SAVANNAH STATE UNIVERSITY

Fiscal Analysis

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2012

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.

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 and expire between 2012 and 2041. Interest rates range from 4.486 percent to 5.234 percent. The net book value of assets held under capital lease at June 30, 2012, was $90,825,298, almost double the amount at June 30, 2011. Besides compensated absences and a temporary note payable with the Foundation, these capital leases are the only long-term debt reported in the University's financial statements.

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, 2012 on this capital lease is $28,129,256.

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, 2012 on this capital lease is $24,940,761.

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, 2012 on this capital lease is $6,327,560.

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, 2012 on this capital lease is $8,405,208.

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, 2012 on this capital lease is $4,952,801.

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. The proceeds from these bonds were to benefit several USG institutions. 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, 2012 on this capital lease is $18,069,712.

Also, during fiscal year 2012 Adams Hall and Morgan Hall, nonresidential buildings, were renovated and a Sports Complex was completed at a cost of $6,706,586 through LLC-I. The capital lease on these assets, however, does not begin until August, 2012, when the University takes possession of a new 325-bed residential facility called Tiger Court. As of June 30, 2012, the cost of that building was approximately $11.5 million according to the Foundation. However, Tiger Court was not completed until fiscal year 2013 and the University did not take possession until that time. Therefore, this asset along with the related capital lease was not recorded as of the close of fiscal year 2012. Since the renovated assets and the Sports Complex were received in the current year 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 will be replaced by the lease when it is booked in fiscal year 2013 and is, therefore, considered long-term.

The 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. The University stadium and Sports Complex provides the Institution with NCAA division I venues to compete within the MEAC and provides a suitable recreational arena on campus and for the community. Because revenue streams generated by the acquisition of additional housing and student fees were determined to be sufficient to cover the annual debt expense, the incurrence of the debt was determined to be affordable for the University.

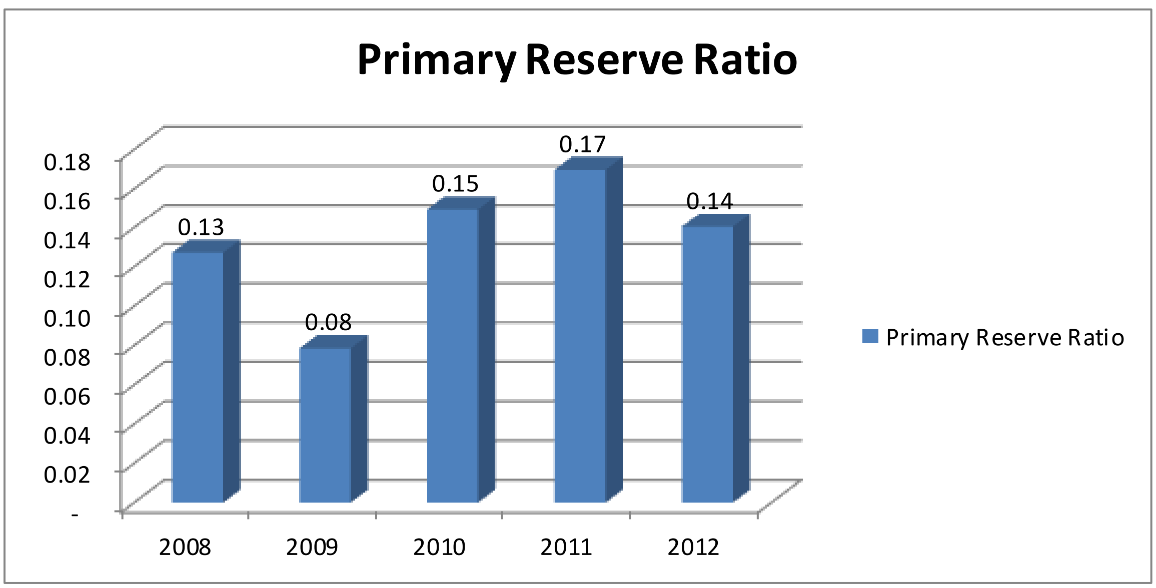
Overall Financial Health

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 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 it 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.

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 2011 and 2012, respectively, the University increased this coverage to 0.17 (17 percent of 12 months, or **2 months**) and to 0.14 (14 percent of 12 months, or **1.7 months**) due to increased enrollment and related federal grant revenues. 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.

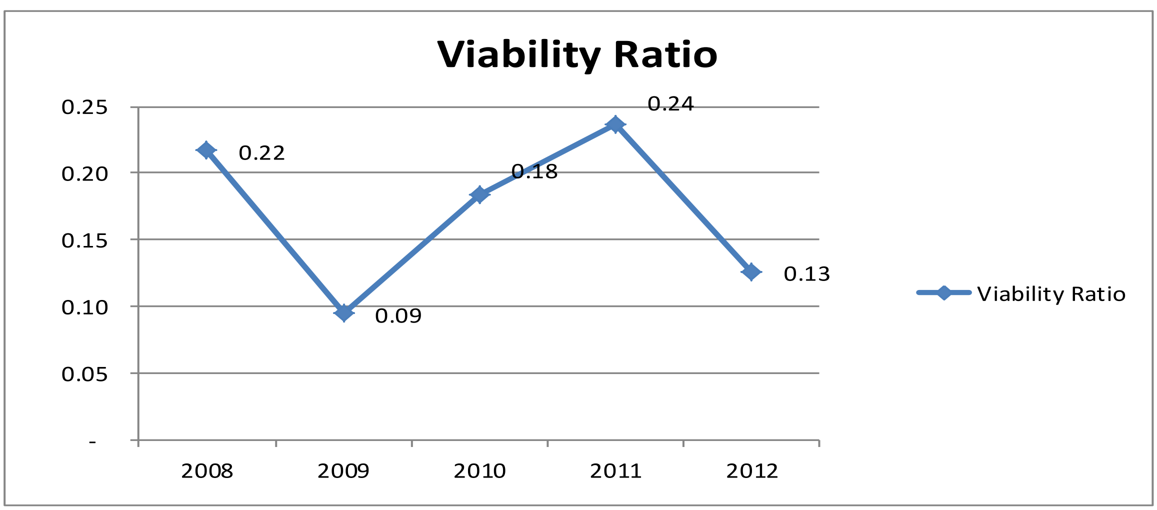


	2008	2009	2010	2011	2012
Primary Reserve Ratio	**0.13**	**0.08**	**0.15**	**0.17**	**0.14**
Expendable Net Assets	6,600,720	5,200,987	10,229,602	13,050,610	12,495,330
Total Expense - Operating & Nonoperating	51,860,951	66,154,833	68,379,364	76,876,006	88,891,851

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.

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 Fall 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**.



	2008	2009	2010	2011	2012
Viability Ratio	**0.22**	**0.09**	**0.18**	**0.24**	**0.13**
Expendable Net Assets	6,600,720	5,200,987	10,229,602	13,050,610	12,495,330
Long-Term Debt (includes current portion)	30,466,225	54,930,013	55,619,571	55,223,897	99,088,195

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**. For fiscal years 2009, 2010, 2011, and 2012 this ratio was calculated as **1.35, 1.39, 1.42 and 0.72**, respectively. Though the University fell below this internal standard during the current fiscal year, the University has maintained adequate liquidity to support this long term debt as is measured through liquidity analysis.

	2008	2009	2010	2011	2012
Leverage Ratio	**2.16**	**1.35**	**1.39**	**1.42**	**0.72**
Total Net Assets	64,272,609	72,832,632	75,748,255	76,483,121	69,907,583
Long Term Debt	29,707,437	54,067,540	54,461,537	53,908,018	97,075,650

The decrease in the ratio for fiscal year 2012 reflects the Institution's decision to incur additional long-term debt while at the same time expending auxiliary reserves to enhance those programs. Specifically, interest expense increased $1.8 million over the prior year due to the incurrence of additional long-term debt. Supplies and other services increased $7.9 million over the prior year due to a major change in the food services contract, increased housing expenses due to expansion, and the related increase in enrollment.

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 $2.10 for every $1 of current liabilities.

	2008	2009	2010	2011	2012
Current Ratio	**2.76**	**1.95**	**3.25**	**3.43**	**3.02**
Current Assets	9,368,193	10,299,690	13,922,771	17,623,735	16,356,278
Current Liabilities	3,399,136	5,290,558	4,288,492	5,142,478	5,409,273
Cash Available to Current Liabilities	**1.64**	**1.33**	**2.04**	**2.14**	**2.10**
Cash + Marketable Securities	5,585,893	7,025,277	8,753,256	10,999,752	11,370,583
Current Liabilities	3,399,136	5,290,558	4,288,492	5,142,478	5,409,273

Further, there is $1.55 in capital assets to every $1.00 in noncurrent liabilities, supporting the University's ability to leverage its debt in support of capital growth.

	2008	2009	2010	2011	2012
Capital Assets to Noncurrent Liabilities	**2.84**	**2.18**	**2.13**	**2.09**	**1.55**
Capital Assets	84,241,090	117,804,061	116,042,030	112,431,530	150,266,978
Noncurrent Liabilities	29,707,437	54,067,540	54,461,537	53,908,018	97,075,650

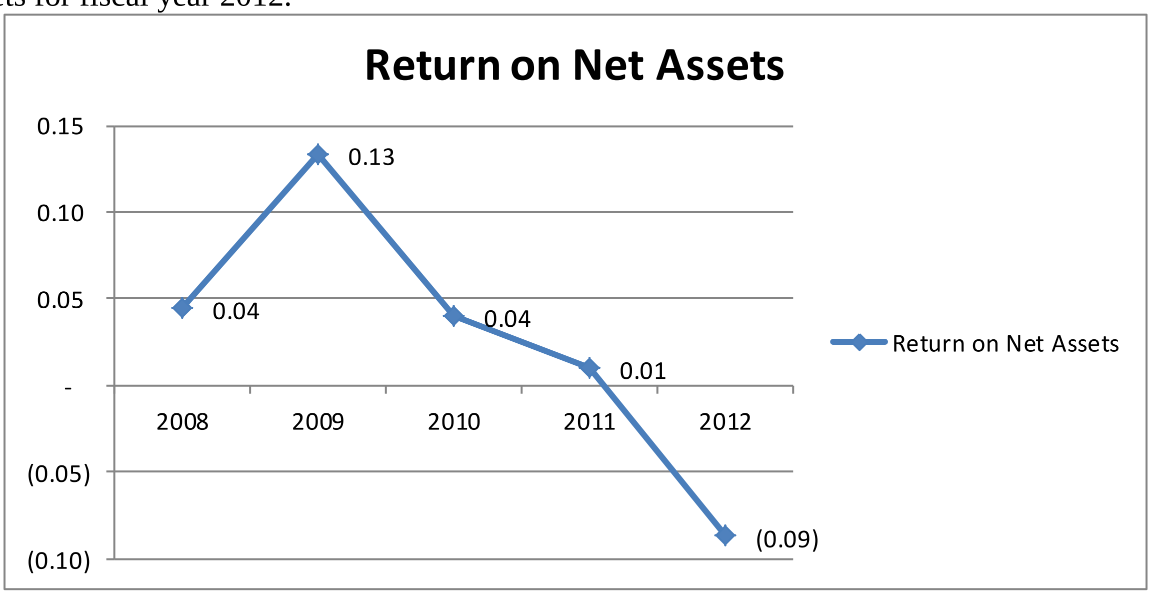
Although highly leveraged, this analysis considered together represents the University's ability to meet its obligations. With the exception of a final housing capital lease for Tiger Court in fiscal year 2013, there are no current plans to enter into any additional long-term obligations. Therefore, 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.

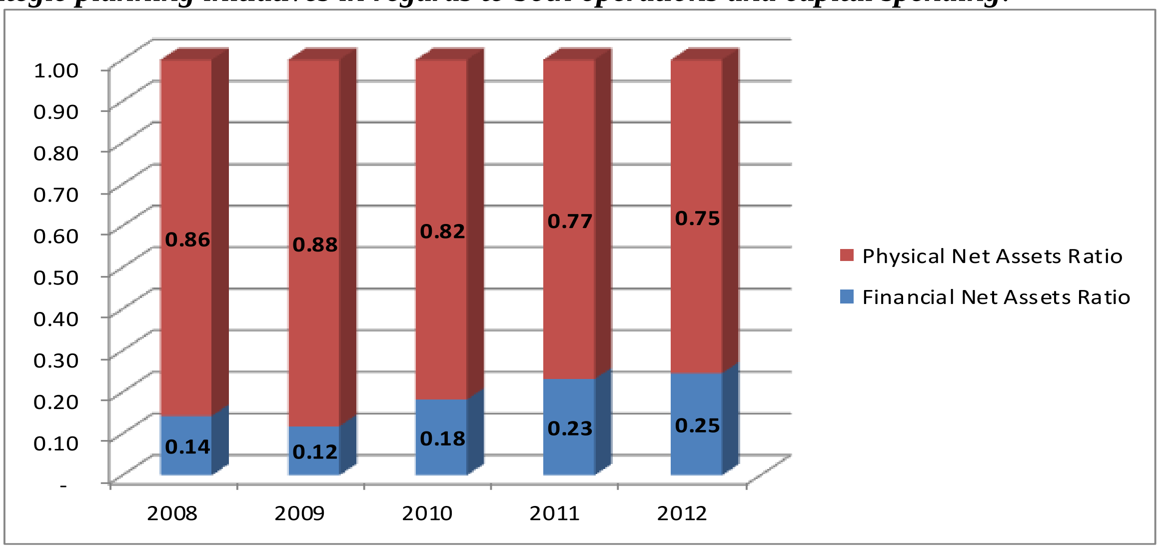
The institution is presumed wealthier each year that net assets grow, but the type of net asset growth in relation to commitments and the rate of growth are better determinants of whether the organization is improving its financial ability to achieve objectives.

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 aforementioned use of institutional reserves to address major increases in both interest expense and supplies and other services, there was a decrease in net assets, a negative return on assets for fiscal year 2012.



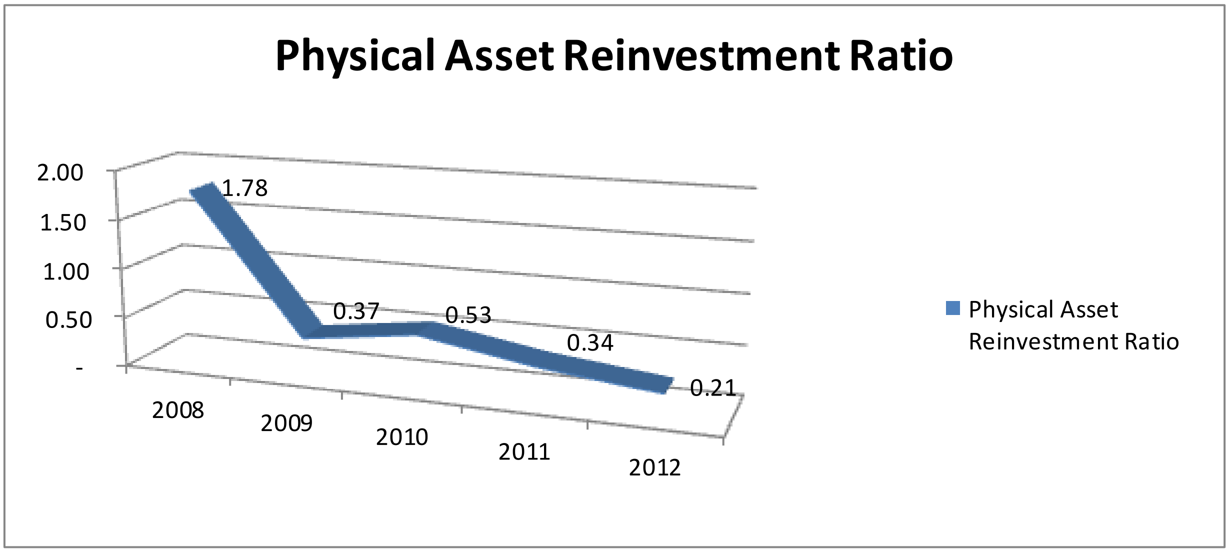
	2008	2009	2010	2011	2012
Return on Net Assets	**0.04**	**0.13**	**0.04**	**0.01**	**(0.09)**
Change in Net Assets	2,736,989	8,560,023	2,915,623	734,866	(6,575,538)
Net Assets at the Beginning of the Year	61,535,620	64,272,609	72,832,632	72,832,632	75,748,255

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***.



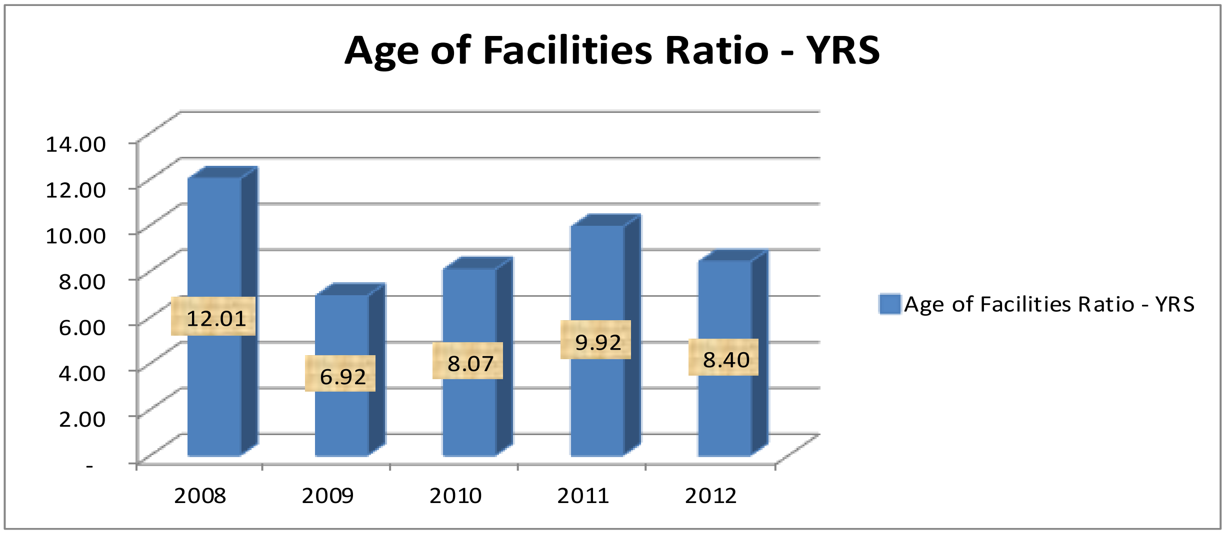
	2008	2009	2010	2011	2012
Financial Net Assets Ratio	**0.14**	**0.12**	**0.18**	**0.23**	**0.25**
Financial Net Assets	9,186,974	8,597,506	13,808,923	17,692,959	17,172,489
Total Net Assets	64,272,609	72,832,632	75,748,255	76,483,121	69,907,583
Physical Net Assets Ratio	**0.86**	**0.88**	**0.82**	**0.77**	**0.75**
Invested in Capital Assets, net of related debt	55,085,635	64,235,126	61,939,332	58,790,162	52,735,094
Total Net Assets	64,272,609	72,832,632	75,748,255	76,483,121	69,907,583

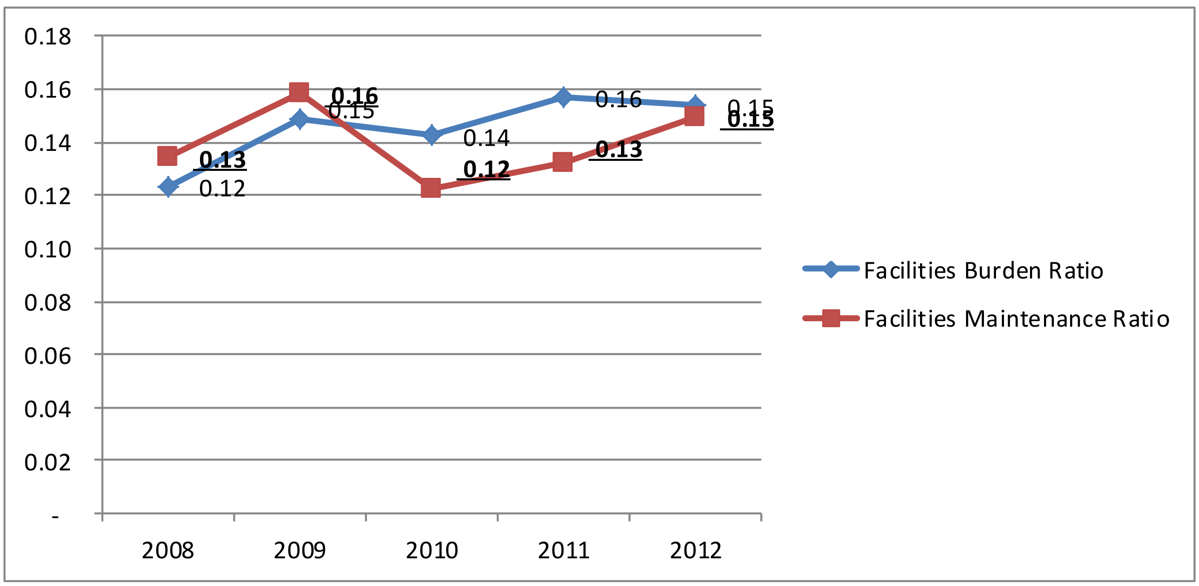
The ***physical asset reinvestment ratio*** compares the extent that capital renewal is occurring compared to physical asset usage by looking at the expenditure amounts on capital assets as compared to depreciation. In other words, a 1:1 ratio would recognize $1 reinvested in the acquisition of new assets 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 within the last several years, the acquisitions of capital assets is not considered comparable to depreciation expense. Based on these variables, the physical asset reinvestment ratio for SSU is considered satisfactory.



	2008	2009	2010	2011	2012
Physical Asset Reinvestment Ratio	**1.78**	**0.37**	**0.53**	**0.34**	**0.21**
Capital Expenditures plus Capital Assets Gifts	5,563,688	2,091,073	2,913,830	1,679,667	1,383,516
Depreciation Expense	3,125,238	5,651,637	5,525,067	4,980,560	6,510,193

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 to determine the potential need for considerable future resources to be invested in plant. 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 building are reflected in the accumulated depreciation amount, but is not being represented well in the eight (8) year average computed above. 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 continued to increase over the last several years and this may be directly related to these ageing facilities.





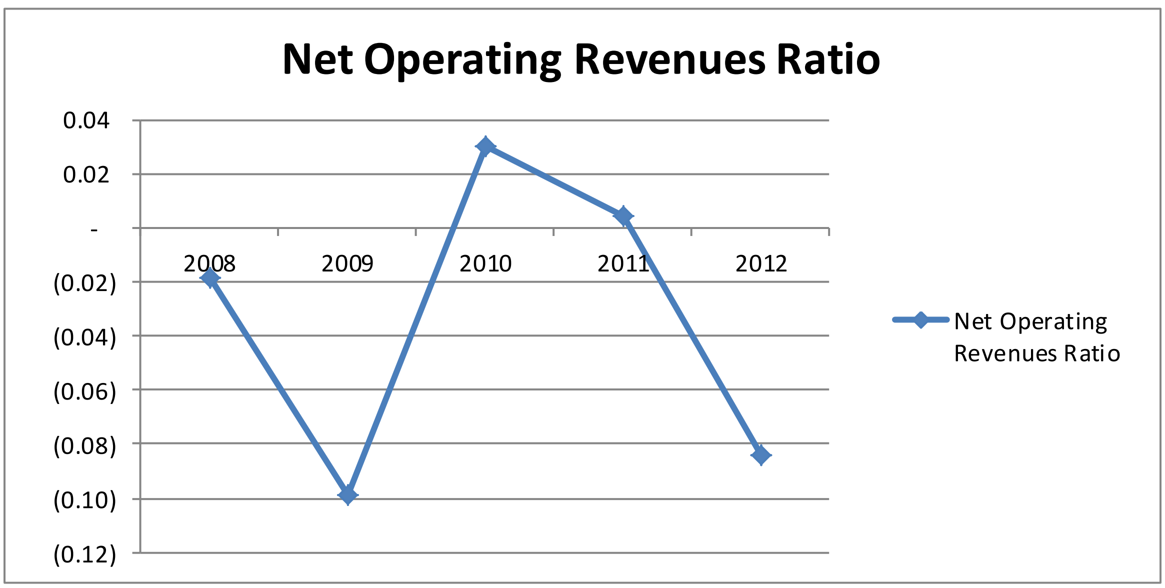
	2008	2009	2010	2011	2012
Facilities Burden Ratio	**0.12**	**0.15**	**0.14**	**0.16**	**0.15**
Depreciation Expense plus Interest Expense plus O&M Maintenance expense	10,402,230	17,530,030	16,527,797	17,649,997	23,083,311
Capital Assets, Net	84,241,090	117,804,061	116,042,030	112,431,530	150,266,978
Facilities Maintenance Ratio	**0.13**	**0.16**	**0.12**	**0.13**	**0.15**
Operations & Maintenance of Plant	6,836,889	9,526,057	8,650,437	10,207,353	12,273,070
Total Operating & Nonoperating REVENUES	50,921,345	60,206,741	70,497,022	77,208,868	82,010,010

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 *$0.15 depreciation in fiscal year 2011 for every dollar in net capital assets* on the balance sheet as of June 30, 2012. 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 2011 SSU spent *$0.15 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.



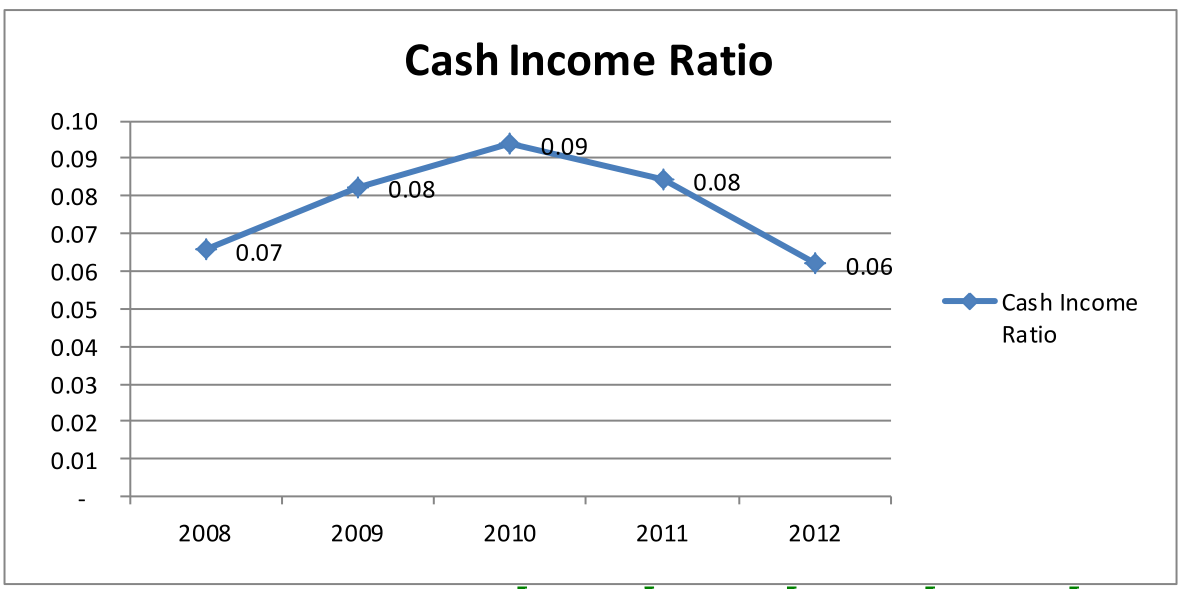
	2008	2009	2010	2011	2012
Net Operating Revenues Ratio	**(0.02)**	**(0.10)**	**0.03**	**0.004**	**(0.084)**
Income (Loss) Before Capital Items	(939,606)	(5,948,092)	2,117,658	332,862	(6,881,841)
Operating and Nonoperating Revenues	50,921,345	60,206,741	70,497,022	77,208,868	82,010,010

As part of its strategic plan, the University has made significant investments during fiscal years 2008 and 2009 and again in 2012 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. 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. Depreciation expense increased $1.5 million and interest expense increased $1.8 million, resulting in a decrease of $3.3 million to the bottom line.

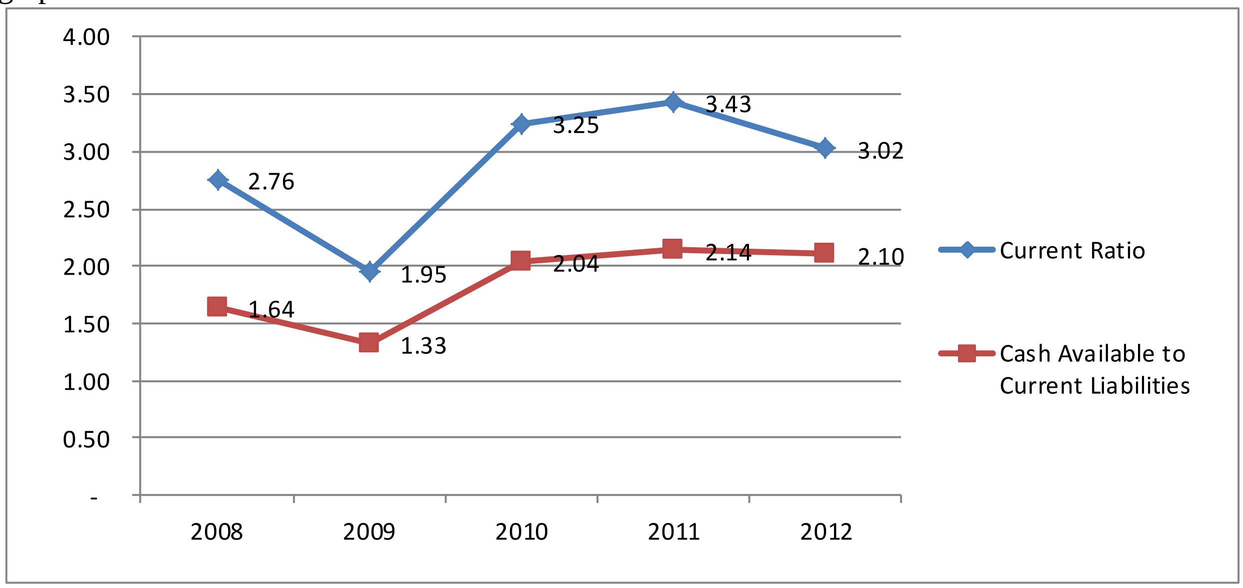
Also impacting this loss before capital items was the increases in athletic operations and the University's supplies and other services. However, this was part of the University's strategic planning initiative and there is an active plan in place to resolve this deficit through increased enrollment, 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. For SSU, the ratio has ranged from a low of $0.06 in the current year to a high of $0.09 in 2010, but has remained positive. 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).



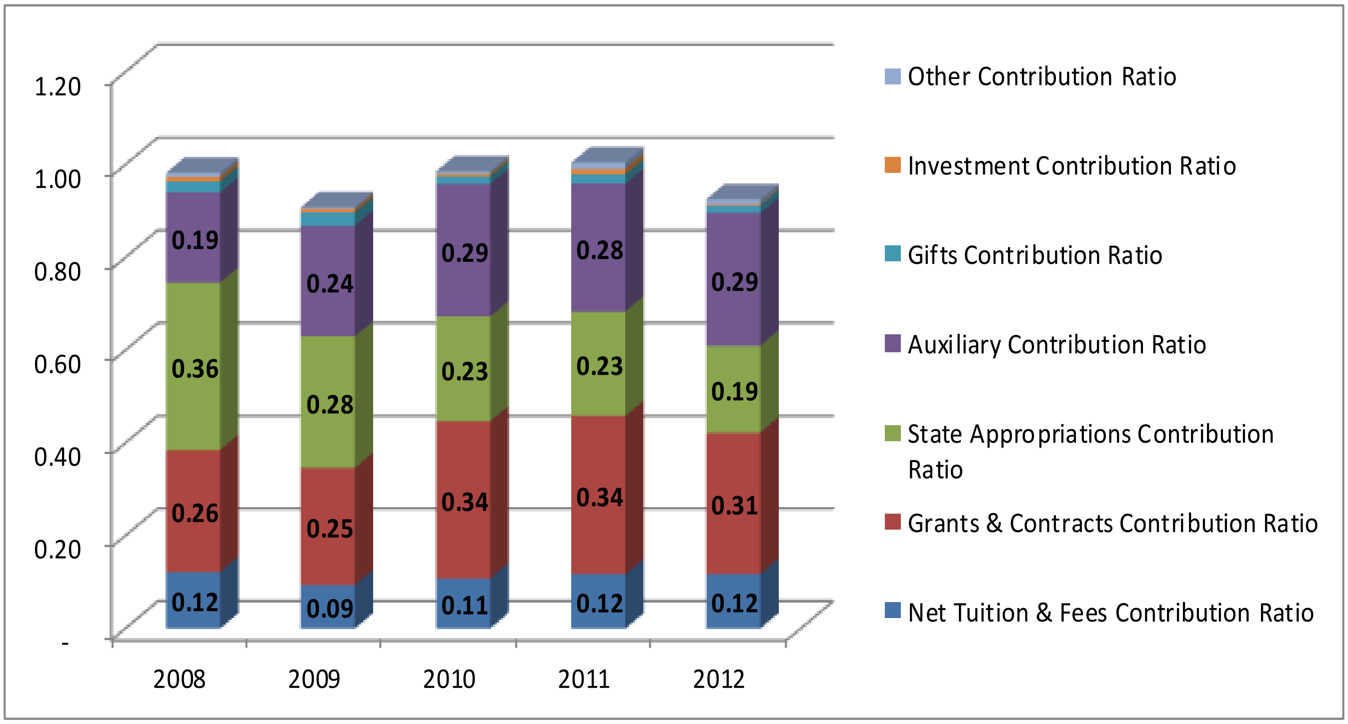
	2008	2009	2010	2011	2012
Cash Income Ratio	**0.07**	**0.08**	**0.09**	**0.08**	**0.06**
Cash flows from operations plus appropriations, gifts, and grants received for operating purposes (cash flows from noncapital financing) plus investment income	3,340,600	4,958,073	6,608,506	6,503,744	5,077,494
Operating and nonoperating revenues	50,921,345	60,206,741	70,497,022	77,208,868	82,010,010

Other operational ratios that are important to consider are the **current ratio and cash available to pay current liabilities.** 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 pay current liabilities*** results in the actual cash available per $1 of current liabilities. For example, in 2012 the University had $3.02 in current assets to represent each $1 in current liabilities, and of that $3.02 cash represented $2.10. The increase in the current ratio as well as the cash available in 2011 was a direct result of increases in enrollment. See the figures presented immediately after the graph.



	2008	2009	2010	2011	2012
Current Ratio	**2.76**	**1.95**	**3.25**	**3.43**	**3.02**
Current Assets	9,368,193	10,299,690	13,922,771	17,623,735	16,356,278
Current Liabilities	3,399,136	5,290,558	4,288,492	5,142,478	5,409,273
Cash Available to Current Liabilities	**1.64**	**1.33**	**2.04**	**2.14**	**2.10**
Cash + Marketable Securities	5,585,893	7,025,277	8,753,256	10,999,752	11,370,583
Current Liabilities	3,399,136	5,290,558	4,288,492	5,142,478	5,409,273

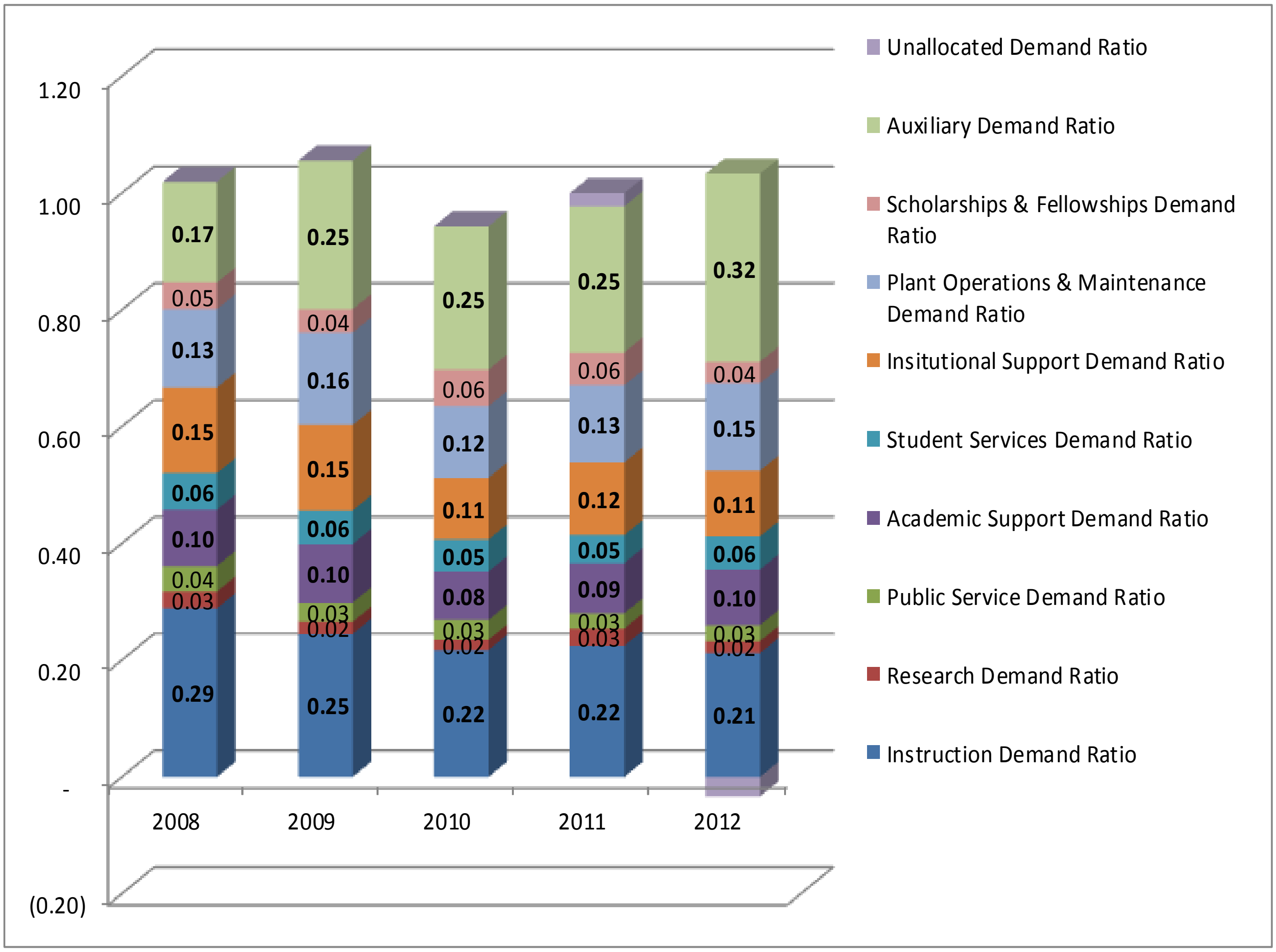
Contribution and demand ratios compare particular revenues as a percentage of total operating expenses, and expenses by type with total operating income. These particular ratios address the impact of why other ratios are behaving in an observed manner by exposing the relationships between revenues and 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 as a percentage of revenue over the past several years. 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.



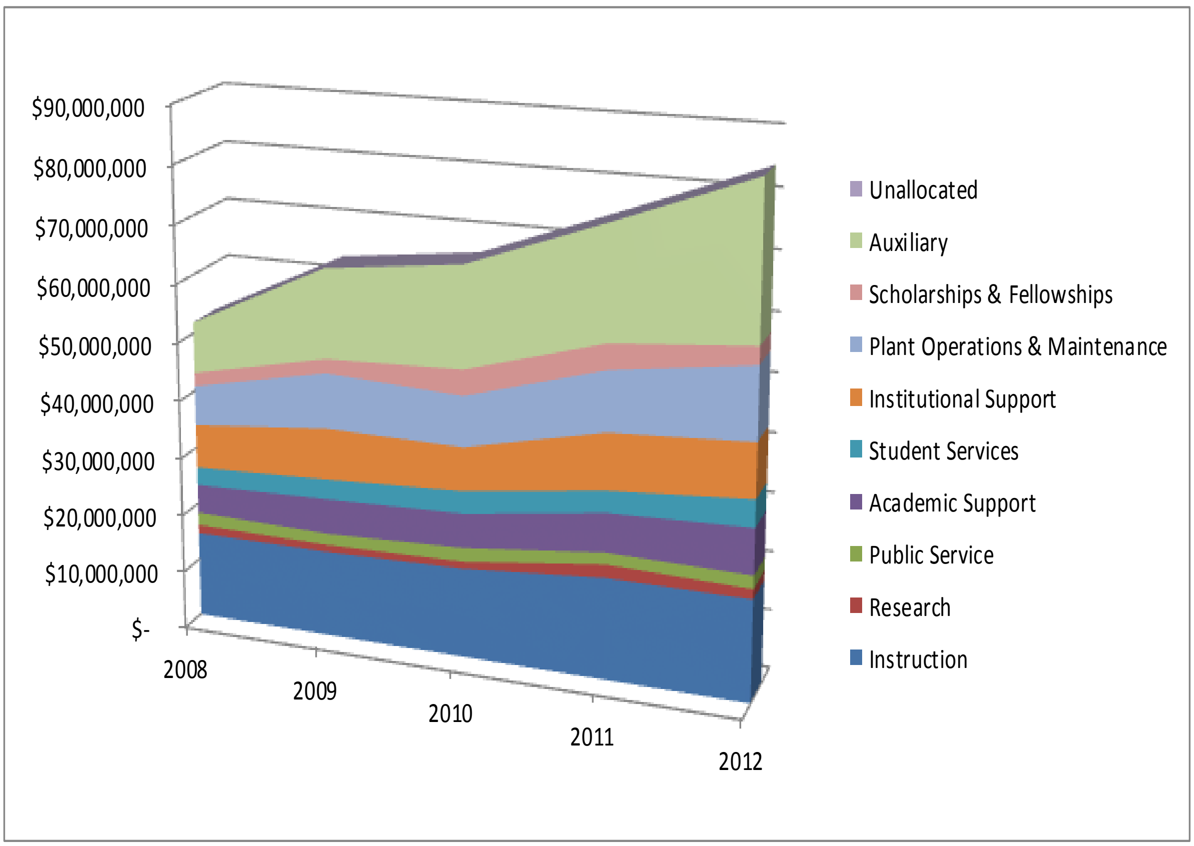
(See Summary Financial Data)

Note from the graph above that instruction, research, public service, academic support, and student services account for 46%, 40%, 42% and 42% of fiscal years 2009, 2010, 2011 and 2012 demand, respectively. During this same time period it should be noted that the Auxiliary Demand Ratio increased from 17% in fiscal year 2008 to 25% for fiscal years 2009 through 2011, and to 32% in fiscal year 2012. This increase supports management's assertion regarding the use of resources to support auxiliary services. Also note that plant operations and maintenance demand increased while institutional support decreased.

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.

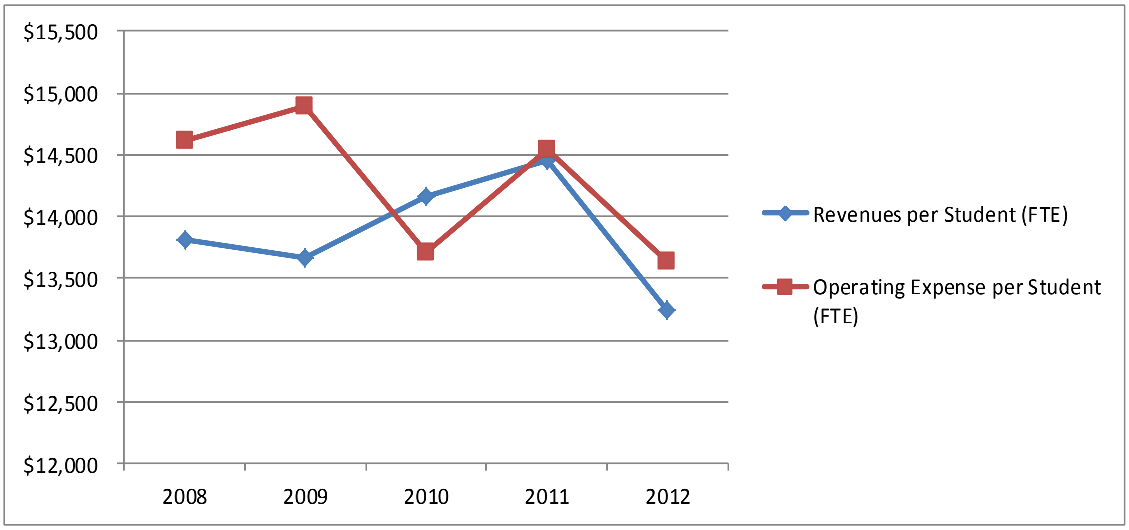
Total Operating Expense by Functional Classifications

	2008	2009	2010	2011	2012
Instruction	$ 14,703,589	$ 14,753,388	$ 15,331,616	$ 17,347,910	$17,391,711
Research	1,470,687	1,242,096	1,235,076	2,271,693	1,683,508
Public Service	2,219,032	1,971,089	2,376,890	2,019,660	2,233,121
Academic Support	4,927,690	6,042,208	5,863,845	6,641,986	7,830,053
Student Services	3,163,252	3,475,483	3,847,226	3,692,459	4,644,393
Institutional Support	7,465,528	8,805,641	7,453,390	9,619,175	9,235,929
Plant Operations & Maintenance	6,836,889	9,526,057	8,650,437	10,207,353	12,273,070
Scholarships & Fellowships	2,325,150	2,413,488	4,403,551	4,331,475	3,029,567
Auxiliary	8,791,037	15,330,990	17,313,034	19,323,158	26,405,308
Unallocated	-	-	-	-	-
TOTAL OPERATING EXPENSE	**$ 51,902,854**	**$ 63,560,440**	**$ 66,475,065**	**$ 75,454,869**	**$84,726,660**
	-	-	-		-



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:

		2008		2009		2010		2011		2012
Revenues per Student (FTE)	$	13,804	$	13,672	$	14,164	$	14,455	$	13,238
Operating Expense per Student (FTE)	$	14,614	$	14,895	$	13,706	$	14,542	$	13,642
Increase (Decrease) per Student FTE	$	(810)	$	(1,223)	$	459	$	(87)	$	(404)
Students (FTE)		2,950		3,238		3,587		3,860		4,275



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. As was shown in Fall of fiscal year 2011, student enrollment is continuing to grow and is pivotal to strategic decisions made within the University, including the use of academic and administrative assets to support a growing student body. It should be noted that Summer revenues were significantly higher than prior years due to federal grants and contracts. Revenues in excess of expenditures, if any, at June 30th are utilized within the first quarter of the new fiscal year to fund the second session of Summer school and start the process for expected enrollment increases in the Fall.

Conclusion

The strategic planning goals at Savannah State University (see Vision 2018) are:

- Enhance the Institution's competitive advantage by offering clear and distinct advantage for students not shared by competing organizations.
- Build capacity by enhancing efficiency and effectiveness of SSU's services to students.
- Recruitment and retention – sponsors demand growth, increased retention, and graduation to justify resources.
- Image & communication – enhance effectiveness both internally on campus and regionally in the external community environment.
- Professional development by ensuring that all employees maintain currency with state of the art practices in their respective fields.

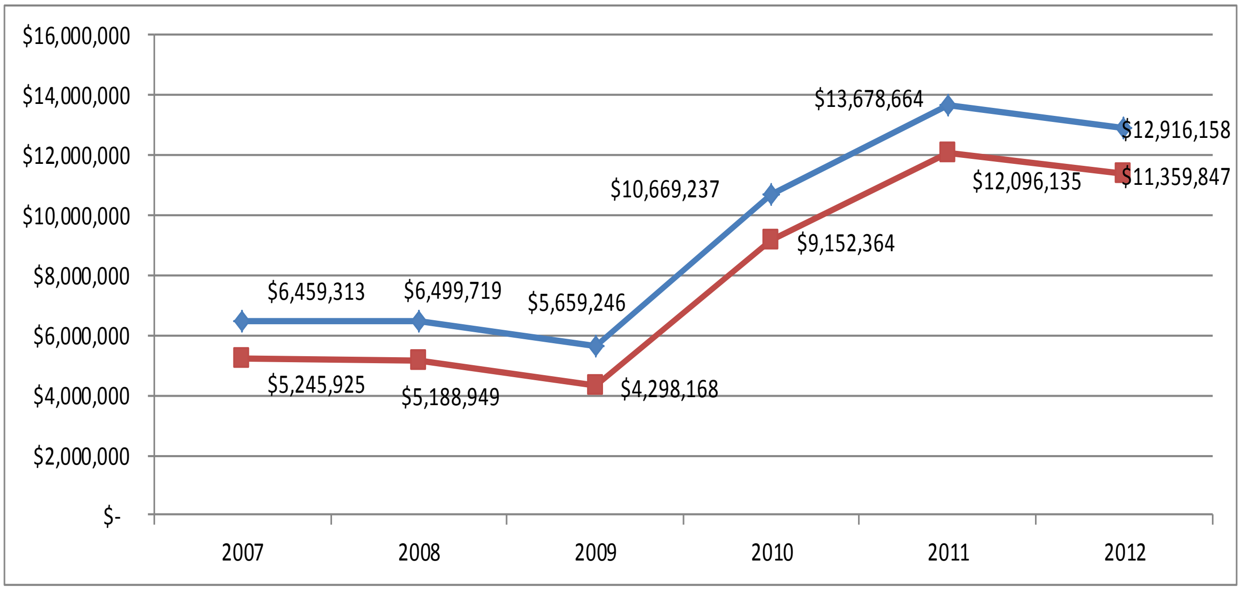
The financial indicators show that Savannah State University is positioning itself to continue to move forward in meeting these goals, despite the economic downturn in the economy and budget cuts from the state. The University will be updating the SSU Strategic Plan within the current fiscal year and 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, Comptroller, Savannah State University, MLoomis@SavannahState.edu.

Additional Analysis as of June 30,

	2007	2008	2009	2010	2011	2012
TOTAL NET ASSETS	$ 61,535,620	$ 64,272,609	$ 72,832,632	$ 75,748,255	$ 76,483,121	$ 69,907,583
LESS Invested in Capital Assets, net of related debt	(52,722,785)	(55,085,635)	(64,235,126)	(61,939,332)	(58,790,162)	(52,735,094)
Restricted - Nonexpendable	(2,305,790)	(2,586,254)	(3,240,577)	(3,579,321)	(4,642,349)	(4,677,159)
Restricted - Expendable	(1,261,120)	(1,411,771)	(1,058,761)	(1,077,238)	(954,475)	(1,135,483)
UNRESTRICTED NET ASSETS (URNA)	$ 5,245,925	$ 5,188,949	$ 4,298,168	$ 9,152,364	$ 12,096,135	$ 11,359,847
ADD Compensated Absences Liability	1,213,388	1,310,770	1,361,078	1,516,873	1,582,529	1,556,311
URNA w/o plant, or compensated absences	$ 6,459,313	$ 6,499,719	$ 5,659,246	$ 10,669,237	$ 13,678,664	$ 12,916,158



Operational Outcomes:

	2007	2008	2009	2010	2011	2012
TOTAL Operating Revenues	$ 28,811,878	$ 30,793,401	$ 30,340,497	$ 36,920,515	$ 41,945,852	$ 47,598,737
ADD Nonoperating Revenues	18,928,239	20,609,950	29,624,187	34,024,501	36,303,963	34,546,130
	47,740,117	51,403,351	59,964,684	70,945,016	78,249,815	82,144,867
LESS Operating Expenses	(47,275,338)	(51,902,854)	(63,560,440)	(66,475,065)	(75,454,869)	(84,726,660)
Operational Bottom Line	$ 464,779	$ (499,503)	$ (3,595,756)	$ 4,469,951	$ 2,794,946	$ (2,581,793)
ADD Depreciation	2,417,986	3,125,238	5,651,637	5,525,067	4,980,560	6,510,193
Operational Bottom Line w/o Depreciation	$ 2,882,765	$ 2,625,735	$ 2,055,881	$ 9,995,018	$ 7,775,506	$ 3,928,400

Operational Cash Flows	2007	2008	2009	2010	2011	2012
Net Cash Provided (Used) by Operating Activities	(16,666,913)	(17,595,173)	(25,347,213)	(27,111,815)	(29,163,464)	(29,758,217)
Net Cash Flow Provided by Non-capital Financing Activit	18,264,497	20,309,941	30,021,408	33,663,142	35,191,773	34,657,417
Cash Flows Before Capital Items	$ 1,597,584	$ 2,714,768	$ 4,674,195	$ 6,551,327	$ 6,028,309	$ 4,899,200

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 - Last Five Fiscal Years

	2008	2009	2010	2011	2012
Current Assets					
Cash & Cash Equivalents	$ 5,177,617	$ 6,617,001	$ 8,344,980	$ 10,591,476	$ 10,962,307
Short-Term Investments	408,276	408,276	408,276	408,276	408,276
Accounts Receivable, NET:					
Federal Financial Assistance	1,181,568	1,833,799	2,204,859	1,920,639	1,573,705
Allotment - Adjusted Out				-	-
Other	2,507,893	1,295,309	2,696,967	4,205,125	2,841,192
Inventories	55,548	52,041	62,318	49,768	49,281
Prepaid Items	37,291	93,264	205,371	448,451	521,517
TOTAL Current Assets	**9,368,193**	**10,299,690**	**13,922,771**	**17,623,735**	**16,356,278**
Noncurrent Assets					
Noncurrent Cash	226,136	26,282	25,826	41,268	47,600
Short-term Investments	1,613,623	847,812	62,044	22,418	27,453
Investments	1,061,970	2,375,041	3,641,074	4,578,663	4,770,891
Notes Receivable, Net	868,170	837,844	804,539	836,003	923,306
Noncurrent Assets, before Capital	3,769,899	4,086,979	4,533,483	5,478,352	5,769,250
Capital Assets, Net					
Land and Land Improvements	575,975	575,975	575,975	575,975	575,975
Buildings and Bldg. Improvements	49,766,510	61,113,897	59,372,905	57,923,236	55,719,584
Facilities & Other Improvements	1,053,782	956,148	1,174,908	1,068,387	2,345,373
Library Collections	1,456,150	1,433,287	1,378,325	1,331,431	1,296,074
Equipment	2,515,900	2,373,381	2,442,293	2,907,879	2,929,971
Capital Leases	28,827,429	51,307,410	49,111,876	46,916,342	80,653,598
Collections	45,344	43,963	42,580	41,198	39,817
Construction in Progress	-	-	1,943,168	1,667,082	6,706,586
Capital Assets, Net	84,241,090	117,804,061	116,042,030	112,431,530	150,266,978
TOTAL Noncurrent Assets	**88,010,989**	**121,891,040**	**120,575,513**	**117,909,882**	**156,036,228**
TOTAL ASSETS	**$ 97,379,182**	**$ 132,190,730**	**$ 134,498,284**	**$ 135,533,617**	**$ 172,392,506**
LIABILITIES:					
Current Liabilities:					
Accounts Payable	$ 569,600	$ 2,504,278	$ 1,252,973	$ 1,443,485	$ 883,722
Salaries Payable	246,136	207,861	37,947	339,632	246,248
Deposits	397,980	-	-	14,724	-
Deferred Revenue	389,879	523,747	568,650	846,714	848,705
Other Liabilities	-	282	267	550	1,177
Deposits Held for Other Organizations	1,036,753	1,191,917	1,270,621	1,181,494	1,416,876
Lease Purchase Obligations - current portion	173,346	226,358	461,329	571,351	1,276,302
Compensated Absenses - current portion	585,442	636,115	696,705	744,528	736,243
Total Current Liabilities	**3,399,136**	**5,290,558**	**4,288,492**	**5,142,478**	**5,409,273**
Noncurrent Liabilities:					
Lease Purchase Obligations	28,982,109	53,342,577	53,641,369	53,070,017	89,548,996
Compensated Absenses	725,328	724,963	820,168	838,001	820,068
Notes and Loans Receivable	-	-	-	-	6,706,586
Total Noncurrent Liablities	**29,707,437**	**54,067,540**	**54,461,537**	**53,908,018**	**97,075,650**
TOTAL LIABILITIES	**33,106,573**	**59,358,098**	**58,750,029**	**59,050,496**	**102,484,923**
NET ASSETS:					
Invested in Capital Assets, net of related c	55,085,635	64,235,126	61,939,332	58,790,162	52,735,094
Restricted - Nonexpendable	2,586,254	3,240,577	3,579,321	4,642,349	4,677,159
Restricted - Expendable	1,411,771	1,058,761	1,077,238	954,475	1,135,483
Unrestricted	5,188,949	4,298,168	9,152,364	12,096,135	11,359,847
TOTAL NET ASSETS	**64,272,609**	**72,832,632**	**75,748,255**	**76,483,121**	**69,907,583**
TOTAL LIABILITIES & NET ASSETS	**$ 97,379,182**	**$ 132,190,730**	**$ 134,498,284**	**$ 135,533,617**	**$ 172,392,506**

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

	2008	2009	2010	2011	2012
Operating Revenues:					
Student Tuition & Fees	$ 11,750,281	$ 13,912,811	$ 18,092,646	$ 22,200,417	$ 25,264,991
Scholarship Allowances	(5,384,832)	(7,667,874)	(10,660,680)	(13,134,564)	(14,850,731)
NET	**6,365,449**	**6,244,937**	**7,431,966**	**9,065,853**	**10,414,260**
Grants & Contracts:					
Federal (includes stimulus)	13,315,557	7,447,503	9,033,568	9,950,357	10,198,282
State	107,383	98,925	121,183	250,959	351,218
Other (Local, nongovernmental, etc.)	378,987	376,724	276,292	230,972	245,649
Sales & Services	348,107	161,135	210,562	835,791	744,460
Rents & Royalties	5,004	8,682	50,155	42,130	49,482
Auxiliary Enterprises:					
Residence Halls	4,464,020	8,240,776	9,975,351	10,387,930	12,489,948
Bookstore	108,770	76,207	325,831	264,685	357,677
Food Services	3,332,030	4,795,031	5,515,028	6,253,988	7,696,485
Parking/Transportation	5,722	268,361	547,453	641,503	645,833
Health Services	413,574	481,944	569,464	591,377	663,957
Intercollegiate Athletics	1,856,592	2,051,092	2,731,091	3,238,246	3,525,046
Other Organizations	18,539	22,592	25,753	36,427	37,088
Other Operating Revenues	73,667	66,588	106,818	155,634	179,352
TOTAL Operating Revenues	**30,793,401**	**30,340,497**	**36,920,515**	**41,945,852**	**47,598,737**
Operating Expenses:					
Faculty Salaries	8,343,305	9,469,824	10,025,487	11,272,746	11,202,482
Staff Salaries	13,486,063	14,422,543	14,880,770	16,498,006	16,875,234
Employee Benefits	6,627,341	7,151,324	7,276,903	8,308,835	8,349,972
Other Personal Services	368,040	420,591	387,421	415,061	368,304
Travel	567,919	467,375	548,630	682,974	867,102
Scholarships & Fellowships	3,826,020	4,023,342	6,174,419	6,824,220	6,005,163
Utilities	2,995,775	3,804,309	3,836,370	3,403,007	3,557,021
Supplies & Other Services	12,563,153	18,149,495	17,819,998	23,069,460	30,991,189
Depreciation	3,125,238	5,651,637	5,525,067	4,980,560	6,510,193
TOTAL Operating Expenses	**51,902,854**	**63,560,440**	**66,475,065**	**75,454,869**	**84,726,660**
OPERATING INCOME (LOSS)	**(21,109,453)**	**(33,219,943)**	**(29,554,550)**	**(33,509,017)**	**(37,127,923)**
Nonoperating Revenues (Expenses):					
State Appropriations	18,892,885	18,894,240	15,502,685	17,547,199	16,655,138
Federal Stimulus - Stabiliation Funds		190,831	3,105,050	-	-
Grants & Contracts					
Federal		8,879,787	13,818,499	16,148,607	16,332,106
State		-	25,221	11,400	-
Gifts	1,235,059	1,901,386	1,125,052	1,555,810	1,424,029
Investment Income	517,761	471,186	366,553	933,246	209,782
Interest Expense (capital assets)	(440,103)	(2,352,336)	(2,352,293)	(2,462,084)	(4,300,048)
Other Nonoperating Revenues (Expenses)	(35,755)	(713,243)	81,441	107,701	(74,925)
Net Nonoperating Rev. (Exp)	**20,169,847**	**27,271,851**	**31,672,208**	**33,841,879**	**30,246,082**
Income (Loss) Before Other	**(939,606)**	**(5,948,092)**	**2,117,658**	**332,862**	**(6,881,841)**
Revenues, Expenses, Gains, Losses					
Capital Grants & Gifts - State	**3,676,595**	**14,508,115**	**797,965**	**402,004**	**306,303**
INCREASE (DECREASE) IN NET ASSETS	**$ 2,736,989**	**$ 8,560,023**	**$ 2,915,623**	**$ 734,866**	**$ (6,575,538)**
Prior Period Adjustment	-	-	-	-	-
NET ASSETS - BEGINNING OF THE YEAR	61,535,620	64,272,609	72,832,632	75,748,255	76,483,121
NET ASSETS - END OF YEAR	**$ 64,272,609**	**$ 72,832,632**	**$ 75,748,255**	**$ 76,483,121**	**$ 69,907,583**

Statement of Cash Flows - Last Five Fiscal Years	2008	2009	2010	2011	2012
CASH FLOWS FROM OPERATING ACITIVIES					
Tuition and Fees	$ 5,932,710	$ 6,406,708	$ 8,027,694	$ 8,805,662	$ 10,944,591
Federal Appropriations	-	-	-	-	-
Grants and Contracts (Exchange)	14,173,243	7,241,186	9,066,787	10,666,837	11,017,460
Sales and Services	348,107	161,135	210,562	835,791	744,460
Payments to Suppliers	(22,949,915)	(28,395,125)	(29,904,312)	(35,591,776)	(44,676,680)
Payments to Employees	(21,591,367)	(23,926,150)	(24,700,988)	(27,543,093)	(28,228,341)
Payments for Scholarships and Fellowships	(3,826,020)	(4,023,342)	(7,184,958)	(6,824,220)	(6,005,163)
Loans Issued to Students and Employees	(49,300)	-	-	(31,464)	(87,303)
Collection of Loans to Students and Employees	-	30,326	33,306	-	-
Auxiliary Enterprise Charges:					
Residence Halls	4,990,726	8,392,005	8,363,905	10,292,357	12,157,435
Bookstore	108,770	76,207	325,831	264,685	358,039
Food Services	3,213,671	4,823,281	5,573,817	6,216,811	7,693,380
Parking/Transportation	5,722	278,815	482,484	610,820	604,005
Health Services	407,875	495,916	552,520	591,571	664,923
Intercollegiate Athletics	1,853,280	2,027,495	2,685,513	3,224,590	3,487,385
Other Organizations	(152,460)	22,873	25,175	36,607	37,206
Other receipts (payments)	(60,215)	1,041,457	(669,151)	(718,642)	1,530,386
Net Cash Provided (Used) by Operating Activities	**(17,595,173)**	**(25,347,213)**	**(27,111,815)**	**(29,163,464)**	**(29,758,217)**
CASH FLOWS FROM NON-CAPITAL FINANCING ACITIVITIES					
State Appropriations	18,892,885	18,894,240	15,502,685	17,547,199	16,655,138
Federal Stimulus - Stabilization Funds		190,831	3,105,050	(71,244)	-
Agency Funds Transactions	181,998	155,164	86,636	-	246,144
Gifts and Grants Received for Other Than Capital Purposes	1,235,058	10,781,173	14,968,771	17,715,818	17,756,135
Other Nonoperating Receipts (Disbursements)	-	-	-	-	-
Net Cash Flow Provided by Non-capital Financing Activities	**20,309,941**	**30,021,408**	**33,663,142**	**35,191,773**	**34,657,417**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Gifts and Grants Received	3,676,595	984,136	364,090	334,235	306,303
Proceeds from Sale of Capital Assets	75,603	-	-	-	-
Purchases of Capital Assets	(5,489,938)	(1,917,727)	(3,447,593)	(1,218,337)	(812,165)
Principal Paid on Capital Debt and Leases	(73,750)	(173,346)	533,763	(461,330)	(571,351)
Interest Paid on Capital Debt and Leases	(440,103)	(2,352,336)	(2,352,293)	(2,462,084)	(3,460,092)
Net Cash used by Capital and Related Financing Activities	**(2,251,593)**	**(3,459,273)**	**(4,902,033)**	**(3,807,516)**	**(4,537,305)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sales and Maturities of Investments	420,063	516,916	191,941	457,811	31,488
Interest on Investments	625,832	283,878	57,179	475,435	178,294
Purchase of Investments	(840,126)	(776,186)	(170,891)	(892,101)	(194,514)
Net Cash Provided (Used) by Investing Activities	**205,769**	**24,608**	**78,229**	**41,145**	**15,268**
Net Increase/Decrease in Cash	**668,944**	**1,239,530**	**1,727,523**	**2,261,938**	**377,163**
Cash & Cash Equivalents - Beginning of Year	**2,899,571**	**5,403,753**	**6,643,283**	**8,370,806**	**10,632,744**
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 3,568,515**	**$ 6,643,283**	**$ 8,370,806**	**$ 10,632,744**	**$ 11,009,907**

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

	2008	2009	2010	2011	2012
Operating Revenues:					
Net Student Tuition & Fees	6,365,449	6,244,937	7,431,966	9,065,853	10,414,260
Grants & Contracts	13,801,927	7,923,152	9,431,043	10,432,288	10,795,149
Sales & Services	348,107	161,135	210,562	835,791	744,460
Rents & Royalties	5,004	8,682	50,155	42,130	49,482
Auxiliary Enterprises	10,199,247	15,936,003	19,689,971	21,414,156	25,416,034
Other Operating Revenues	73,667	66,588	106,818	155,634	179,352
TOTAL Operating Revenues	**30,793,401**	**30,340,497**	**36,920,515**	**41,945,852**	**47,598,737**
Operating Expenses:					
Personal Services	28,824,749	31,464,282	32,570,581	36,494,648	36,795,992
Supplies, Services, Utilities, Travel	16,126,847	22,421,179	22,204,998	27,155,441	35,415,312
Scholarships & Fellowships	3,826,020	4,023,342	6,174,419	6,824,220	6,005,163
Depreciation	3,125,238	5,651,637	5,525,067	4,980,560	6,510,193
TOTAL Operating Expenses	**51,902,854**	**63,560,440**	**66,475,065**	**75,454,869**	**84,726,660**
OPERATING INCOME (LOSS)	**(21,109,453)**	**(33,219,943)**	**(29,554,550)**	**(33,509,017)**	**(37,127,923)**
Nonoperating Revenues (Expenses):					
State Appropriations	18,892,885	18,894,240	15,502,685	17,547,199	16,655,138
Federal Stimulus - Stabiliation Funds		190,831	3,105,050	-	-
Grants & Contracts, and Gifts	1,235,059	**10,781,173**	**14,968,772**	**17,715,817**	**17,756,135**
Net Investment Income (Interest Expense)	77,658	(1,881,150)	(1,985,740)	(1,528,838)	(4,090,266)
Other Nonoperating Revenues (Expenses)	(35,755)	(713,243)	81,441	107,701	(74,925)
Net Nonoperating Rev. (Exp)	**20,169,847**	**27,271,851**	**31,672,208**	**33,841,879**	**30,246,082**
Income (Loss) Before Capital Grants & Gifts	**(939,606)**	**(5,948,092)**	**2,117,658**	**332,862**	**(6,881,841)**
Capital Grants & Gifts - State	3,676,595	14,508,115	797,965	402,004	306,303
INCREASE (DECREASE) IN NET ASSETS	**$ 2,736,989**	**$ 8,560,023**	**$ 2,915,623**	**$ 734,866**	**$ (6,575,538)**
Prior Period Adjustment	-	-	-	-	-
NET ASSETS - BEGINNING OF THE YEAR	61,535,620	64,272,609	72,832,632	72,832,632	75,748,255
NET ASSETS - END OF YEAR	**$ 64,272,609**	**$ 72,832,632**	**$ 75,748,255**	**$ 73,567,498**	**$ 69,172,717**

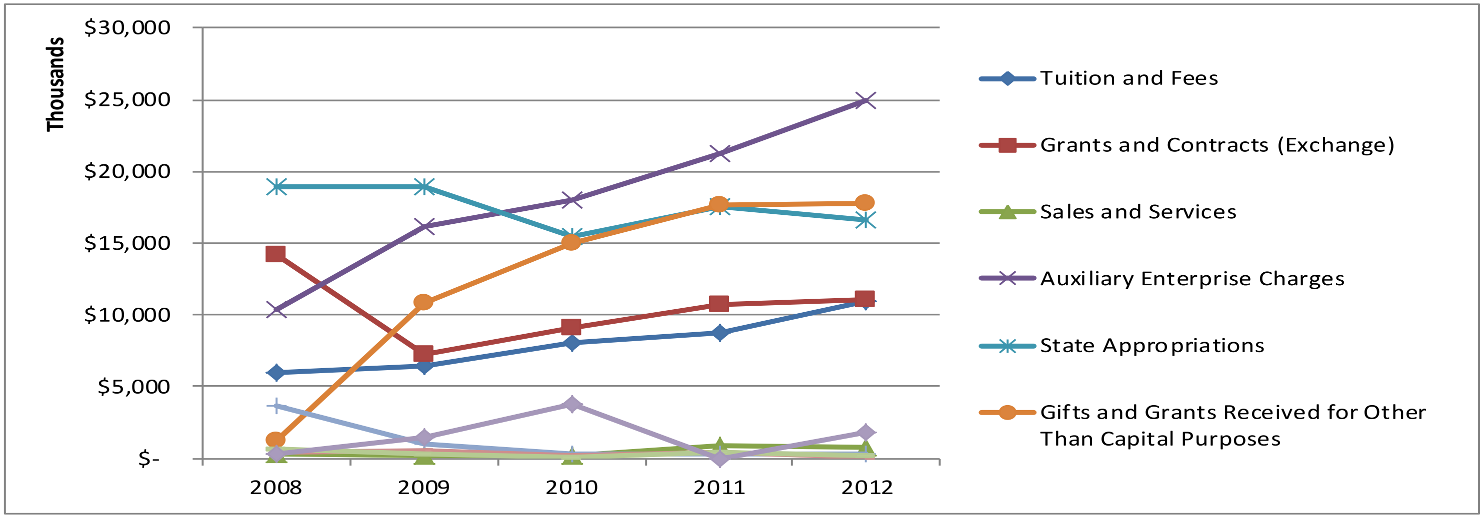
Condensed Statement of Net Assets - Last Five Fiscal Years

	2008	2009	2010	2011	2012
ASSETS:					
Current Assets	9,368,193	10,299,690	13,922,771	17,623,735	16,356,278
Noncurrent Assets (excluding Capital)	3,769,899	4,086,979	4,533,483	5,478,352	5,769,250
Capital Assets, Net	84,241,090	117,804,061	116,042,030	112,431,530	150,266,978
TOTAL ASSETS	**97,379,182**	**132,190,730**	**134,498,284**	**135,533,617**	**172,392,506**
LIABILITIES:					
Current Liabilities	3,399,136	5,290,558	4,288,492	5,142,478	5,409,273
Noncurrent Liabilities	29,707,437	54,067,540	54,461,537	53,908,018	97,075,650
TOTAL LIABILITIES	**33,106,573**	**59,358,098**	**58,750,029**	**59,050,496**	**102,484,923**
NET ASSETS:					
Invested in Capital Assets, net of related debt	55,085,635	64,235,126	61,939,332	58,790,162	52,735,094
Restricted - Nonexpendable	2,586,254	3,396,519	3,579,321	4,642,349	4,677,159
Restricted - Expendable	1,411,771	902,819	1,077,238	954,475	1,135,483
Unrestricted	5,188,949	4,298,168	9,152,364	12,096,135	11,359,847
TOTAL NET ASSETS	**64,272,609**	**72,832,632**	**75,748,255**	**76,483,121**	**69,907,583**
TOTAL LIABILITIES & NET ASSETS	**97,379,182**	**132,190,730**	**134,498,284**	**135,533,617**	**172,392,506**
			-	-	-

	2008	2009	2010	2011	2012
Tuition and Fees	$ 5,932,710	$ 6,406,708	$ 8,027,694	$ 8,805,662	$ 10,944,591
Grants and Contracts (Exchange)	14,173,243	7,241,186	9,066,787	10,666,837	11,017,460
Sales and Services	348,107	161,135	210,562	835,791	744,460
Auxiliary Enterprise Charges	10,427,584	16,116,592	18,009,245	21,237,441	25,002,373
State Appropriations	18,892,885	18,894,240	15,502,685	17,547,199	16,655,138
Gifts and Grants Received for Other Than Capital Purposes	1,235,058	10,781,173	14,968,771	17,715,818	17,756,135
Capital Gifts and Grants Received	3,676,595	984,136	364,090	334,235	306,303
Proceeds from Sales and Maturities of Investments	420,063	516,916	191,941	457,811	31,488
Interest on Investments	625,832	283,878	57,179	475,435	178,294
OTHER (other operating, agency, federal stimulus, etc.)	257,601	1,417,778	3,758,755	-	1,776,530
	$ 55,989,678	**$ 62,803,742**	**$ 70,157,709**	**$ 78,076,229**	**$ 84,412,772**

	2008	2009	2010	2011	2012
Payments to Suppliers	$ 22,949,915	$ 28,395,125	$ 29,904,312	$ 35,591,776	$ 44,676,680
Payments to Employees	21,591,367	23,926,150	24,700,988	27,543,093	28,228,341
Payments for Scholarships and Fellow ships	3,826,020	4,023,342	7,184,958	6,824,220	6,005,163
Purchases of Capital Assets	5,489,938	1,917,727	3,447,593	1,218,337	812,165
Principal Paid on Capital Debt and Leases	73,750	173,346	-	461,330	571,351
Interest Paid on Capital Debt and Leases	440,103	2,352,336	2,352,293	2,462,084	3,460,092
Purchase of Investments	840,126	776,186	170,891	892,101	194,514
OTHER (other operating, agency, federal stimulus, etc.)	109,515	-	669,151	821,350	87,303
	$ 55,320,734	**$ 61,564,212**	**$ 68,430,186**	**$ 75,814,291**	**$ 84,035,609**
NET CHANGE IN CASH	**$ 668,944**	**$ 1,239,530**	**$ 1,727,523**	**$ 2,261,938**	**$ 377,163**

See Graphs on Next Page



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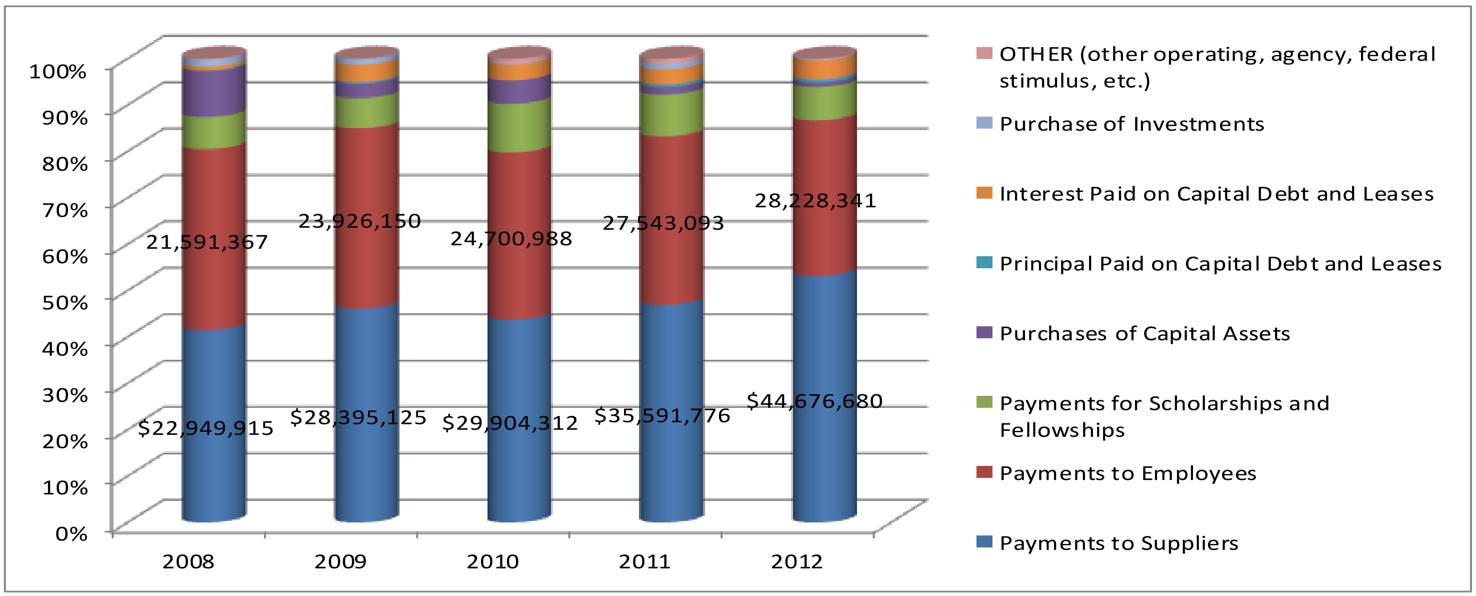
Tuition and Fees
Grants and Contracts (Exchange)
Sales and Services
Auxiliary Enterprise Charges
State Appropriations
Gifts and Grants Received for Other Than Capital Purposes



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2008
2009
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2012
OTHER (other operating, agency, federal stimulus, etc.)
Purchase of Investments
Interest Paid on Capital Debt and Leases
Principal Paid on Capital Debt and Leases
Purchases of Capital Assets
Payments for Scholarships and Fellowships
Payments to Employees
Payments to Suppliers

For any questions regarding the development of these ratios, please contact Mary H. Loomis, CPA, Comptroller, Savannah State University, MLoomis@SavannahState.edu.

Resources:

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