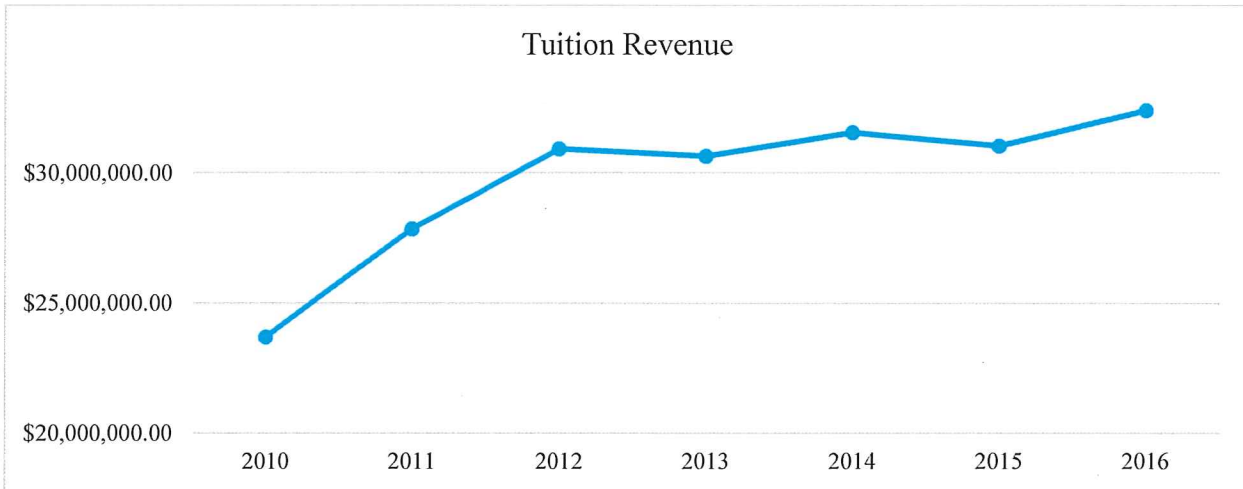


Armstrong State University's Financial Health (as of January 2017)

Armstrong's financial health is strong. New student enrollment, continuing student retention, and a favorable split of summer revenues resulted in tuition revenue increasing by \$3,900,000 (GASB basis) in FY2016.

Armstrong Tuition Revenue Trend as of 30 June (Actuals Ledger)

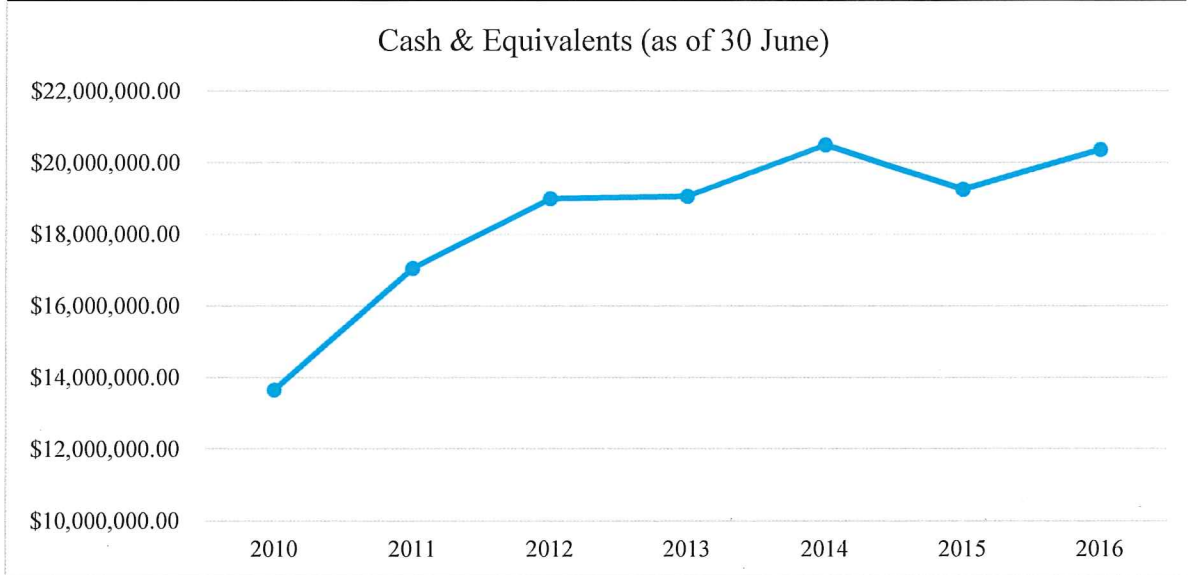
2010	2011	2012	2013	2014	2015	2016
\$23,704,695	\$27,862,050	\$30,939,674	\$30,657,672	\$31,569,139	\$31,050,674	\$32,416,516



The University's cash position increased by \$1,100,000 from year end FY15 to year end FY16, net position increased by \$3,800,000, and auxiliary reserve balances increased by \$1,500,000. The University's cash position has grown substantially over the past several years (see chart below) and as of 31 Dec 2016 stood at \$23.4M which is \$2.6M increase over the prior year and \$3.5M more than in FY15.

Armstrong Cash Balance Trend (as of 30 June)

2010	2011	2012	2013	2014	2015	2016
\$13,654,300	\$17,056,721	\$18,997,880	\$19,059,207	\$20,498,937	\$19,260,269	\$20,371,530



In addition to strong revenue and cash position growth, the University has maintained its physical plant and prudently managed its debt funded properties and auxiliary operations.

The university proactively addresses its deferred maintenance backlog by supplementing state-provided MRR funding which has resulted well maintained campus facilities.

Recent refinancing of the university’s debt-financed Public Private Ventures (PPV) has generated significant cash flow savings and allows these projects to operate sustainably with minimal need for student fee increases for the life of the existing debt. The FY16 refinancing of the Armstrong Center and Student Recreation center saved \$3.2M (cash flow basis) and the FY17 refinancing of the Student Union saved \$6.0M. By taking advantage of the historically low interest rates, the University has put all of its remaining PPV’s on sound and sustainable financial footing.

The university’s auxiliary enterprises (housing, dining, bookstore, etc.) are consistently profitable and allow the university to minimize student fee increases, to make capital improvements to auxiliary properties, and to maintain a sizeable cash reserve available for other university purposes.

Source: Armstrong State University Office of the Vice President for Business and Finance.

Available at <https://www.armstrong.edu/administration/business-finance>