[+] Utilities	1,005,830	2,911,661	3,252,511	(340,850)
[+] Scholarships and Fellowships	1,636,257	3,272,515	3,429,825	(157,310)
[+] Depreciation	3,645,443	7,290,886	7,844,815	(553,929)
Total Operating Expenses	27,225,011	55,850,021	59,318,861	(3,468,840)
Total Operating Income (Loss)	(7,087,890)	(10,914,263)	(11,892,455)	978,192
Nonoperating Revenues (Expenses)				
[+] State Appropriations	6,852,169	13,704,338	13,704,338	-
[+] Federal Nonoperating Revenues	2,760,178	5,520,356	4,600,000	920,356
[+] Investment Income	535,111	1,070,223	792,190	278,033
[+] Interest On Capital Asset Related Debt	(615,166)	(1,230,332)	(1,304,510)	74,178
[+] Fees Assessed by the Commission For Debt Servi	(7,970)	(15,940)	(16,500)	560
[+] Gifts	714,691	1,429,382	1,710,870	(281,488)
[+] Other Nonoperating Revenues	(24,917)	(49,834)	145,000	(194,834)
Total Nonoperating Revenues (Expenses)	10,214,097	20,428,194	19,631,388	796,806
Total Net Income	3,126,207	9,513,930	7,738,933	1,774,997

Grant Funded to E&G Comparison

Shepherd University
Q2 - December 2025

	December 2025			December 2024			YoY Variance
	Income Statement	Grant Funded	E&G	Income Statement	Grant Funded	E&G	
Operating Revenues							
[+] Tuition and Fees	13,858,500	-	13,858,500	13,741,365	-	13,741,365	117,134
[+] Contracts and Grants	5,975,889	3,416,807	2,559,082	9,777,764	6,528,917	3,248,847	(689,765)
[+] Interest on Student Loan Receivable	1,126	-	1,126	1,226	-	1,226	(100)
[+] Sales and Services of Educational Departments	15,574	-	15,574	11,946	-	11,946	3,628
[+] Auxiliary Enterprise Revenue	7,188,857	-	7,188,857	6,854,663	-	6,854,663	334,194
[+] Scholarship Allowances	(7,143,070)	-	(7,143,070)	(7,765,724)	-	(7,765,724)	622,654
[+] Other Operating Revenues	240,245	36,215	204,030	826,099	47,278	778,821	(574,791)
Total Operating Revenues	20,137,121	3,453,022	16,684,098	23,447,340	6,576,195	16,871,145	(187,046)
Operating Expenses							
[+] Salaries and Wages	11,749,421	348,749	11,400,672	12,206,379	353,924	11,852,455	(451,782)
[+] Benefits	2,959,935	61,341	2,898,594	2,700,142	73,678	2,626,463	272,130
[+] Supplies and Other Services	6,228,124	330,268	5,897,855	6,111,486	281,322	5,830,163	67,692
[+] Utilities	1,005,830	-	1,005,830	1,086,303	-	1,086,303	(80,473)
[+] Scholarships and Fellowships	1,636,257	217,140	1,419,117	2,199,183	246,372	1,952,811	(533,693)
[+] Depreciation	3,645,443	-	3,645,443	3,448,592	-	3,448,592	196,851
Total Operating Expenses	27,225,011	957,499	26,267,512	27,752,085	955,298	26,796,787	(529,275)
Total Operating Income (Loss)	(7,087,890)	2,495,524	(9,583,414)	(4,304,745)	5,620,897	(9,925,642)	342,229
Nonoperating Revenues (Expenses)							
[+] State Appropriations	6,852,169	-	6,852,169	7,069,563	-	7,069,563	(217,394)
[+] Special Funding (Special Funding)	-	-	-	30,000,000	-	30,000,000	-
[+] Federal Nonoperating Revenues	2,760,178	-	2,760,178	2,720,439	-	2,720,439	39,739
[+] Investment Income	535,111	-	535,111	157,691	-	157,691	377,420
[+] Interest On Capital Asset Related Debt	(615,166)	-	(615,166)	(646,679)	-	(646,679)	31,513
[+] Fees Assessed by the Commission For Debt Serv	(7,970)	-	(7,970)	(7,964)	-	(7,964)	(6)
[+] Gifts	714,691	-	714,691	663,222	-	663,222	51,469
[+] Other Nonoperating Revenues	(24,917)	-	(24,917)	(137,117)	-	(137,117)	112,201
Total Nonoperating Revenues (Expenses)	10,214,097	-	10,214,097	39,819,154	-	39,819,154	394,942
Total Net Income	3,126,207	2,495,524	630,683	35,514,409	5,620,897	29,893,512	737,171