



SAVANNAH STATE UNIVERSITY

Fiscal Analysis

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Although audited or state auditor reviewed financial information was used for calculations, the actual financial reports should be read in conjunction with the attached information. This report is utilized for analytical review of financial data of Savannah State University and, as such, has not been subjected to audit procedures.

By obtaining a broad knowledge base of financial analysis tools and applying them to a multitude of situations, Savannah State University can acquire deep insights into why the institution is performing as it does. Information can be transmitted to critical members of leadership along with recommendations for improvement that can enhance the University's overall financial performance. Fiscal analysis provides a better understanding of the inner workings of the institution and an enhanced roadmap to the direction the organization needs to be heading.

Financial analysis uses selected measures, such as ratios, to analyze, evaluate, and communicate financial information regarding the achievement of an organization's mission. The analysis should include both a correlation between financial statements and related financial information, as well as a correlation between financial information and nonfinancial drivers. While analysis is useful when comparing to like-organizations, it is also applicable to institution-specific objectives, particularly when assessing the transformation of an institution. In any organization, resources must be deployed strategically and in depth financial analysis helps provide information to determine the best use of scarce resources. The bottom line is that financial analysis helps organizations make financial decisions to achieve their mission by aligning operating and capital budgets toward the objectives; determining resource sufficiency and allocation; achieving balance between financial and physical assets; integrating planning steps to ensure financial achievability; making investment decisions that support future needs; and integrating financial policies, such as cash and debt management, to achieve goals.

Debt Management

Savannah State University (hereafter referred to as the "University" or "SSU") has capital leases that are payable in installments ranging from monthly to annually and have terms expiring in various years between 2013 and 2041. Expenditures for fiscal year 2013 were \$6.394 million, of which \$5.454 million represented interest. Total principal paid on capital leases was \$939,923 for the fiscal year ended June 30, 2013. Interest rates range from 4.486 percent to 6.262 percent. Besides compensated absences, these capital leases are generally the only long-term debt reported in the University's financial statement.

Savannah State University has two capital leases with SSU Foundation Real Estate Ventures, LLC, of which Savannah State University Foundation, Inc. is the sole member. In February 2008, Savannah State University entered into a capital lease of \$29,229,205 for University Village with the LLC. In August, 2008, Savannah State University entered into a capital lease of \$24,586,826, for University Commons with the LLC.

The University leases a 660-bed housing facility, University Village, at an interest rate of 4.486 percent for a twenty-five-year period that began February 2008 and expires June 2032, with

payments due the 15th of the month each February, May, August, and November. The 13.768 acres of land on which these buildings are located is owned by the Board of Regents, and was leased to the LLC for \$10 per year, payable in advance upon commencement of the ground lease. The outstanding liability at June 30, 2013 on this capital lease is \$27,721,051.

The University leases a 742-bed housing facility, University Commons, at an interest rate of 4.655 percent for a twenty-five-year period that began August 2009 and expires June 2033, with payments due the 15th of the month each February, May, August, and November. The 0.275 acre of land on which these buildings are located (previously known as 4750 LaRoche Avenue) is part of the capital lease agreement. The outstanding liability at June 30, 2013 on this capital lease is \$24,659,360.

Savannah State University, through the Savannah State University Foundation, established SSU Community Development I, LLC, hereafter referred to as LLC-I, a Georgia limited liability company, in fiscal year 2010 for the purposes of borrowing \$36.475 million through a Savannah Economic Development Authority Revenue Bond, Series 2010. Proceeds of the Series 2010 Bonds will be used by LLC-I to finance in whole or in part the cost of (i) the purchase of land and its development for a sports and intramural complex to be conveyed for use by the University as athletic fields, (ii) the construction and furnishing of three new buildings and the renovation of an existing building, to be used as student housing facilities containing 683 beds and related amenities, (iii) the demolition of an existing building to create a site for one of the new student housing buildings, and (iv) renovations and improvements to existing buildings (collectively, the "Project") located on the campus of Savannah State. The land on which these buildings are located is owned by the Board of Regents, and was leased to the LLC-I for \$10 per year, payable in advance upon commencement of the ground lease. In July 2011, Savannah State University entered three capital leases with LLC-I for Tiger Point, Tiger Place, and Camilla Hubert housing facilities in the amounts of \$6,160,184, \$8,182,797, and \$4,821,572, respectively. The land on which these buildings are located is owned by the Board of Regents, and was leased to the LLC for \$10 per year, payable in advance upon commencement of the ground lease.

The University leases a 106-bed housing facility, Tiger Point, with LLC-I at an interest rate of 4.763 percent for a thirty-year period that began July 2011 and expires June 2041, with payments due on the 1st of the month each June and December. The outstanding liability at June 30, 2013 on this capital lease is \$6,231,176.

The University leases a 173-bed housing facility, Tiger Place, with LLC-I at an interest rate of 4.763 percent for a thirty-year period that began July 2011 and expires June 2041, with payments due on the 1st of the month each June and December. The outstanding liability at June 30, 2013 on this capital lease is \$8,271,806.

The University leases a 77-bed building that was restored as a housing facility, Camilla Hubert Hall, with LLC-I at an interest rate of 4.763 percent for a thirty-year period that began July 2011 and expires June 2041, with payments due on the 1st of the month each June and December. The outstanding liability at June 30, 2013 on this capital lease is \$4,878,350.

During fiscal year 2012 Adams Hall and Morgan Hall, nonresidential buildings, were renovated and the aforementioned Sports Complex was completed at a cost of \$6,706,586. The capital lease on these assets, however, did not begin until August 2012, when the University took possession of a new 325-bed residential facility called Tiger Court. Tiger Court was not completed early fiscal year 2013 and the University took possession at that time. Since the renovated assets and the Sports Complex were received in 2012 they were recognized within the financial statements as a long term note payable rather than as a capital lease. This note payable to the Foundation was replaced by the lease when it was booked in fiscal year 2013.

The renovation of Adams Hall and Morgan Hall was included in the University's lease for Tiger Court. Tiger Court is a 327-bed housing facility leased with LLC-I at an interest rate of 5.847 percent for a thirty-year period that began December 2012 and expires June 2041, with payments due on the 1st of the month each June and December. The outstanding liability at June 30, 2013 on this capital lease is \$15,617,871.

The University leases a Sports and Intramural Complex with LLC-I at an interest rate of 6.262 percent for a thirty-year period that began December 2012 and expires June 2041, with payments due on the 1st of the month each June and December. The outstanding liability at June 30, 2013 on this capital lease is \$4,320,938.

The Georgia Higher Education Facilities Authority (GHEFA) issued \$94,210 million in revenue bonds associate with the USG Real Estate Foundation III, LLC, hereafter referred to as USGREF LLC, project. A portion of the proceeds of the Series 2010 Bonds were used to finance the acquisition, construction, and equipping of facilities in connection with the renovation of the existing University stadium and related improvements located on an approximately 1.373 acre site, including new bleachers with approximately 8,000 seats, restrooms, concessions, ticketing, locker room and elevators. A portion of the proceeds of the Series 2010 Bonds were used to finance the acquisition, construction, and equipping of an approximately 47,239 square foot student center located on approximately 0.746 acre site, including indoor and outdoor lounge spaces, food court, convenience store, meeting spaces, ballroom with stage, and other student and staff support spaces. The land on which these buildings are located is owned by the Board of Regents, and was leased for \$10 per year, payable in advance upon commencement of the ground lease.

The University leases the 47,239 square foot student center and the 8,000-seat stadium with the USGREF LLC at an interest rate of 5.234 percent for a thirty-year period that began July 2011 and expires June 2041, with payments due on the 15th of the month each June and December. The outstanding liability at June 30, 2013 on this capital lease is \$17,787,256.

In fiscal year 2013, Savannah State University also purchased property in the amount of \$399,244, formerly known as the Savannah Italian Club situated at 2717 Livingston Avenue, Savannah, Georgia. This property is on the Chatham County records as "lots 20 thru 24, Bonna Bella Point Subdivision, adjacent marsh, and lots 75 thru 81 of the Bonna Bella Improvement Company Subdivision and portions of a 20' lane and marsh area." This property includes a building which will be renovated to temporarily support the University's Marine Sciences educational program.

Capital lease debt was incurred to support the mission of the institution by providing affordable, on-campus housing for students as well as upgrading existing facilities that serve the student population. Student life is important at the University as approximately sixty percent (60%) of SSU's students choose to live on campus. The incurrence of debt was determined to be affordable for the University because revenue streams generated by the acquisition of additional housing and student fees, as well as some community support, were determined to be sufficient to cover the annual debt expense.

Overall Financial Health

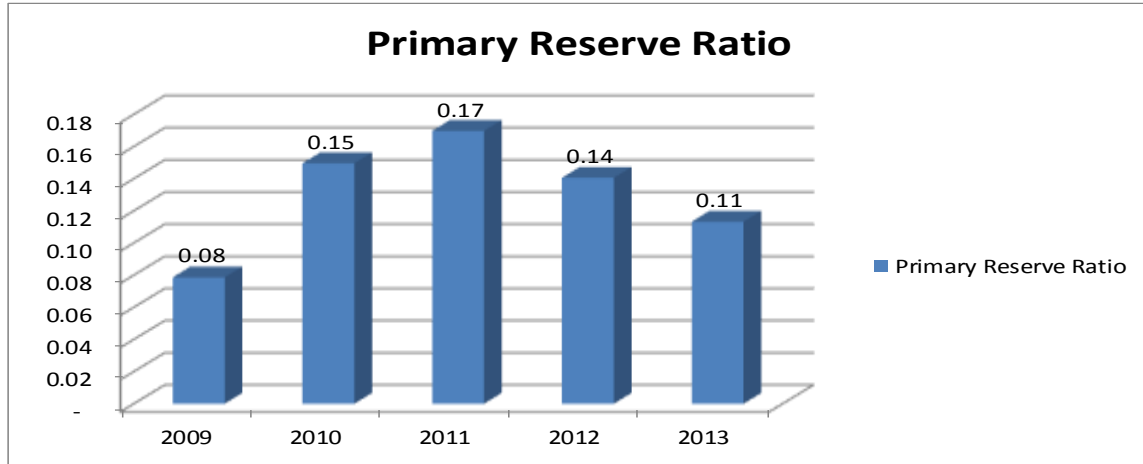
Financial ratios have been used to quantify the financial status of the University, to examine the sources and uses of financial resources, and to look at the ability to repay existing financial obligations. The financial information required to calculate the ratios for SSU may be found in the audited/reviewed financial statements at the end of each fiscal year. Longitudinal comparisons were deemed to be the best examination of how the University has been achieving its goals over time.

Although significantly reduced through budget cuts, State Appropriations continue to be a significant component of the University's resources as in prior years. It should be noted, however, that although enrollment was rather flat for the institution in Fall 2012 the number of courses enrolled did increase somewhat allowing the University to remain stable. Also, the number of students did increase again in Fall 2013 in support of the budget projections. Savannah State University is one of the few state universities still experiencing growth in its student population while at the same time continuing to enhance its educational and support programs as an access institution.

Measuring Resource Sufficiency and Flexibility

The *primary reserve ratio* measures the financial strength of the institution by comparing expendable net assets to total expenses. It is reasonable to expect expendable net assets to increase in proportion to the rate of growth in operating size (as defined by total expenses in this case). Although many institutions may seek to maintain a primary reserve ratio of .40x or better, it is the University's opinion that this is unrealistic for state-supported schools that receive a monthly or semi-monthly payment of their budget allocation and are heavily supported by financial aid, which must be applied for after certain conditions are met. In light of these factors, as well as current economic conditions, SSU feels strongly that **an indicator of .10x or better** would be more indicative of the University's financial strength. The implication of .10x (10 percent of 12 months) is that the University would have the **ability to cover 1.2 months of expenses from reserves**. As noted below, SSU fell slightly below this target due to the economy in 2009, but still retained almost one month's coverage (8 percent of 12 months) in expendable net assets. For fiscal years 2012 and 2013, respectively, the University decreased this coverage from 0.14 (14 percent of 12 months, or **1.7 months**) due primarily to interest expense on capital leases which both decreased expendable net assets and increased total

expenses. This is also reflected in the Statement of Revenues, Expenses, and Changes in Net Position, and in the Statement of Cash Flows for the fiscal year. However, it should be noted that the University still remains above its target of 0.10x or 1.2 months. For four of the last five fiscal years, the University has maintained the target goal, only dropping below one year due specifically to economic challenges. At all times University resources have been sufficient to cover obligations.



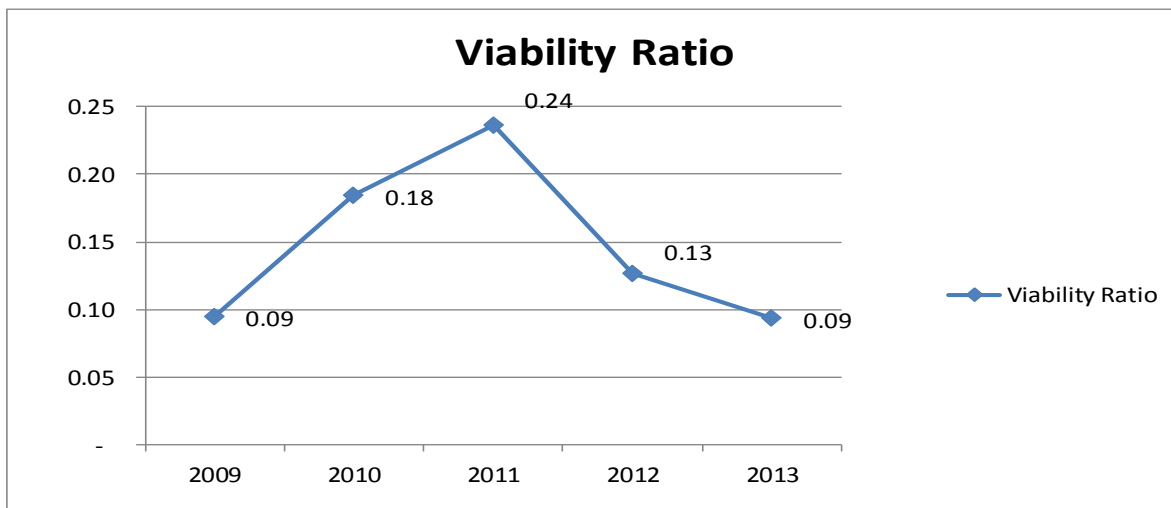
	2009	2010	2011	2012	2013
Primary Reserve Ratio	0.08	0.15	0.17	0.14	0.11
Expendable Net Assets	5,200,987	10,229,602	13,050,610	12,495,330	10,375,412
Total Expense (Operating & Nonoperating)	66,154,833	68,379,364	76,876,006	88,891,851	91,621,950

Measuring Resources, including Debt

SSU has managed debt (and all other sources of capital) strategically to advance the mission of the University, which is to graduate students who are prepared to perform at higher levels. As part of this mission, the University is committed to the teaching/learning environment, both inside and outside of the classroom. Capital lease debt, as previously discussed, was incurred to provide affordable, on-campus housing for students and also gives the University a competitive advantage. A new Social Sciences building was constructed with contributed capital dollars in 2009 to support the growing population of students in this discipline. With the support of the student body, the University erected a new Student Center and made modifications to the football stadium which opened in fiscal year 2012. Additionally, new housing facilities have been constructed as discussed under Debt Management to ensure that SSU can continue to meet the needs of the traditional student as enrollment continues to increase. In fiscal year 2013, the University purchased property formerly known as the Savannah Italian Club situated at 2717 Livingston Avenue, which is adjacent to the marsh and includes a building which will be renovated to temporarily support the University’s Marine Sciences educational program.

The *viability ratio* measures the availability of expendable net assets to cover debt should the institution need to settle its obligations as of the balance sheet date. As with the primary reserve

ratio, SSU is not self-reliant and has significantly less operating flexibility than a private institution due to the fact that the University is state-supported. While private sector ratios should be 1:1 or greater, this is not generally true of the public sector and many can operate at levels far less than that indicated. The reality is that the University could not cover all its debts as of the balance sheet date, nor should it be expected to as a state-supported institution. The University System of Georgia discourages holding large amounts of resources in terms of expendable net assets when systems, like the University, are dependent upon the state for monthly support to operate. Therefore, as with the primary reserve ratio, a **target of .08 expendable net assets to long-term debt** is generally considered acceptable. It indicates that there are sufficient resources to address current liabilities and expenses, and is, therefore, a more reasonable measurement of where the University may need to be when it incurs debt that is being paid by resources as they are earned (i.e., debt for housing which is paid as revenues are collected). Note that the doubling of capital lease debt reduces the viability ratio, but it is still **above the University's target of 0.08**. In the current fiscal year, we again increased the long-term debt significantly as in 2009, while also reducing expendable net assets by the principal and interest payments, but again stay above the University's target of 0.08. The University is not anticipating any additional long-term debt in the immediate future.



	2009	2010	2011	2012	2013
Viability Ratio	0.09	0.18	0.24	0.13	0.09
Expendable Net Assets	5,200,987	10,229,602	13,050,610	12,495,330	10,375,412
Long-Term Debt (includes current portion)	54,930,013	55,619,571	55,223,897	99,088,195	111,131,870

As with the viability ratio, the **leverage ratio** is not really comparable for years prior to the inception of the capital leases. The leverage ratio typically refers to debt in relation to total net assets (equity). Indications are that the threshold for this ratio should be above 1:1 (over \$1 of equity for every \$1 of debt), but how much above is an institution-specific question. As a state sponsored institution, the University has set an **internal standard to remain above 1:1**. The leverage ratio for the last five fiscal years is as follows:

	2009	2010	2011	2012	2013
Leverage Ratio	1.35	1.39	1.42	0.72	0.59
Total Net Assets	72,832,632	75,748,255	76,483,121	69,907,583	63,683,936
Long Term Debt	54,067,540	54,461,537	53,908,018	97,075,650	108,822,406

Though the University fell below this internal standard during the last two fiscal years, the University has maintained adequate liquidity to support this long-term debt as measured through ratio and cash analysis. Again, the reader is encouraged to read this financial analysis report in its entirety and to examine the financial report itself. SSU performs analytical review during the fiscal year and consistently monitors cash to ensure that liquidity is strong and that resources are sufficient to support all of the University's obligations in a timely manner. At no time during the year did the institution have insufficient cash resources to cover all current obligations along with substantial reserves for immediate emergencies should they occur. While the University would like to always have \$1 of equity for every \$1 of debt that is not always feasible in light of the State of Georgia's budgetary expectations to not hold significant equity balances with the University's need to incur debt for future growth.

Long-term debt and interest expense increased of \$18.4 million net any decrease and \$1.2 million, respectively, over the prior year due to the incurrence of additional long-term debt. As noted, however, the University has considered its viability (as noted previously) and liquidity. ***The University, through close management of its cash and marketable securities, maintains \$1.72 for every \$1 of current liabilities.***

	2009	2010	2011	2012	2013
Cash Available to Current Liabilities	1.33	2.04	2.14	2.10	1.72
Cash + Marketable Securities	7,025,277	8,753,256	10,999,752	11,370,583	10,233,366
Current Liabilities	5,290,558	4,288,492	5,142,478	5,409,273	5,959,545

Further, there is ***\$1.45 in capital assets to every \$1.00 in noncurrent liabilities***, supporting the University's ability to leverage its debt in support of capital growth.

	2009	2010	2011	2012	2013
Capital Assets to Noncurrent Liabilities	2.18	2.13	2.09	1.55	1.45
Capital Assets	117,804,061	116,042,030	112,431,530	150,266,978	157,654,471
Noncurrent Liabilities	54,067,540	54,461,537	53,908,018	97,075,650	108,822,406

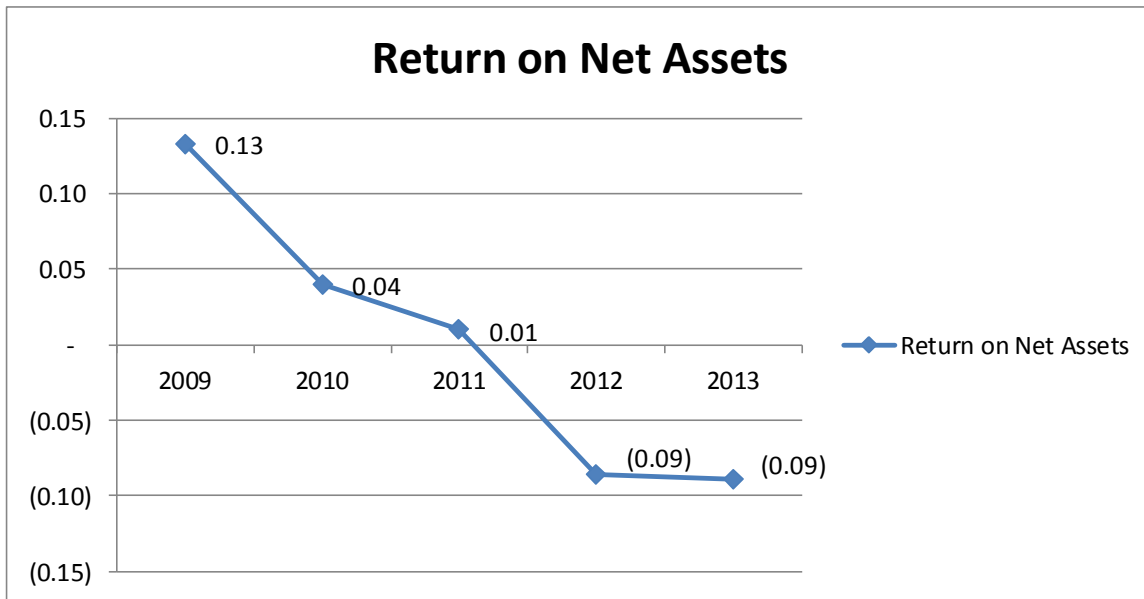
Although highly leveraged, this analysis considered together represents the University's ability to meet its obligations. Since there are no current plans to enter into any additional long-term obligations this leverage ratio is expected to improve.

Measuring Physical Asset Performance

Physical assets are defined as land, buildings, infrastructure, equipment, and other types of plant assets, including technology infrastructure. Higher education is an asset-intensive industry, requiring substantial fixed assets to fulfill the mission of educating students within an all-inclusive environment. For example, while classrooms are required for teaching, most campuses, like Savannah State University, offer a total college community experience with on-campus housing and cafeteria facilities provided to students for reasonable fees.

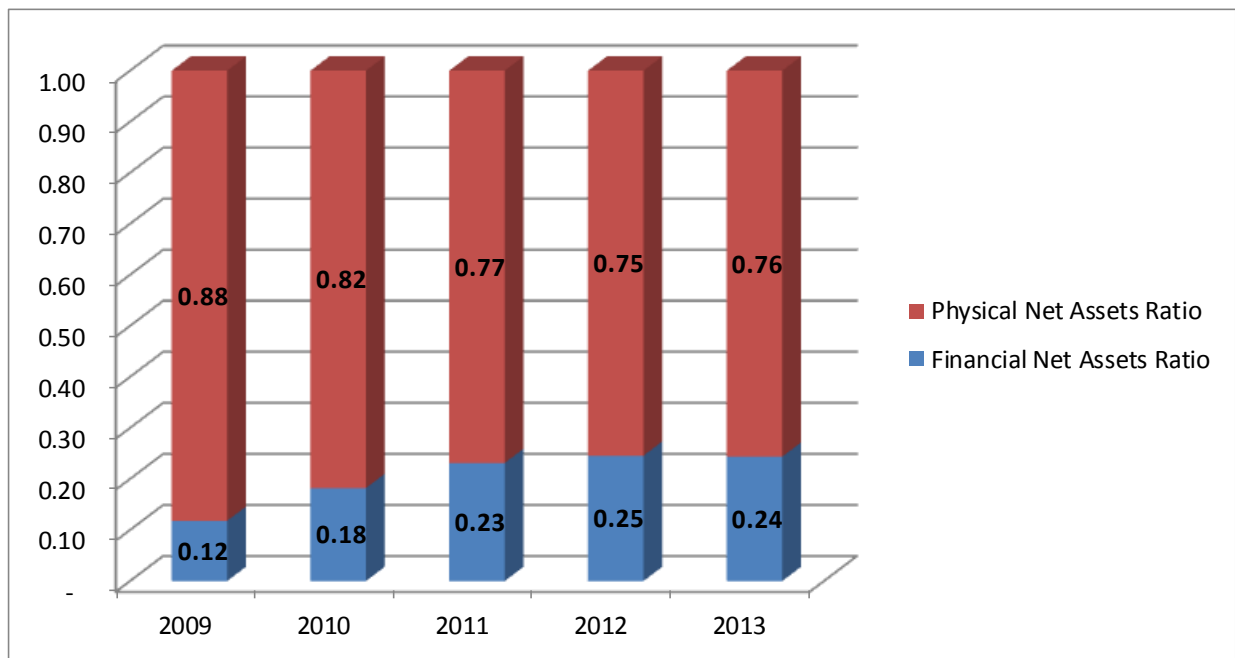
The institution is presumed wealthier each year that net assets grow, but the type of net asset growth in relation to commitments and the rate of growth are better determinants of whether the organization is improving its financial ability to achieve objectives.

The **return on net assets** ratio is based on the level and change in total net assets, regardless of the asset classification, and is a broad measure of the change in total wealth over a year. It represents the increase in net assets as a percentage of beginning net assets. While long-term returns are quite volatile and vary with the level of inflation, the University has established an **annual return target of 3-4%**. The return was unusually high in fiscal year 2009 due to the \$14 million capital grant related to the new Social Sciences building acquired through GSFIC funds. The University did fall below its target in fiscal year 2011 at 1% due primarily to the loss of \$3 million in stimulus funds without a sufficient revenue stream to replace the loss in its entirety. Due to the use of institutional reserves to address major increases in various expenses in 2012 and 2013 (primarily interest and depreciation), there was a decrease in net assets, a negative return on assets for fiscal years 2012 and 2013. As with the leverage ratio, however, we do expect the return on net assets to improve somewhat over the next few years. The reader should keep in mind that this ratio is also affected by significant non-cash items, such as depreciation, which can significantly reduce the return on net assets.



	2009	2010	2011	2012	2013
Return on Net Assets	0.13	0.04	0.01	(0.09)	(0.09)
Change in Net Assets	8,560,023	2,915,623	734,866	(6,575,538)	(6,223,647)
Net Assets at the Beginning of the Year	64,272,609	72,832,632	75,748,255	76,483,121	69,907,583

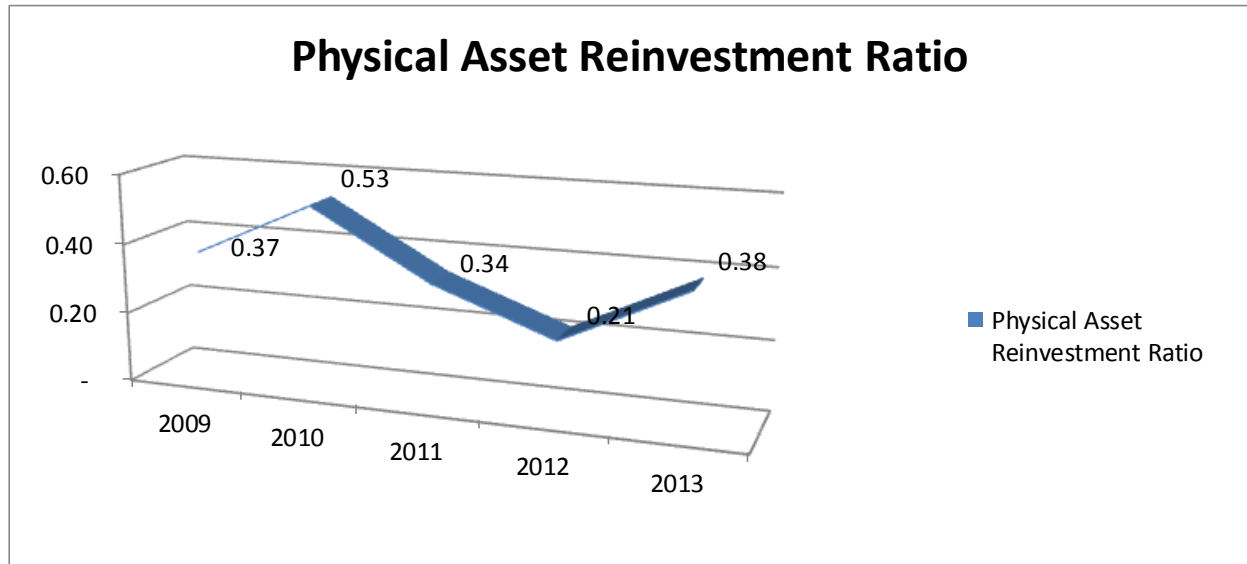
The *financial net assets* ratio and the *physical net assets* ratio provide useful insights into the allocation of equity between financial and physical net assets. Understanding these ratios helps the University analyze its financial flexibility and whether its asset and net asset structure are in equilibrium. Primarily due to the fact that SSU is a state-funded institution and is limited in the amount of financial net assets it can accumulate from educational and general operations, its equity is comprised primarily of physical assets (as can be seen in the chart below). Although the University does have limited future flexibility to respond to significant unanticipated capital needs, SSU considers a *ratio of 10% in financial net assets as sufficient to be able to meet strategic planning initiatives in regards to both operations and capital spending*. As noted previously, the financial net assets ratio *has been significantly above that target for four of the last five years*. For the last three fiscal years approximately one quarter of the assets have been financial net assets, which again supports the fiscal strength and flexibility of the University.



	2009	2010	2011	2012	2013
Financial Net Assets Ratio	0.12	0.18	0.23	0.25	0.24
Financial Net Assets	8,597,506	13,808,923	17,692,959	17,172,489	15,517,273
Total Net Assets	72,832,632	75,748,255	76,483,121	69,907,583	63,683,936
Physical Net Assets Ratio	0.88	0.82	0.77	0.75	0.76
Invested in Capital Assets, net of related debt	64,235,126	61,939,332	58,790,162	52,735,094	48,166,663
Total Net Assets	72,832,632	75,748,255	76,483,121	69,907,583	63,683,936

The *physical asset reinvestment ratio* compares the extent that capital renewal is occurring compared to physical asset usage by looking at the expenditure amounts on capital assets as compared to depreciation. In other words, a 1:1 ratio would recognize \$1 reinvested in the acquisition of new assets as compared to each \$1 recognized as depreciation. Although a 1:1 ratio is generally desired, it is not always feasible in every year, particularly for smaller, state-funded institutions. Therefore, the **ratio should be evaluated on a multiyear basis** since

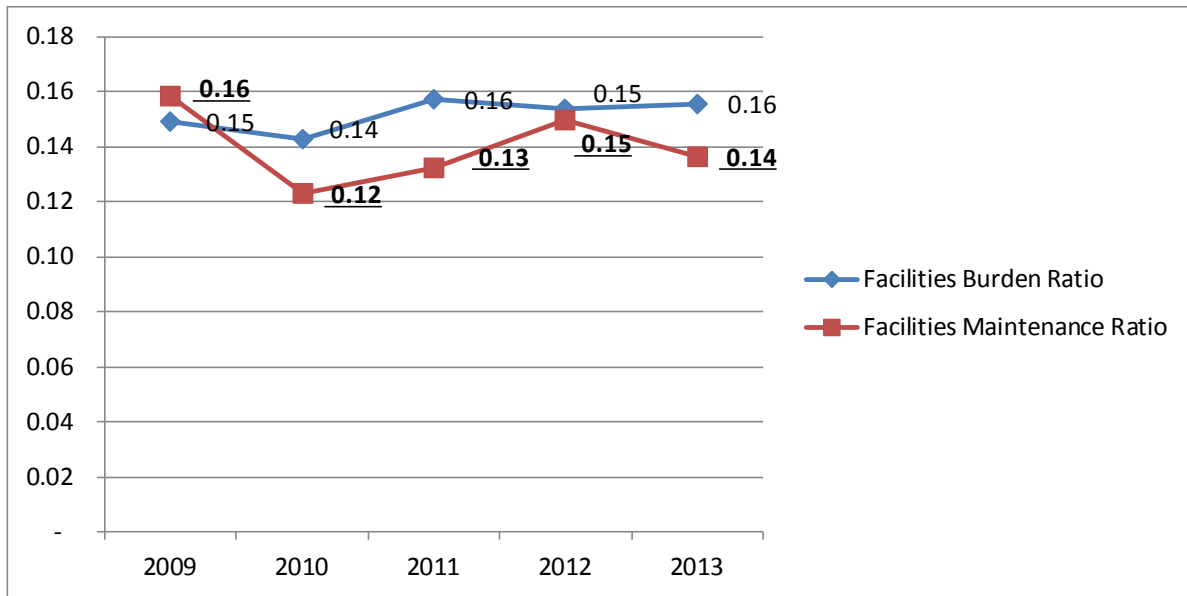
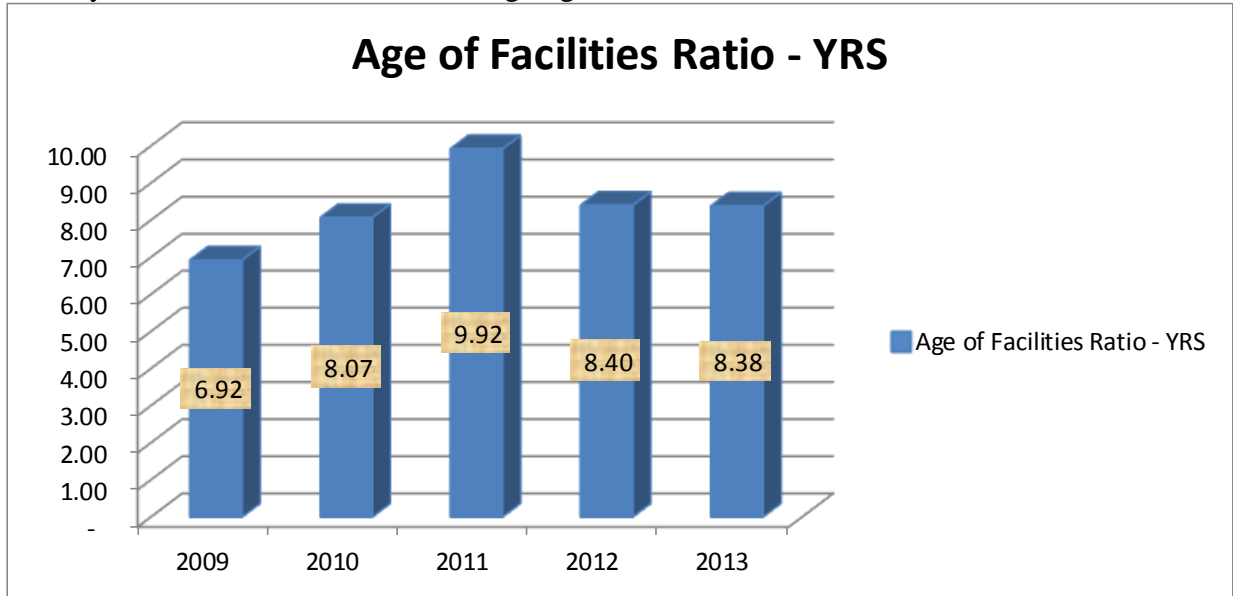
facilities investment is highly variable from year to year. Also, keep in mind that *this ratio doesn't consider debt-funded capital asset acquisitions*. As the University has been acquiring a significant amount of new construction through capital leases within the last several years, the acquisition of capital assets purchased is not considered comparable to depreciation expense as the majority of assets are acquired through debt rather than directly purchased. Based on these variables, the physical asset reinvestment ratio for SSU is considered satisfactory.



	2009	2010	2011	2012	2013
Physical Asset Reinvestment Ratio	0.37	0.53	0.34	0.21	0.38
Capital Expenditures plus Capital Assets Gifts	2,091,073	2,913,830	1,679,667	1,383,516	2,806,247
Depreciation Expense	5,651,637	5,525,067	4,980,560	6,510,193	7,389,919

The current average age of SSU's plant facilities is calculated as approximately 8 years, as determined by the *age of facilities* ratio. This ratio divides accumulated depreciation by depreciation expense to get a rough sense of the age of facilities, and is primarily utilized to determine resource projections for future plant investment. The computed average age of eight (8) years is significantly impacted by recent capital activity. The University has several buildings that were constructed prior to 1980. The significantly lower cost to construct the pre 1980 buildings are reflected in the accumulated depreciation amount, but is not being represented well in the eight (8) year average computed below. An acceptable level for this ratio for predominantly undergraduate institutions is **14 years or less**. With the acquisition and construction of housing facilities, the renovation of various buildings, and the construction of the Social Sciences building, the new Student Center, and the Stadium renovation within the last few years, the University is well within an acceptable range. Although this ratio is designed to capture the degree of deferred maintenance, it should be noted that it does not quantify the amount of reinvestment requirements based on these historical costs. This ratio must be considered with other determinants, such as the facilities burden and maintenance ratios. Additionally, the age of existing facilities, such as the aforementioned pre 1980 buildings must be considered in light of maintenance costs and other factors. Note below that the facilities maintenance ratio below has averaged 0.15 for the last several years. This means that the

University spends 15 cents (0.15) for every \$1.00 earned in total revenues for maintenance and this may be related somewhat to these ageing facilities.



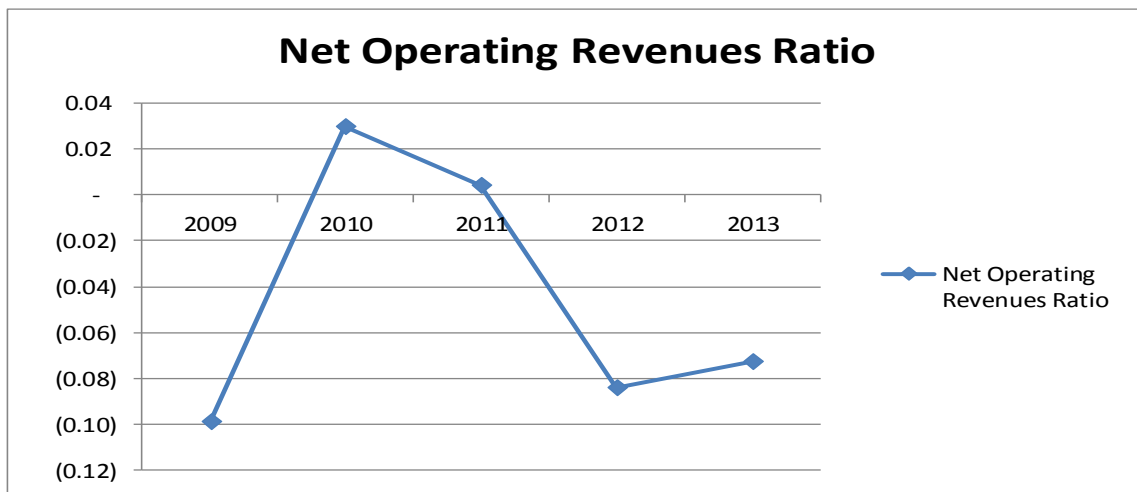
	2009	2010	2011	2012	2013
Facilities Burden Ratio	0.15	0.14	0.16	0.15	0.16
Depreciation Expense plus Interest Expense plus O&M Maintenance expense	17,530,030	16,527,797	17,649,997	23,083,311	24,489,958
Capital Assets, Net	117,804,061	116,042,030	112,431,530	150,266,978	157,654,471
Facilities Maintenance Ratio	0.16	0.12	0.13	0.15	0.14
Operations & Maintenance of Plant	9,526,057	8,650,437	10,207,353	12,273,070	11,645,835
Total Operating & Nonoperating REVENUES	60,206,741	70,497,022	77,208,868	82,010,010	85,398,303

The *facilities burden ratio* indicates the percentage of depreciation expense recognized for each \$1 in capital asset value. For example, in the chart above the University has recognized *\$0.16 depreciation in fiscal year 2013 for every dollar in net capital assets* on the balance sheet as of June 30, 2013. The facilities burden ratio calculates the comprehensive fiscal cost of facilities investments on the institution budget. The *facilities maintenance ratio* assumes that the organization must generate a sufficient stream of income to support operation and maintenance on plant, so it divides operation and maintenance costs by total operating and nonoperating revenues. The percentage represented is the cost of plant operation and maintenance (excluding depreciation) as a share of total revenues. It answers the question: How much of total revenues are expended on operations and maintenance of plant facilities? As noted in the chart above, for fiscal year 2013 SSU spent *\$0.14 of each \$1 of total revenue on plant*, which is considered an adequate investment by the University.

Measuring Operating Results

Institutions must be able to operate in a surplus position over the long term, because operations are one of the sources of financial resources for reinvestment in institutional initiatives. Although strategic decisions may be made for the betterment of the institution that results in a known deficit in the short term, institutions cannot continue to operate in this way for the long term. As with other types of analysis, operating ratios, particularly longitudinal trend reviews, must be considered in light of the University’s strategic initiatives and overall mission.

The *net operating revenues* ratio (formerly referred to as the net income ratio) explains how the surplus generated from operating activities affects the behavior of other ratios as the net surplus or deficit directly affects the amount added to or deducted from net assets.

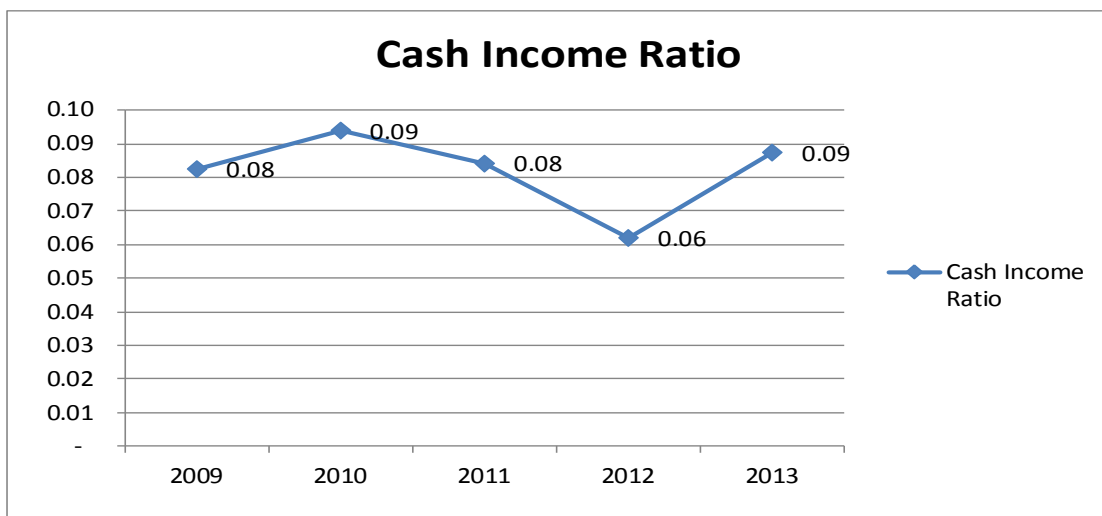


	2009	2010	2011	2012	2013
Net Operating Revenues Ratio	(0.10)	0.03	0.004	(0.084)	(0.073)
Income (Loss) Before Capital Items	(5,948,092)	2,117,658	332,862	(6,881,841)	(6,223,647)
Operating and Nonoperating Revenues	60,206,741	70,497,022	77,208,868	82,010,010	85,398,303

As part of its strategic plan, the University has made significant investments during fiscal years 2008 and 2009 and again in 2012 and 2013 in student housing, with the acquisition of University Village and University Commons in fiscal years 2008 and 2009, and the acquisition of Tiger Point and Tiger Place and the renovation of Camilla Hubert in 2012. Additionally, in 2012 a new student center, renovated stadium, and other major facilities that were built or renovated utilizing capital lease dollars. The Tiger Court housing facility and the Sports Complex were acquired through capital lease and placed into service early in fiscal year 2013. All of these capital leases generated a significant increase in depreciation expense as well as interest expense, which significantly contributed to the deficit in net operating ratios. For fiscal year 2013, depreciation and interest expense increased approximate \$880 thousand and \$1.2 million, respectively, resulting in a decrease of over \$2 million to the bottom line.

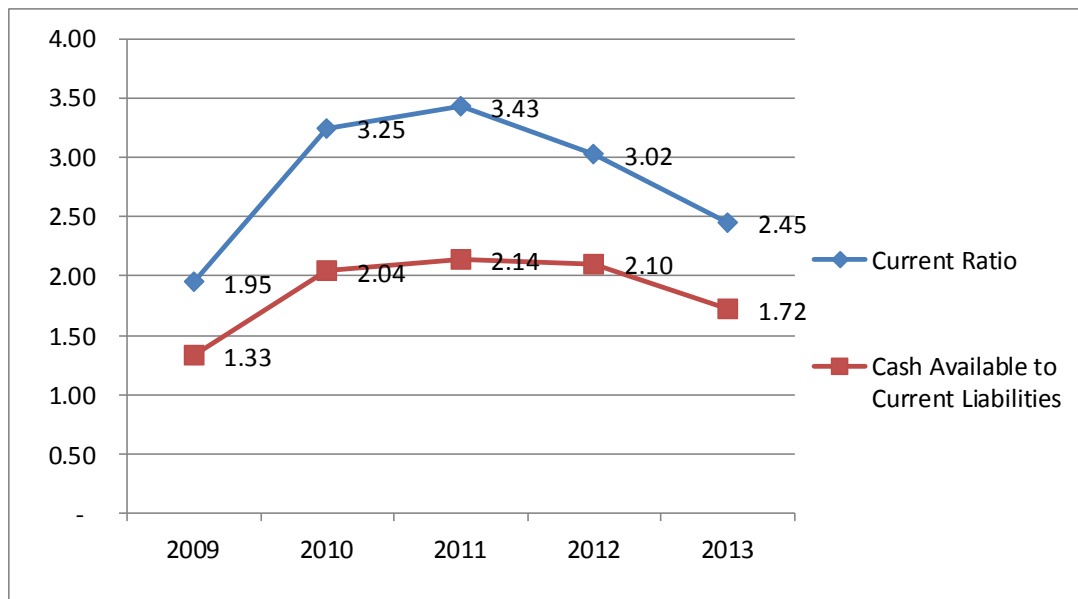
The increases in athletic operations experienced in the fiscal year 2012 remained stable with only slight increases in fiscal year 2013. Although the increase in the University’s supplies and other services that occurred prior year decreased by approximately \$2.5 million, this was offset by an increase in compensation and benefits of approximately \$3.6 million. However, this was part of the University’s strategic planning initiative and there is an active plan in place to *resolve this deficit through increased enrollment, student retention, housing operations, fees, and other revenues.*

While the change in expendable net assets is important, it should be noted that it is based on accrual accounting principles. Therefore, we need to turn to an analysis of cash to examine the issue of strength and quality of the revenue stream. The **cash income** ratio relates the cash flow generated from operations to total revenues. This ratio should remain positive to show the amount of cash retained as a percentage of total revenues. As a target, the University would like to **remain between \$0.05 and \$0.10** as our intention is to 1) retain sufficient cash for operations, 2) continue to reinvest in the strategic plan, and 3) maintain minimum surpluses as it relates to state funding. (It should be noted that surplus funds were returned to the state for the last several fiscal years, but these were minimal). Note that the University has maintained an excellent cash income ratio for all of the last five years, with the ratio approaching the top of the range in four out of five years.



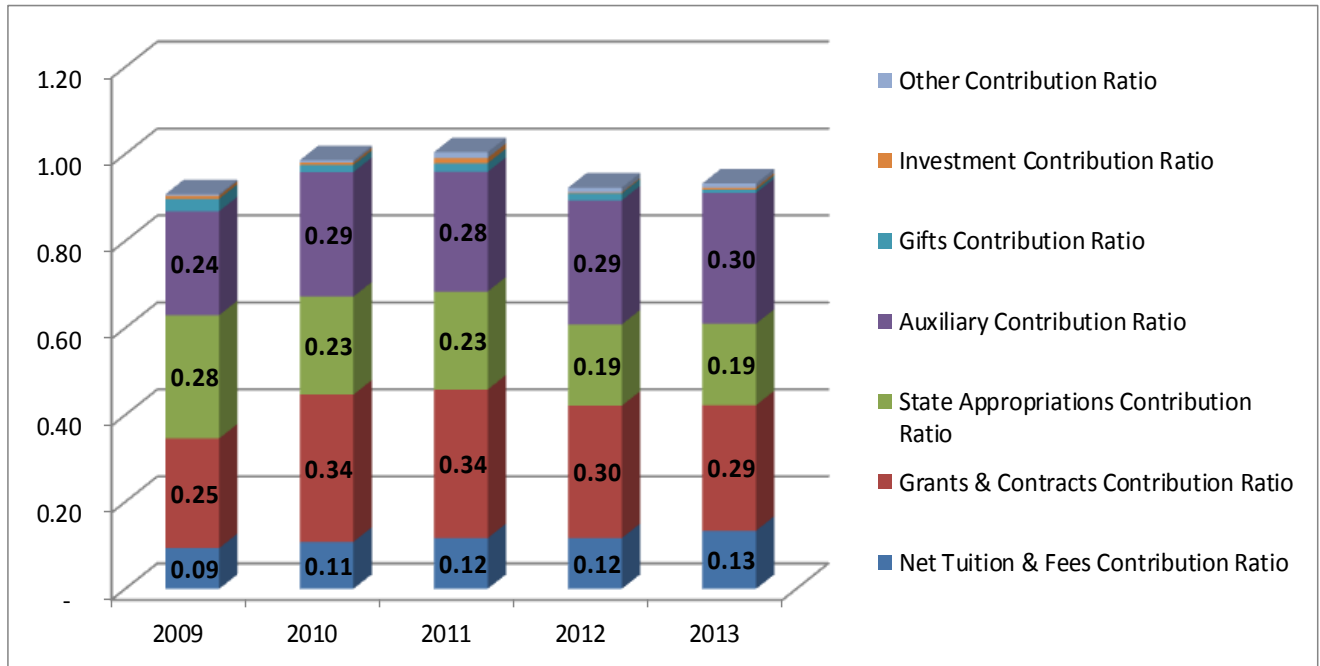
	2009	2010	2011	2012	2013
Cash Income Ratio	0.08	0.09	0.08	0.06	0.09
Cash flows from operations plus appropriations, gifts, and grants received for operating purposes (cash flows from noncapital financing) plus investment income	4,958,073	6,608,506	6,503,744	5,077,494	7,454,982
Operating and nonoperating revenues	60,206,741	70,497,022	77,208,868	82,010,010	85,398,303

Other operational ratios that are important to consider are the **current ratio and cash available to current liabilities ratio**. Both of these ratios enable us to look at liquidity (i.e. the ability to pay short-term liabilities). The **current ratio** calculation gives us the amount of current assets available to pay each \$1 in current liabilities, while the **cash available to current liabilities ratio** results in the actual cash available per \$1 of current liabilities. For example, in 2013 the University had \$2.45 in current assets to represent each \$1 in current liabilities, and of that \$2.45 cash represented \$1.72. See the figures presented immediately after the graph that support the *strength of the University's cash and marketable securities as compares to its current liabilities*. In simple terms, at June 30, 2013 the University had \$1.72 available in cash and marketable securities to pay every \$1.00 of its current liabilities.



	2009	2010	2011	2012	2013
Current Ratio	1.95	3.25	3.43	3.02	2.45
Current Assets	10,299,690	13,922,771	17,623,735	16,356,278	14,613,404
Current Liabilities	5,290,558	4,288,492	5,142,478	5,409,273	5,959,545
Cash Available to Current Liabilities	1.33	2.04	2.14	2.10	1.72
Cash + Marketable Securities	7,025,277	8,753,256	10,999,752	11,370,583	10,233,366
Current Liabilities	5,290,558	4,288,492	5,142,478	5,409,273	5,959,545

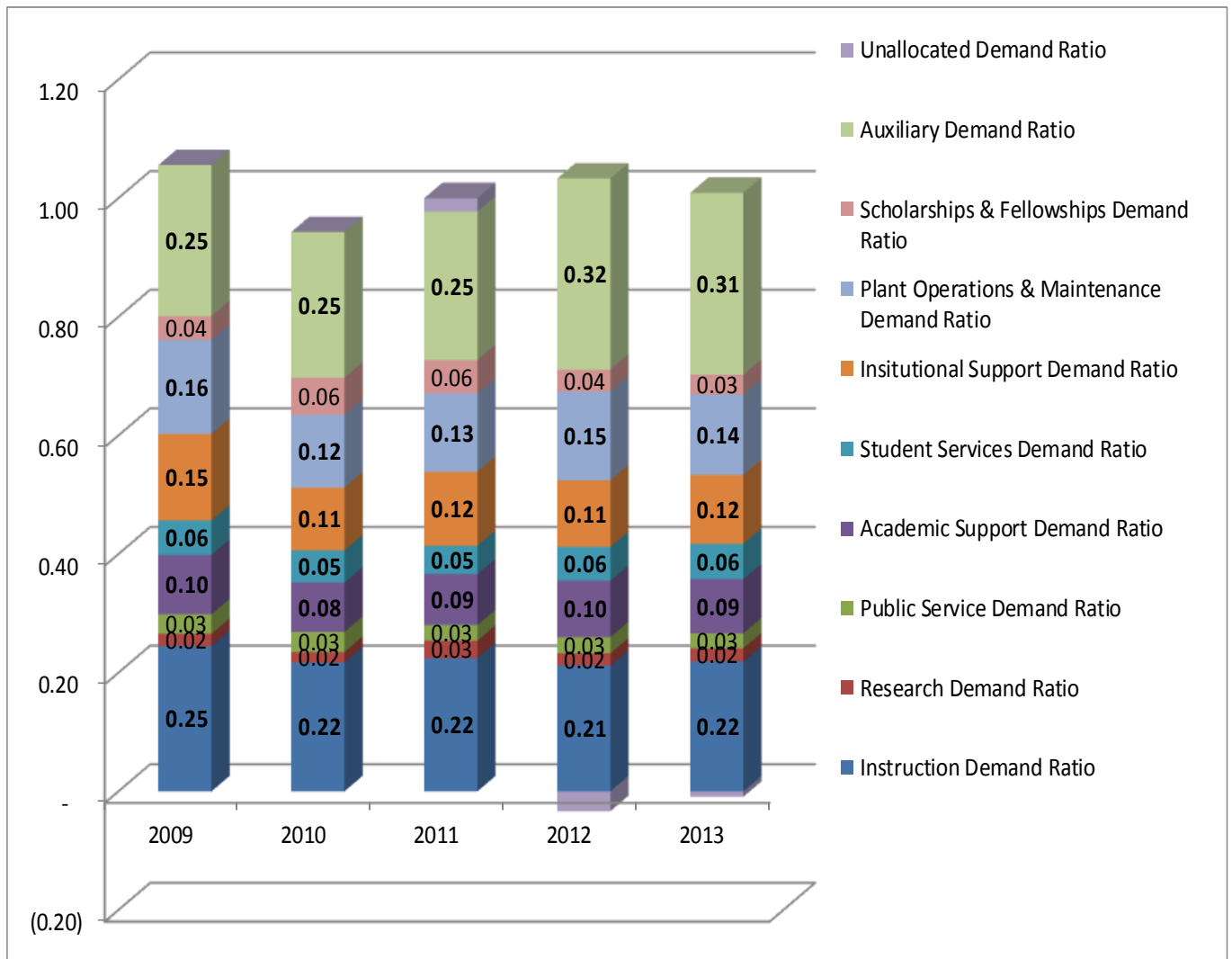
Contribution and demand ratios compare particular revenues as a percentage of total operating expenses, and expenses by type with total operating income. These particular ratios address the impact of why other ratios are behaving in an observed manner by exposing the relationships between revenues and expenses. For example, the contribution ratio *net tuition and fees contribution* provides the percentage of tuition and fees, net of financial aid, as a percentage of total operating expense. The University's contribution ratios are presented as follows:



(See Summary Financial Data)

As shown in the previous chart, the University is reliant on significant *state appropriations*, which have declined from a percentage of thirty-six percent (36%) of revenue since 2008 (refer to prior year analysis for this percentage). However, the University has been able to increase the contribution ratio related to grants and contracts, auxiliary, and net tuition and fees through student enrollment.

Demand ratios (by functional classification) on income are shown in the next table. It should be noted for purposes of this analysis that both operating and nonoperating income was used for the denominator. As the University is substantially supported by nonoperating income, such as state appropriations and federal grants and contracts, it would not be a relevant analysis unless these revenues were included.



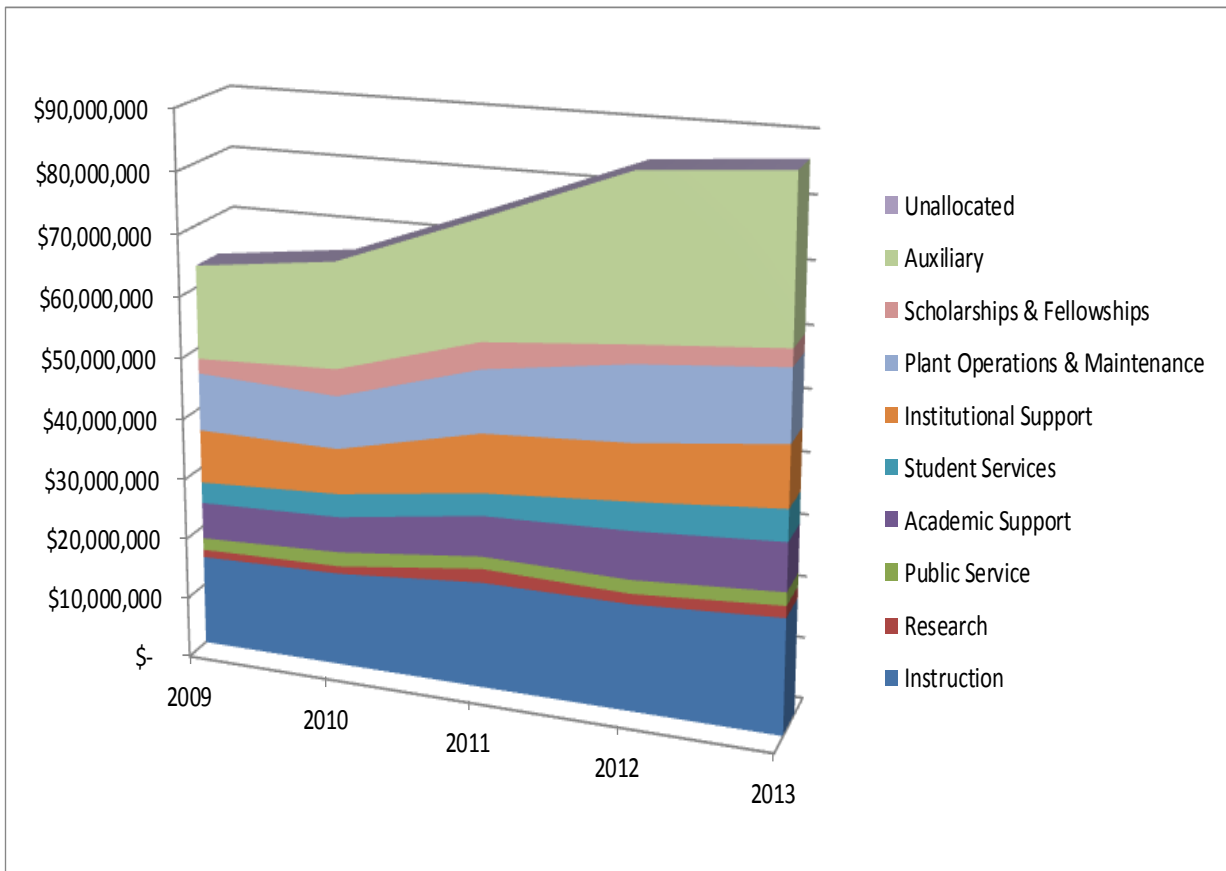
(See Summary Financial Data)

Note from the graph above that instruction, research, public service, academic support, and student services account for 42% demand the last three consecutive fiscal years. During this same time period it should be noted that the *Auxiliary Demand Ratio* increased from 25% to 32% in 2012 and 31% in 2013, supporting management’s investment in housing and athletics operation discussed earlier. Also note that institutional support has decreased from 15% in 2009 to support other University objectives.

Function expense classifications are pictured next as amounts and percentages of total operating expenses. Note that the predominant spending patterns are similar to the presentation of demand on revenues, which reemphasizes the priorities of the University to educate and support students.

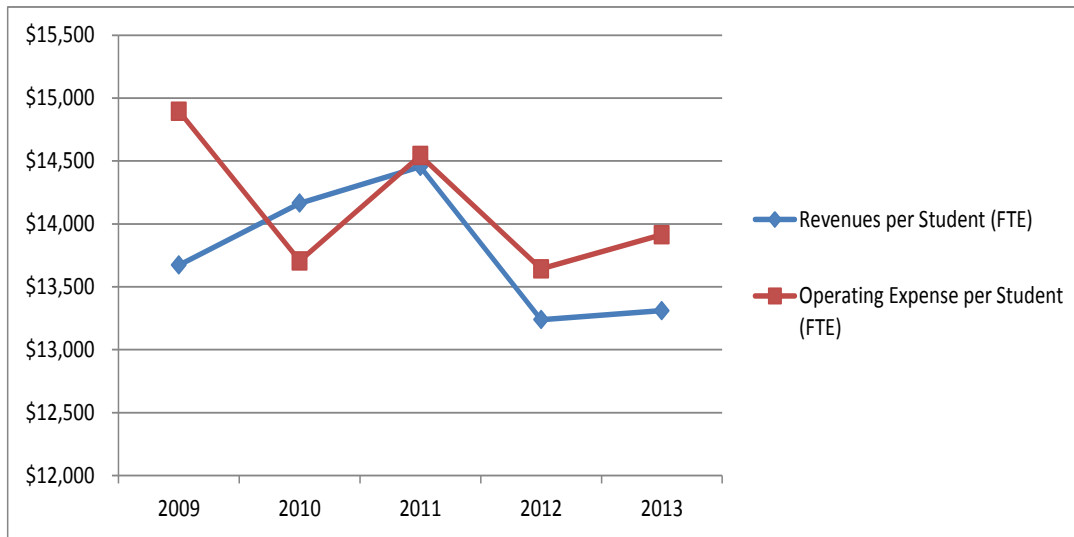
Total Operating Expense by Functional Classifications

	2009	2010	2011	2012	2013
Instruction	\$ 14,753,388	\$ 15,331,616	\$ 17,347,910	\$ 17,391,711	\$ 18,816,294
Research	1,242,096	1,235,076	2,271,693	1,683,508	1,913,101
Public Service	1,971,089	2,376,890	2,019,660	2,233,121	2,151,924
Academic Support	6,042,208	5,863,845	6,641,986	7,830,053	7,835,588
Student Services	3,475,483	3,847,226	3,692,459	4,644,393	5,132,626
Institutional Support	8,805,641	7,453,390	9,619,175	9,235,929	9,960,002
Plant Operations & Maintenance	9,526,057	8,650,437	10,207,353	12,273,070	11,645,835
Scholarships & Fellowships	2,413,488	4,403,551	4,331,475	3,029,567	2,844,950
Auxiliary	15,330,990	17,313,034	19,323,158	26,405,308	26,334,038
Unallocated	-	-	-	-	-
TOTAL OPERATING EXPENSE	\$ 63,560,440	\$ 66,475,065	\$ 75,454,869	\$ 84,726,660	\$ 86,634,358



Looking at the total revenues (including nonoperating but excluding auxiliary) and total operating expenses (excluding auxiliary) as they apply to students (FTE count used), we determined the following:

	2009	2010	2011	2012	2013
Revenues per Student (FTE)	\$ 13,672	\$ 14,164	\$ 14,455	\$ 13,238	\$ 13,311
Operating Expense per Student (FTE)	\$ 14,895	\$ 13,706	\$ 14,542	\$ 13,642	\$ 13,913
Increase (Decrease) per Student FTE	\$ (1,223)	\$ 459	\$ (87)	\$ (404)	\$ (603)
Students (FTE)	3,238	3,587	3,860	4,275	4,334



NOTE: FTEs were used as reported in the audited financial reports as these were not materially different than the FTEs utilized by the University System of Georgia, which calculates FTEs on credit hours (USG information was not available for all years analyzed). *The measurements of expenditures per students is significantly different than USG's*, because USG only looks at expenditures out of the General Fund and doesn't consider restricted funds which are also used to support students. For purposes of analytical review, *SSU compares all revenues and operating expenditures (excluding auxiliary in both) to determine the increase (decrease) per student FTE. Depreciation has not been excluded as this is considered an economic cost to the University for providing services. The University considers this to be a better financial determinate as to how we are meeting our strategic initiatives internally over time.*

As noted in this chart, operating expenses significantly outpaced total revenues per student for most fiscal years. This calculation includes depreciation of economic resources (with the exception of auxiliary depreciation), which is clearly a cost of doing business but is not considered in the cost per student as recognized by the state. Although enrollment was fairly flat for fiscal year 2013 with a minimal increase, the number of courses students were enrolled in

did increase and enrollment figures have already shown a more significant increase in the current fiscal year (2014). The expenditures above, as already noted previously in the report, include not only depreciation but the significant increases in interest expense due to the capital leases and the increase in salaries and benefits slightly offset by a decrease in other expenses. To reiterate once again, however, the University is fiscally strong from a liquidity standpoint and able to meet its obligations both currently and in the long-term.

Conclusion

The strategic planning priorities at Savannah State University are:

- ***Academic Engagement and Achievement***
- ***Community and Economic Development***
- ***Global Education Experiences***
- ***Sustainability and Resources***
- ***Technological Competitiveness***

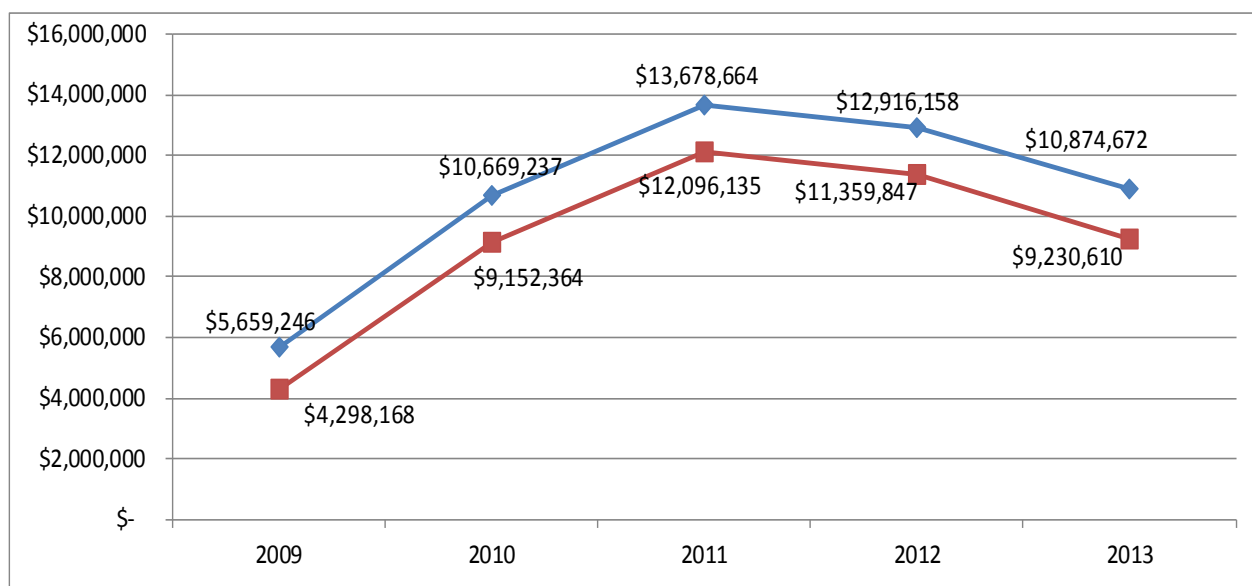
The financial indicators show that Savannah State University is positioning itself to continue to move forward in meeting these priorities, despite the economic downturn in the economy and budget cuts from the state. The University has updated its Strategic Plan and is prepared to meet the challenges and take advantage of the opportunities offered through the Complete College Georgia Initiative. Savannah State University is positioned to move forward in supporting its campus environment, acquiring technology to advance educational purposes, and pursuing excellence and responsiveness, with a strong commitment to the teaching and learning environment, high quality education, public service, and scholarly and creative works.

Savannah State University has a sound financial base and demonstrated financial stability, as well as adequate resources, to support the mission of the Institution and the scope of its programs and services.

For any questions regarding the development of these ratios, please contact Mary H. Loomis, CPA, MPA, Assistant Vice-President, Business & Finance/Comptroller, Savannah State University, MLoomis@SavannahState.edu.

Additional Analysis as of June 30,

	2009	2010	2011	2012	2013
TOTAL NET ASSETS	\$ 72,832,632	\$ 75,748,255	\$ 76,483,121	\$ 69,907,583	\$ 63,683,936
LESS Invested in Capital Assets, net of related debt	(64,235,126)	(61,939,332)	(58,790,162)	(52,735,094)	(48,166,663)
Restricted - Nonexpendable	(3,240,577)	(3,579,321)	(4,642,349)	(4,677,159)	(5,141,861)
Restricted - Expendable	(1,058,761)	(1,077,238)	(954,475)	(1,135,483)	(1,144,802)
UNRESTRICTED NET ASSETS (URNA)	\$ 4,298,168	\$ 9,152,364	\$ 12,096,135	\$ 11,359,847	\$ 9,230,610
ADD Compensated Absences Liability	1,361,078	1,516,873	1,582,529	1,556,311	1,644,062
URNA w/o plant, or compensated absences	\$ 5,659,246	\$ 10,669,237	\$ 13,678,664	\$ 12,916,158	\$ 10,874,672



Operational Outcomes:

	2009	2010	2011	2012	2013
TOTAL Operating Revenues	\$ 30,340,497	\$ 36,920,515	\$ 41,945,852	\$ 47,598,737	\$ 51,442,110
ADD Nonoperating Revenues	29,624,187	34,024,501	36,303,963	34,546,130	34,426,941
	59,964,684	70,945,016	78,249,815	82,144,867	85,869,051
LESS Operating Expenses	(63,560,440)	(66,475,065)	(75,454,869)	(84,726,660)	(86,634,358)
Operational Bottom Line	\$ (3,595,756)	\$ 4,469,951	\$ 2,794,946	\$ (2,581,793)	\$ (765,307)
ADD Depreciation	5,651,637	5,525,067	4,980,560	6,510,193	7,389,919
Operational Bottom Line w/o Depreciation	\$ 2,055,881	\$ 9,995,018	\$ 7,775,506	\$ 3,928,400	\$ 6,624,612

Operational Cash Flows

	2009	2010	2011	2012	2013
Net Cash Provided (Used) by Operating Activities	(25,347,213)	(27,111,815)	(29,163,464)	(29,758,217)	(26,829,590)
Net Cash Flow Provided by Non-capital Financing Activities	30,021,408	33,663,142	35,191,773	34,657,417	33,948,385
Cash Flows Before Capital Items	\$ 4,674,195	\$ 6,551,327	\$ 6,028,309	\$ 4,899,200	\$ 7,118,795

SUMMARY FINANCIAL DATA

The following is summary comparative financial data taken from audited reports to support the calculations presented in this analysis report.

Statement of Net Assets/Net Position - Last Five Fiscal Years

	2009	2010	2011	2012	2013
Current Assets					
Cash & Cash Equivalents	\$ 6,617,001	\$ 8,344,980	\$ 10,591,476	\$ 10,962,307	\$ 9,825,090
Short-Term Investments	408,276	408,276	408,276	408,276	408,276
Accounts Receivable, NET:					
Federal Financial Assistance	1,833,799	2,204,859	1,920,639	1,573,705	1,396,471
Other	1,295,309	2,696,967	4,205,125	2,841,192	2,428,311
Due from Affiliated Organizations	-	-	-	-	34,221
Inventories	52,041	62,318	49,768	49,281	49,053
Prepaid Items	93,264	205,371	448,451	521,517	471,982
TOTAL Current Assets	10,299,690	13,922,771	17,623,735	16,356,278	14,613,404
Noncurrent Assets					
Noncurrent Cash	26,282	25,826	41,268	47,600	26,466
Short-term Investments	847,812	62,044	22,418	27,453	30,007
Investments	2,375,041	3,641,074	4,578,663	4,770,891	5,255,780
Notes Receivable, Net	837,844	804,539	836,003	923,306	885,759
Noncurrent Assets, before Capital	4,086,979	4,533,483	5,478,352	5,769,250	6,198,012
Capital Assets, Net					
Land and Land Improvements	575,975	575,975	575,975	575,975	975,219
Buildings and Bldg. Improvements	61,113,897	59,372,905	57,923,236	55,719,584	53,414,509
Facilities & Other Improvements	956,148	1,174,908	1,068,387	2,345,373	2,192,140
Library Collections	1,433,287	1,378,325	1,331,431	1,296,074	1,291,465
Equipment	2,373,381	2,442,293	2,907,879	2,929,971	3,457,228
Capital Leases	51,307,410	49,111,876	46,916,342	80,653,598	96,285,476
Collections	43,963	42,580	41,198	39,817	38,434
Construction in Progress	-	1,943,168	1,667,082	6,706,586	-
Capital Assets, Net	117,804,061	116,042,030	112,431,530	150,266,978	157,654,471
TOTAL Noncurrent Assets	121,891,040	120,575,513	117,909,882	156,036,228	163,852,483
TOTAL ASSETS	\$ 132,190,730	\$ 134,498,284	\$ 135,533,617	\$ 172,392,506	\$ 178,465,887
LIABILITIES:					
Current Liabilities:					
Accounts Payable	\$ 2,504,278	\$ 1,252,973	\$ 1,443,485	\$ 883,722	\$ 1,128,919
Salaries Payable	207,861	37,947	339,632	246,248	109,238
Deposits	-	-	14,724	-	-
Deferred Revenue	523,747	568,650	846,714	848,705	983,465
Other Liabilities	282	267	550	1,177	459
Deposits Held for Other Organizations	1,191,917	1,270,621	1,181,494	1,416,876	1,428,000
Lease Purchase Obligations - current portion	226,358	461,329	571,351	1,276,302	1,573,591
Compensated Absenses - current portion	636,115	696,705	744,528	736,243	735,873
Total Current Liabilities	5,290,558	4,288,492	5,142,478	5,409,273	5,959,545
Noncurrent Liabilities:					
Lease Purchase Obligations	53,342,577	53,641,369	53,070,017	89,548,996	107,914,217
Compensated Absenses	724,963	820,168	838,001	820,068	908,189
Notes and Loans Receivable	-	-	-	6,706,586	-
Total Noncurrent Liabilities	54,067,540	54,461,537	53,908,018	97,075,650	108,822,406
TOTAL LIABILITIES	59,358,098	58,750,029	59,050,496	102,484,923	114,781,951
NET ASSETS:					
Invested in Capital Assets, net of related debt	64,235,126	61,939,332	58,790,162	52,735,094	48,166,663
Restricted - Nonexpendable	3,240,577	3,579,321	4,642,349	4,677,159	5,141,861
Restricted - Expendable	1,058,761	1,077,238	954,475	1,135,483	1,144,802
Unrestricted	4,298,168	9,152,364	12,096,135	11,359,847	9,230,610
TOTAL NET ASSETS	72,832,632	75,748,255	76,483,121	69,907,583	63,683,936
TOTAL LIABILITIES & NET ASSETS	\$ 132,190,730	\$ 134,498,284	\$ 135,533,617	\$ 172,392,506	\$ 178,465,887

Statement of Revenues, Expenses, and Change in Net Position - Last Five Fiscal Years

	2009	2010	2011	2012	2013
Operating Revenues:					
Student Tuition & Fees	\$ 13,912,811	\$ 18,092,646	\$ 22,200,417	\$ 25,264,991	\$ 27,155,380
Scholarship Allowances	(7,667,874)	(10,660,680)	(13,134,564)	(14,850,731)	(14,839,006)
NET	6,244,937	7,431,966	9,065,853	10,414,260	12,316,374
Grants & Contracts:					
Federal (includes stimulus)	7,447,503	9,033,568	9,950,357	10,198,282	10,125,457
State	98,925	121,183	250,959	351,218	173,859
Other (Local, nongovernmental, etc.)	376,724	276,292	230,972	245,649	252,314
Sales & Services	161,135	210,562	835,791	744,460	648,561
Rents & Royalties	8,682	50,155	42,130	49,482	52,702
Auxiliary Enterprises:					
Residence Halls	8,240,776	9,975,351	10,387,930	12,489,948	13,357,733
Bookstore	76,207	325,831	264,685	357,677	307,737
Food Services	4,795,031	5,515,028	6,253,988	7,696,485	8,486,639
Parking/Transportation	268,361	547,453	641,503	645,833	657,786
Health Services	481,944	569,464	591,377	663,957	666,753
Intercollegiate Athletics	2,051,092	2,731,091	3,238,246	3,525,046	4,189,425
Other Organizations	22,592	25,753	36,427	37,088	43,249
Other Operating Revenues	66,588	106,818	155,634	179,352	163,521
TOTAL Operating Revenues	30,340,497	36,920,515	41,945,852	47,598,737	51,442,110
Operating Expenses:					
Faculty Salaries	9,469,824	10,025,487	11,272,746	11,202,482	12,198,501
Staff Salaries	14,422,543	14,880,770	16,498,006	16,875,234	18,310,993
Employee Benefits	7,151,324	7,276,903	8,308,835	8,349,972	9,518,514
Other Personal Services	420,591	387,421	415,061	368,304	392,811
Travel	467,375	548,630	682,974	867,102	1,153,471
Scholarships & Fellowships	4,023,342	6,174,419	6,824,220	6,005,163	5,803,170
Utilities	3,804,309	3,836,370	3,403,007	3,557,021	3,426,933
Supplies & Other Services	18,149,495	17,819,998	23,069,460	30,991,189	28,440,046
Depreciation	5,651,637	5,525,067	4,980,560	6,510,193	7,389,919
TOTAL Operating Expenses	63,560,440	66,475,065	75,454,869	84,726,660	86,634,358
OPERATING INCOME (LOSS)	(33,219,943)	(29,554,550)	(33,509,017)	(37,127,923)	(35,192,248)
Nonoperating Revenues (Expenses):					
State Appropriations	18,894,240	15,502,685	17,547,199	16,655,138	17,256,227
Federal Stimulus - Stabiliation Funds	190,831	3,105,050	-	-	-
Grants & Contracts					
Federal	8,879,787	13,818,499	16,148,607	16,332,106	16,032,877
State	-	25,221	11,400	-	-
Gifts	1,901,386	1,125,052	1,555,810	1,424,029	667,089
Investment Income	471,186	366,553	933,246	209,782	470,748
Interest Expense (capital assets)	(2,352,336)	(2,352,293)	(2,462,084)	(4,300,048)	(5,454,204)
Other Nonoperating Revenues (Expenses)	(713,243)	81,441	107,701	(74,925)	(4,136)
Net Nonoperating Rev. (Exp)	27,271,851	31,672,208	33,841,879	30,246,082	28,968,601
Income (Loss) Before Other	(5,948,092)	2,117,658	332,862	(6,881,841)	(6,223,647)
Revenues, Expenses, Gains, Losses					
Capital Grants & Gifts - State	14,508,115	797,965	402,004	306,303	-
INCREASE (DECREASE) IN NET ASSETS	\$ 8,560,023	\$ 2,915,623	\$ 734,866	\$ (6,575,538)	\$ (6,223,647)
Prior Period Adjustment	-	-	-	-	-
NET ASSETS - BEGINNING OF THE YEAR	64,272,609	72,832,632	75,748,255	76,483,121	69,907,583
NET ASSETS - END OF YEAR	\$ 72,832,632	\$ 75,748,255	\$ 76,483,121	\$ 69,907,583	\$ 63,683,936

Statement of Cash Flows - Last Five Fiscal Years

	2009	2010	2011	2012	2013
CASH FLOWS FROM OPERATING ACITIVIES					
Tuition and Fees	\$ 6,406,708	\$ 8,027,694	\$ 8,805,662	\$ 10,944,591	\$ 11,788,267
Federal Appropriations	-	-	-	-	-
Grants and Contracts (Exchange)	7,241,186	9,066,787	10,666,837	11,017,460	10,852,759
Sales and Services	161,135	210,562	835,791	744,460	648,561
Payments to Suppliers	(28,395,125)	(29,904,312)	(35,591,776)	(44,676,680)	(42,854,155)
Payments to Employees	(23,926,150)	(24,700,988)	(27,543,093)	(28,228,341)	(30,480,206)
Payments for Scholarships and Fellowships	(4,023,342)	(7,184,958)	(6,824,220)	(6,005,163)	(5,803,170)
Loans Issued to Students and Employees	-	-	(31,464)	(87,303)	-
Collection of Loans to Students and Employees	30,326	33,306	-	-	37,547
Auxiliary Enterprise Charges:					
Residence Halls	8,392,005	8,363,905	10,292,357	12,157,435	13,530,249
Bookstore	76,207	325,831	264,685	358,039	308,114
Food Services	4,823,281	5,573,817	6,216,811	7,693,380	8,332,364
Parking/Transportation	278,815	482,484	610,820	604,005	666,551
Health Services	495,916	552,520	591,571	664,923	670,278
Intercollegiate Athletics	2,027,495	2,685,513	3,224,590	3,487,385	4,139,302
Other Organizations	22,873	25,175	36,607	37,206	41,325
Other receipts (payments)	1,041,457	(669,151)	(718,642)	1,530,386	1,292,624
Net Cash Provided (Used) by Operating Activities	(25,347,213)	(27,111,815)	(29,163,464)	(29,758,217)	(26,829,590)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
State Appropriations	18,894,240	15,502,685	17,547,199	16,655,138	17,256,227
Federal Stimulus - Stabilization Funds	190,831	3,105,050	(71,244)	-	-
Agency Funds Transactions	155,164	86,636	-	246,144	11,124
Gifts and Grants Received for Other Than Capital Purposes	10,781,173	14,968,771	17,715,818	17,756,135	16,681,034
Other Nonoperating Receipts (Disbursements)	-	-	-	-	-
Net Cash Flow Provided by Non-capital Financing Activities	30,021,408	33,663,142	35,191,773	34,657,417	33,948,385
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Gifts and Grants Received	984,136	364,090	334,235	306,303	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Purchases of Capital Assets	(1,917,727)	(3,447,593)	(1,218,337)	(812,165)	(1,866,324)
Principal Paid on Capital Debt and Leases	(173,346)	533,763	(461,330)	(571,351)	(939,923)
Interest Paid on Capital Debt and Leases	(2,352,336)	(2,352,293)	(2,462,084)	(3,460,092)	(5,454,204)
Net Cash used by Capital and Related Financing Activities	(3,459,273)	(4,902,033)	(3,807,516)	(4,537,305)	(8,260,451)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sales and Maturities of Investments	516,916	191,941	457,811	31,488	134,561
Interest on Investments	283,878	57,179	475,435	178,294	336,187
Purchase of Investments	(776,186)	(170,891)	(892,101)	(194,514)	(487,443)
Net Cash Provided (Used) by Investing Activities	24,608	78,229	41,145	15,268	(16,695)
Net Increase/Decrease in Cash	1,239,530	1,727,523	2,261,938	377,163	(1,158,351)
Cash & Cash Equivalents - Beginning of Year	5,403,753	6,643,283	8,370,806	10,632,744	11,009,907
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,643,283	\$ 8,370,806	\$ 10,632,744	\$ 11,009,907	\$ 9,851,556

Statement of Revenues, Expenses, and Changes in Net Position - Last Five Fiscal Years

	2009	2010	2011	2012	2013
Operating Revenues:					
Net Student Tuition & Fees	6,244,937	7,431,966	9,065,853	10,414,260	12,316,374
Grants & Contracts	7,923,152	9,431,043	10,432,288	10,795,149	10,551,630
Sales & Services	161,135	210,562	835,791	744,460	648,561
Rents & Royalties	8,682	50,155	42,130	49,482	52,702
Auxiliary Enterprises	15,936,003	19,689,971	21,414,156	25,416,034	27,709,322
Other Operating Revenues	66,588	106,818	155,634	179,352	163,521
TOTAL Operating Revenues	30,340,497	36,920,515	41,945,852	47,598,737	51,442,110
Operating Expenses:					
Personal Services	31,464,282	32,570,581	36,494,648	36,795,992	40,420,819
Supplies, Services, Utilities, Travel	22,421,179	22,204,998	27,155,441	35,415,312	33,020,450
Scholarships & Fellowships	4,023,342	6,174,419	6,824,220	6,005,163	5,803,170
Depreciation	5,651,637	5,525,067	4,980,560	6,510,193	7,389,919
TOTAL Operating Expenses	63,560,440	66,475,065	75,454,869	84,726,660	86,634,358
OPERATING INCOME (LOSS)	(33,219,943)	(29,554,550)	(33,509,017)	(37,127,923)	(35,192,248)
Nonoperating Revenues (Expenses):					
State Appropriations	18,894,240	15,502,685	17,547,199	16,655,138	17,256,227
Federal Stimulus - Stabilization Funds	190,831	3,105,050	-	-	-
Grants & Contracts, and Gifts	10,781,173	14,968,772	17,715,817	17,756,135	16,699,966
Net Investment Income (Interest Expense)	(1,881,150)	(1,985,740)	(1,528,838)	(4,090,266)	(4,983,456)
Other Nonoperating Revenues (Expenses)	(713,243)	81,441	107,701	(74,925)	(4,136)
Net Nonoperating Rev. (Exp)	27,271,851	31,672,208	33,841,879	30,246,082	28,968,601
Income (Loss) Before Capital Grants & Gifts	(5,948,092)	2,117,658	332,862	(6,881,841)	(6,223,647)
Capital Grants & Gifts - State	14,508,115	797,965	402,004	306,303	-
INCREASE (DECREASE) IN NET ASSETS	\$ 8,560,023	\$ 2,915,623	\$ 734,866	\$ (6,575,538)	\$ (6,223,647)
Prior Period Adjustment	-	-	-	-	-
NET ASSETS - BEGINNING OF THE YEAR	64,272,609	72,832,632	75,748,255	76,483,121	69,907,583
NET ASSETS - END OF YEAR	\$ 72,832,632	\$ 75,748,255	\$ 76,483,121	\$ 69,907,583	\$ 63,683,936

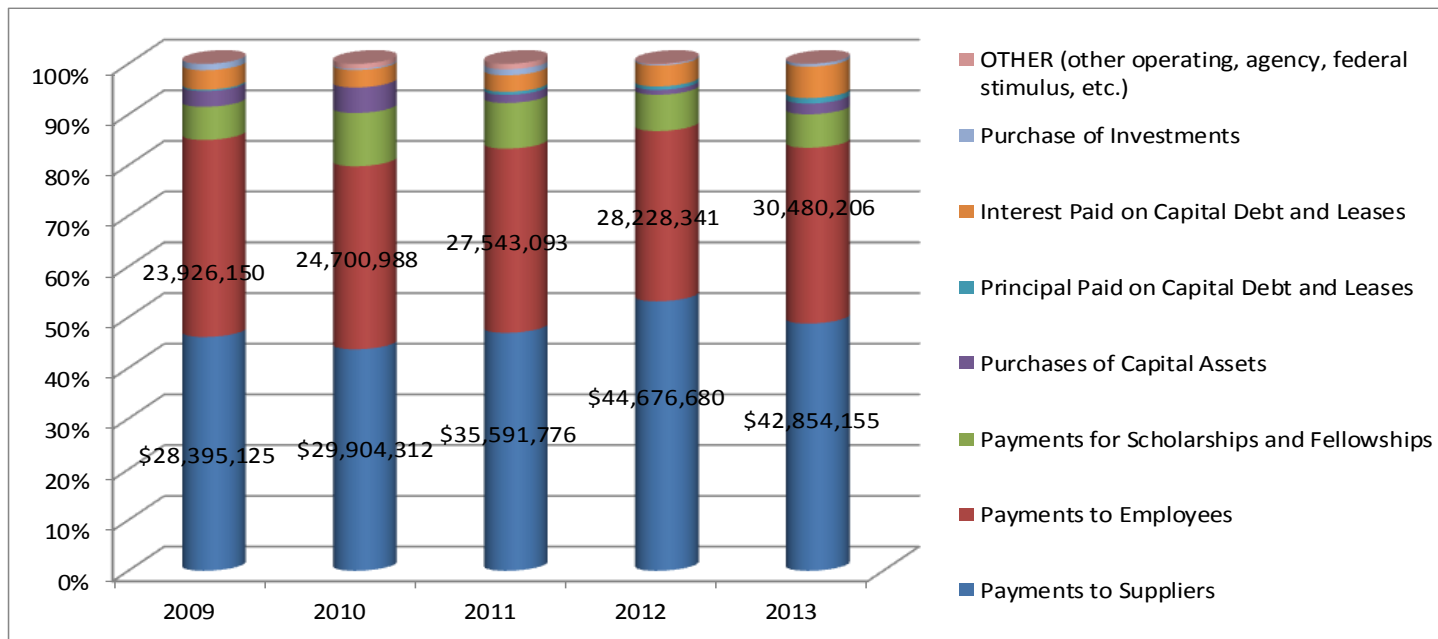
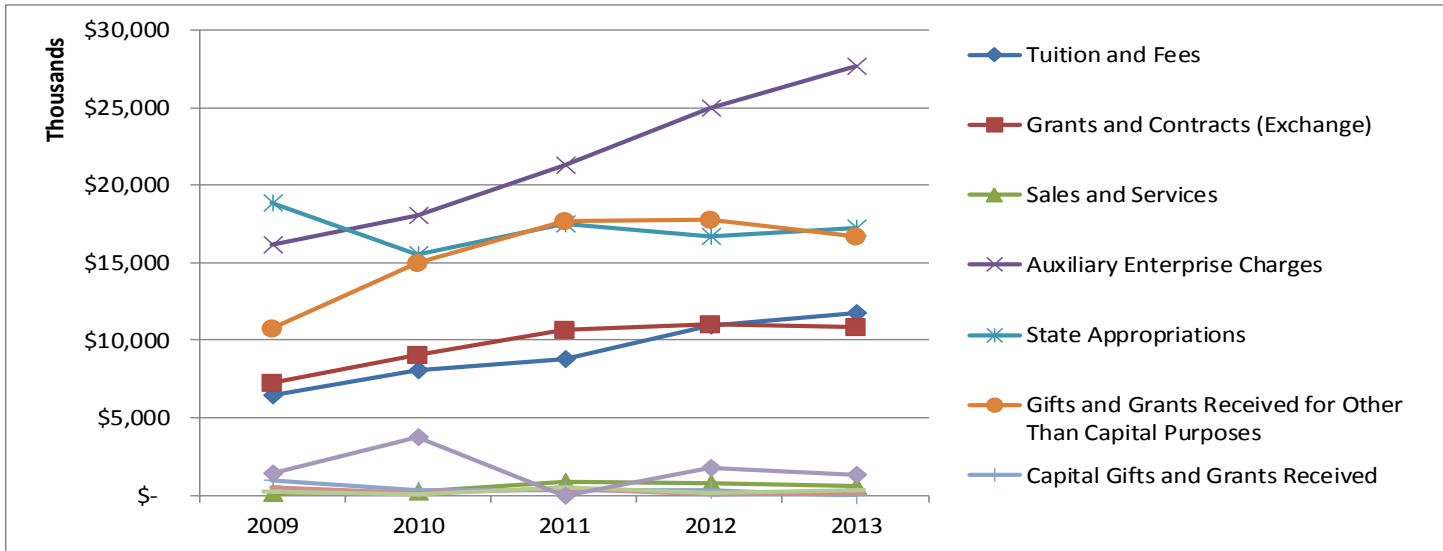
Condensed Statement of Net Position - Last Five Fiscal Years

ASSETS:	2009	2010	2011	2012	2013
Current Assets	10,299,690	13,922,771	17,623,735	16,356,278	14,613,404
Noncurrent Assets (excluding Capital)	4,086,979	4,533,483	5,478,352	5,769,250	6,198,012
Capital Assets, Net	117,804,061	116,042,030	112,431,530	150,266,978	157,654,471
TOTAL ASSETS	132,190,730	134,498,284	135,533,617	172,392,506	178,465,887
LIABILITIES:					
Current Liabilities	5,290,558	4,288,492	5,142,478	5,409,273	5,959,545
Noncurrent Liabilities	54,067,540	54,461,537	53,908,018	97,075,650	108,822,406
TOTAL LIABILITIES	59,358,098	58,750,029	59,050,496	102,484,923	114,781,951
NET ASSETS:					
Invested in Capital Assets, net of related debt	64,235,126	61,939,332	58,790,162	52,735,094	48,166,663
Restricted - Nonexpendable	3,396,519	3,579,321	4,642,349	4,677,159	5,141,861
Restricted - Expendable	902,819	1,077,238	954,475	1,135,483	1,144,802
Unrestricted	4,298,168	9,152,364	12,096,135	11,359,847	9,230,610
TOTAL NET ASSETS	72,832,632	75,748,255	76,483,121	69,907,583	63,683,936
TOTAL LIABILITIES & NET ASSETS	132,190,730	134,498,284	135,533,617	172,392,506	178,465,887

Cash Flows In Versus Cash Flows Out

	2009	2010	2011	2012	2013
Tuition and Fees	\$ 6,406,708	\$ 8,027,694	\$ 8,805,662	\$ 10,944,591	\$ 11,788,267
Grants and Contracts (Exchange)	7,241,186	9,066,787	10,666,837	11,017,460	10,852,759
Sales and Services	161,135	210,562	835,791	744,460	648,561
Auxiliary Enterprise Charges	16,116,592	18,009,245	21,237,441	25,002,373	27,688,183
State Appropriations	18,894,240	15,502,685	17,547,199	16,655,138	17,256,227
Gifts and Grants Received for Other Than Capital Purposes	10,781,173	14,968,771	17,715,818	17,756,135	16,681,034
Capital Gifts and Grants Received	984,136	364,090	334,235	306,303	-
Proceeds from Sales and Maturities of Investments	516,916	191,941	457,811	31,488	134,561
Interest on Investments	283,878	57,179	475,435	178,294	336,187
OTHER (other operating, agency, federal stimulus, etc.)	1,417,778	3,758,755	-	1,776,530	1,341,295
	\$ 62,803,742	\$ 70,157,709	\$ 78,076,229	\$ 84,412,772	\$ 86,727,074
	2009	2010	2011	2012	2013
Payments to Suppliers	\$ 28,395,125	\$ 29,904,312	\$ 35,591,776	\$ 44,676,680	\$ 42,854,155
Payments to Employees	23,926,150	24,700,988	27,543,093	28,228,341	30,480,206
Payments for Scholarships and Fellowships	4,023,342	7,184,958	6,824,220	6,005,163	5,803,170
Purchases of Capital Assets	1,917,727	3,447,593	1,218,337	812,165	1,866,324
Principal Paid on Capital Debt and Leases	173,346	-	461,330	571,351	939,923
Interest Paid on Capital Debt and Leases	2,352,336	2,352,293	2,462,084	3,460,092	5,454,204
Purchase of Investments	776,186	170,891	892,101	194,514	487,443
OTHER (other operating, agency, federal stimulus, etc.)	-	669,151	821,350	87,303	-
	\$ 61,564,212	\$ 68,430,186	\$ 75,814,291	\$ 84,035,609	\$ 87,885,425
NET CHANGE IN CASH	\$ 1,239,530	\$ 1,727,523	\$ 2,261,938	\$ 377,163	\$ (1,158,351)

See Graphs on Next Page



For any questions regarding the development of these ratios, please contact Mary H. Loomis, CPA, MPA, Assistant Vice-President, Business & Finance/Comptroller, Savannah State University, MLoomis@SavannahState.edu.

Resources:

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