

3.10.1 The institution's recent financial history demonstrates financial stability.
(Financial stability)

Justification of Compliance

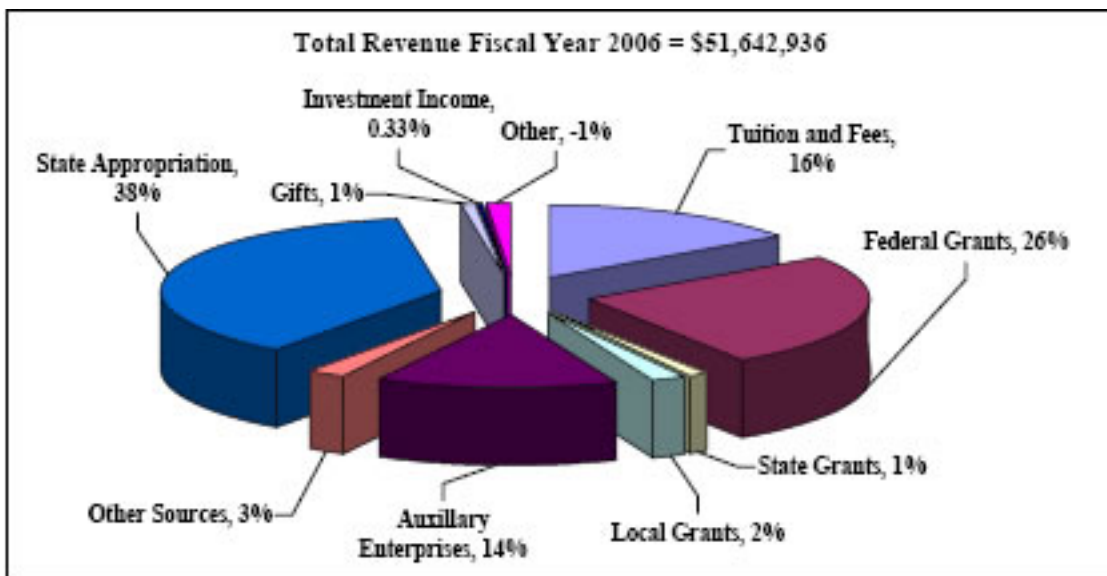
Compliance

Narrative

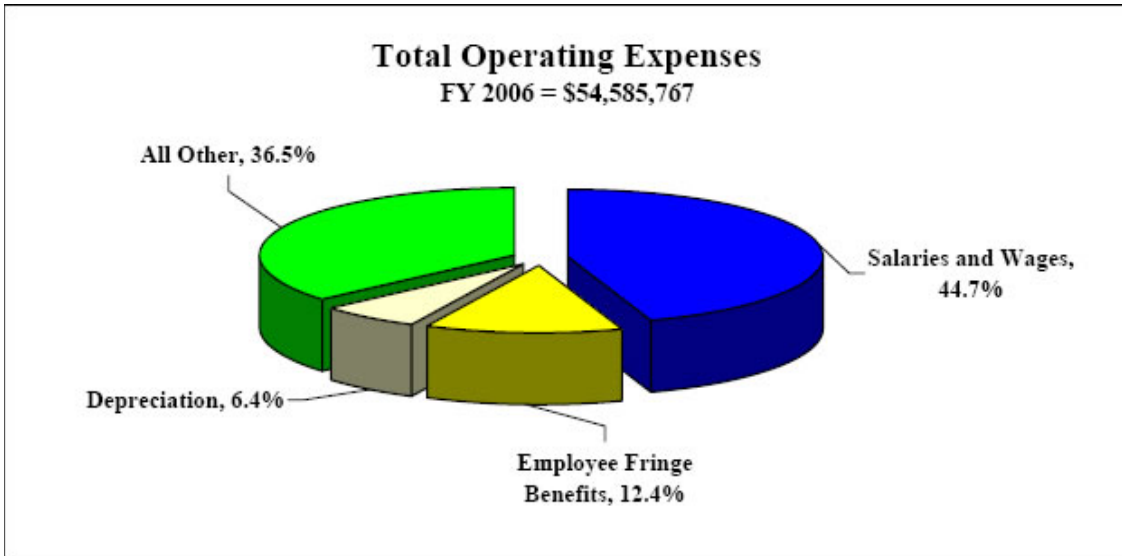
Albany State University's financial resources are sufficient when related to the University's size and scope. Our budgets and financial reports demonstrate financial stability—showing that despite facing normal budget constraints, the University has consistently operated with a balanced budget, while improving its financial flexibility.

Albany State University, as a unit of the University System of Georgia, receives more than two thirds of its Education and General budget and over one third of its total budget [1] from state appropriations. State funds are allocated to the university on the basis of a funding formula [2] as a part of the overall allocation for the 35 institutions comprising the University System. State Budget allocations for fiscal years 2007 [3a] and 2008 [3b] are representative of the University's recent financial history. E&G revenues are enhanced by tuition and fees, and other sources, such as sales and services, grants, endowments, and interest on investments. In recent years, the Georgia Board of Regents has consistently approved student tuition increases [4] as a means of balancing the impact of appropriation growth. Our June 30, 2006 audited financial statements [5] show that our current assets exceed our current liabilities and that our unrestricted net assets are growing. The increase in our unrestricted net assets by 475% between June 30, 2005 and June 30, 2006, resulted in an improvement of our current ratio from 1.2 to 1.5.

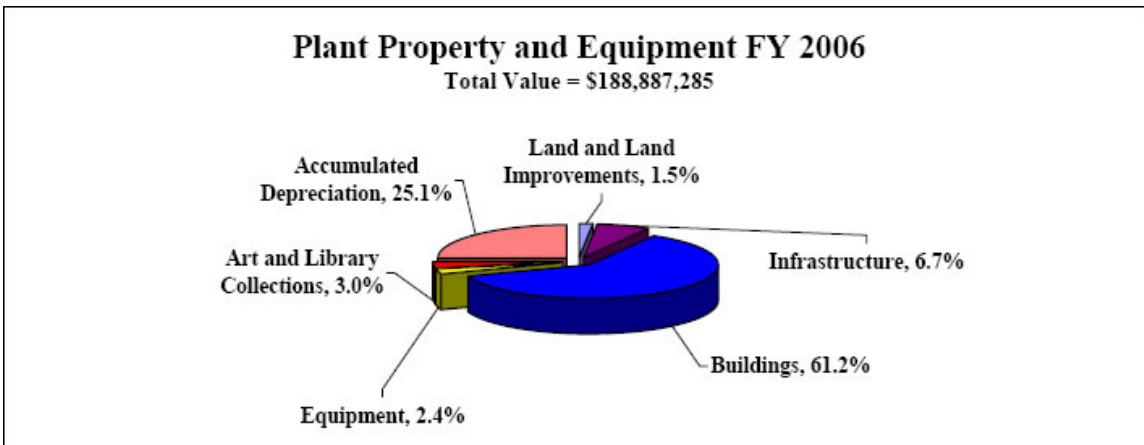
FY 2006 Revenue chart:



FY 2006 Expenses Chart:



FY 2006 Assets Chart:



In compliance with Georgia law, we continually maintain a balanced budget. The University controls and accounts for state appropriations along with other resources by using budget controls within its accounting system [\[6\]](#) in accordance with the guidelines established in the *Board of Regents Policy Manual* (see § 700 et.seq.) [\[7\]](#).

Our annual financial and compliance audit reports show a continued improvement [\[8\]](#) in financial management. We have progressed from no audit opinion in FY 2005 to a qualified audit opinion in FY 2006, with every expectation of an unqualified opinion in FY 2007.

Up through FY2006 we have not had significant endowments on the university's books and, therefore, have not needed to develop an endowment spending policy. Also, as a

public institution we have relied on state or federal funding for capital projects and, therefore, have not committed to significant short term or long term debt.

Supporting Documentation

- [1] [total budget](#)
- [2] [funding formula](#)
- [3a] [fiscal year 2007](#)
- [3b] [fiscal year 2008](#)
- [4] [student tuition increases](#)
- [5] [June 30, 2006 audited financial statements](#)
- [6] [budget controls within its accounting system](#)
- [7] [*Board of Regents Policy Manual*](#)
- [8] [continued improvement](#)

Supplemental Evidence

[FY 2007-2008 budget](#)

[FY 2006-2007 budget](#)

[June 30, 2006 Audited Financial Statements](#)

[June 30, 2005 Audited Financial Statements](#)

[June 30, 2004 Audited Financial Statements](#)

[Revenue Trends](#)

[Expenditure Trends](#)

[Plant Trends](#)

[Enrollment Trends](#)

[Summary of State Audit Findings](#)

[Current Summary of FY2006 Findings](#)

[BOR Budget Policy](#)

[FY 2007 Budget Details](#)