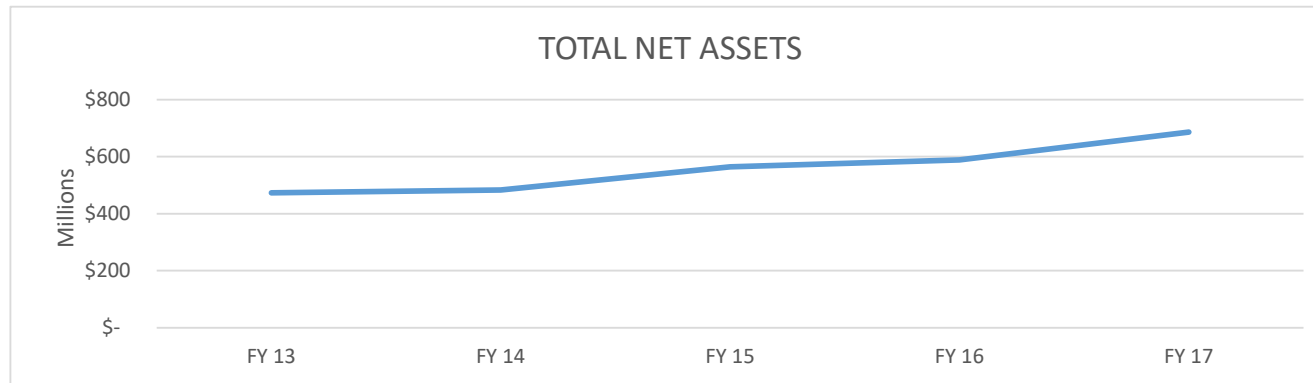


Sam Houston State University
Financial Statement Analysis
as of August 31, 2017

- ❖ Sam Houston State University prepares financial statements in accordance with the guidelines set forth by the Texas State University System and the Texas Comptroller's Office. These statements are prepared in a timely manner each year.
- ❖ Total net assets, an indication of overall worth, have been increasing over the past 5 years with a 14% increase in FY 17 alone. This shows sound fiscal management and a reinvestment into the capital assets of the institution.
- ❖ Unrestricted net assets have increased over the past 5 years. Unrestricted net assets are also shown adjusted for the compensable absences that were reported for each year. It is appropriate to adjust for the compensable absences since these are unbudgeted liabilities that do not presently affect operational resources. When unrestricted net assets are viewed with this lens, you can see that SHSU has had almost a 25% increase in unrestricted net assets (adjusted for compensable absences).
- ❖ Current ratio is a liquidity and efficiency ratio that measures a firm's ability to pay off its short-term liabilities with its current assets. The current ratio is viewed as an important measure of liquidity because short-term liabilities are due within the next year. While SHSU's ratio does show some variation, it is stable and reflects appropriate stability balanced with efficient use of current assets.
- ❖ Revenues available for operations (operating and non-operating) were sufficient to meet expenses in the fiscal years show. There is a visible variation in fiscal year 2015, this is due to a substantial decline in the fair value of pledged investments. When depreciation is added back into the operational bottom line, a surplus of \$49.9 million dollars is seen in FY 2017.
- ❖ Cash flows related to operations reinforce the results of the operational "bottom line." Cash flows have been increasing over the past five years with the exception of fiscal year 15.
- ❖ SHSU has seen a substantial increase in noncapital appropriations from the state of Texas over the past five years. This has led to stronger bottom lines and cash flows.
- ❖ Cash equivalents have decreased over the past five years with an abnormal peak in fiscal year 2015. SHSU is in a phase of expansion and investment in capital assets. This is evidenced by the increase in acquisition and construction of capital assets. During fiscal year 2015, SHSU had a substantial sell of bonds for construction that resulted in a temporary escalation of cash and cash equivalents. In the years following this, the amount of cash and cash equivalents has returned to normal operating levels.
- ❖ SHSU has seen an increase in the state capital appropriations and the tuition revenue bonds which validate the state's on-going support of SHSU.
- ❖ SHSU has experienced steady increases in net tuition year over year.

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	FY 13	FY 14	FY 15	FY 16	FY 17
Unrestricted Net Assets	62,987,038	77,170,321	73,773,040	74,564,082	83,958,508
Temporarily Restricted Net Assets	72,433,879	48,900,704	117,274,137	74,328,630	85,969,756
Permanently Restricted Net Assets	44,794,983	60,760,157	69,107,671	64,355,361	66,928,874
Capital Assets, net	293,101,254	296,448,774	304,656,720	375,940,497	449,432,126
Total Net Assets	\$ 473,317,154	\$ 483,279,956	\$ 564,811,568	\$ 589,188,570	\$ 686,289,264



Total net assets are increasing over time. Institution shows growth. Increase in FY 2017 is 14%.

	FY 13	FY 14	FY 15	FY 16	FY 17
Unrestricted Net Assets	62,987,038	77,170,321	73,773,040	74,564,082	83,958,508
Add Back Compensated Absences- Current	2,691,164	3,436,140	4,028,591	3,400,679	3,538,036
Add Back Compensated Absences - noncurrent	2,371,201	2,283,212	2,528,032	2,865,776	2,915,186
Unrestricted Net Assets w/o compensated absences	\$ 68,049,403	\$ 82,889,674	\$ 80,329,664	\$ 80,830,537	\$ 90,411,730

	FY 13	FY 14	FY 15	FY 16	FY 17
Current Assets	202,863,603	205,798,355	253,532,035	222,673,138	224,515,291
Current Liabilities	117,479,380	125,037,335	114,084,666	130,046,478	140,419,879
Current Ratio	1.73	1.65	2.22	1.71	1.60

	FY 13	FY 14	FY 15	FY 16	FY 17
Operating Revenues	183,690,525	187,560,446	198,628,481	214,460,861	220,713,993
Add Non operating Revenues	87,493,564	98,935,606	91,566,744	114,954,541	127,024,416
Less Operating Expenses	(260,500,942)	(276,309,086)	(290,159,448)	(300,814,303)	(320,155,657)
Income Before Other Rev, Exp, Gains, Loss	\$ 10,683,147	\$ 10,186,966	\$ 35,777	\$ 28,601,099	\$ 27,582,751

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	FY 13	FY 14	FY 15	FY 16	FY 17
Add back depreciation expense	20,416,269	20,615,757	20,945,810	21,484,682	22,382,744
Operational "Bottom Line" w/o depreciation	\$ 31,099,416	\$ 30,802,723	\$ 20,981,587	\$ 50,085,782	\$ 49,965,496

	FY 13	FY 14	FY 15	FY 16	FY 17
Cash flows from operations	(52,721,713)	(53,295,837)	(79,788,181)	(54,222,729)	(87,572,395)
Noncapital cashflows	83,676,619	91,302,630	92,055,383	114,181,195	130,977,402
Cash flows related to operations	\$ 30,954,906	\$ 38,006,794	\$ 12,267,202	\$ 59,958,466	\$ 43,405,007

	FY 13	FY 14	FY 15	FY 16	FY 17
State Noncapital Appropriations	\$ 50,168,358	\$ 54,492,800	\$ 56,025,048	\$ 68,106,788	\$ 69,995,719
(included in noncapital flows)					

	FY 13	FY 14	FY 15	FY 16	FY 17
Cash and Equivalents	126,971,352	136,358,770	185,788,188	125,158,573	108,854,941
Accounts Payable	11,403,875	7,714,231	3,756,913	13,452,052	15,389,374

	FY 13	FY 14	FY 15	FY 16	FY 17
State Capital Appropriations	11,893,110	11,893,110	11,893,110	11,553,239	17,329,858
Tuition Revenue Bonds Appropriations	2,665,405	2,672,584	2,527,192	2,529,619	6,240,413
Acquisition and Construction of Capital Assets	(10,133,797)	(22,850,608)	(29,153,757)	(93,145,112)	(95,994,719)
Principal Paid Capital Debt and Leases	(8,054,825)	(7,945,323)	(8,457,007)	(10,178,069)	(15,290,936)
Interest Paid Capital Debt and Leases	(7,113,138)	(6,911,171)	(6,744,438)	(9,515,473)	(9,318,917)

	FY 13	FY 14	FY 15	FY 16	FY 17
Tuition, gross	157,489,308	160,841,846	180,384,044	194,070,477	203,215,525
Less Scholarship Allowances	(41,541,479)	(40,123,459)	(50,203,887)	(56,701,765)	(51,066,372)
Tuition, net	\$ 115,947,829	\$ 120,718,387	\$ 130,180,157	\$ 137,368,712	\$ 152,149,153