

13.3

Financial Responsibility

The institution manages its financial resources in a responsible manner.

Judgment

☒ Compliant ☐ Non-Compliant ☐ Not Applicable

Narrative

Off-Site Committee Report

The institution has provided insufficient evidence in support of its case for compliance with this standard. As described in the *Resource Manual*, "Institutions have obligations to the public, to government entities, and to current and future students to responsibly manage their finances. This standard boils down to two questions: Is the institution operating within its means? Are its fiscal activities sustainable?" Although the institution appears to have taken strong and appropriate management practices and fiscal discipline into the process of merging with Darton State College, real questions remain when it comes to fiscal sustainability.

Specifically, enrollment issues appear to be central to many of the challenges facing the institution. The merger with Darton State College bolstered overall enrollment on a one-time basis, but it is unclear if the newly combined institution will be able to sustain or grow enrollment. Due to the importance of this issue, information regarding fall 2019 enrollment is needed in order to better understand the success of the many efforts underway. Additional narrative regarding enrollment plans should also be provided along with how the institution would handle ongoing enrollment challenges.

Focus Report Response

Albany State University (ASU) has placed significant efforts towards stabilizing enrollment. Through consolidation, ASU was able to eliminate duplicate administrative positions and reinvest those funds into increased faculty and improved student support services. Focused on strengthening ASU for long-term success, major new initiatives and reinvestment have centered on three critical areas: student experience, curriculum redesign and enrollment management.

One of the reasons for Albany State's consolidation with Darton State College was declining enrollment on both campuses. Prior to consolidation, the combined fall enrollments of the two institutions declined 24.9% from fall of 2014 to fall of 2016. Since consolidation, as demonstrated in table 1 below, the rate of enrollment decline has decreased and is now beginning to stabilize. From Fall 2017 to Fall 2018, there was a 3.7% decrease in overall enrollment and a 3.9% in the subsequent year (fall 2018 to fall 2019). Furthermore, as demonstrated in table 2 below, spring enrollment actually increased slightly both from 2018 to 2019 and from 2019 to 2020. This positive trend can also be noted in summer enrollment which increased 4.6% from 2018 to 2019.

Table 1. Fall 2017 - Fall 2019 Enrollment Trends

| Albany State University | 2017 | 2018 | 2019 |
|-------------------------|-------|-------|-------|
| Enrollment | 6,615 | 6,371 | 6,122 |
| One-Year % Change | -7.6% | -3.7% | -3.9% |

Table 2. Spring 2017 - Spring 2020 Enrollment Trends

| Albany State University | 2017* | 2018 | 2019 | 2020 |
|------------------------------|-------|--------|-------|-------|
| Enrollment | 7,354 | 5,729 | 5,737 | 5,763 |
| One-Year % Change | -6.9% | -22.1% | 0.1% | 0.4% |
| * Combined Data of ASU & DSC | | | | |

Table 3. Summer 2017 - Summer 2019 Enrollment Trends

| Albany State University | 2017 | 2018 | 2019 |
|--------------------------------|--------------|--------------|--------------|
| Enrollment | 2,847 | 2,475 | 2,540 |
| One-Year % Change | -22.4% | -13.1% | 4.6% |

A visual depiction of this stabilizing enrollment trend can be seen in the following charts which illustrate enrollment by both headcount and FTE since consolidation.

Chart 1.

Headcount: Fall 2017 – Spring 2020

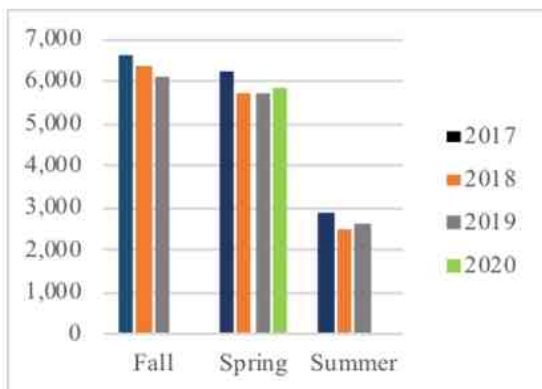
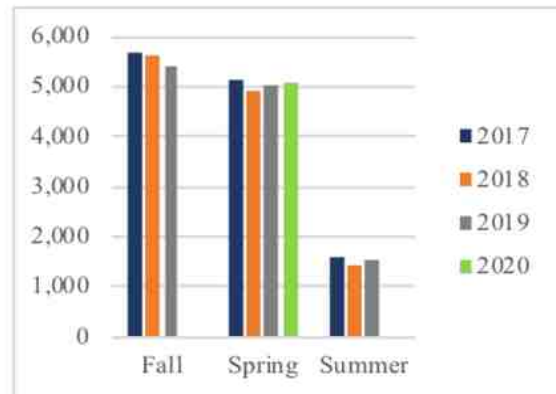


Chart 2.

FTE: Fall 2017 – Spring 2020



Additionally encouraging is that credit hour production has leveled out. This can be attributed to a state program that began in FY 18. The part of this program, referred to as “momentum year”, that defaults new incoming students into 15 credit hours caused an increase in credit hour production that was fully realized in FY 19. The state Appropriations funding formula is enrollment based, but specifically uses credit hour generation as a measure. The fact that from fiscal year 2018 to fiscal year 2019 credit hour generation decreased by an insignificant 48 credit hours additionally supports the assertion that enrollment and therefore funding from the state has flattened out and is reaching a more stable position. [01]

Many efforts have been initiated to bolster enrollment. The institution filled several vacant key leadership positions and a permanent president was hired in 2018. The University System Office provided guidance and both financial and system experts resources to assist ASU during the transition. [03]

ASU has identified two major factors that have impacted enrollment: limited availability of on-campus housing and limited supply of local, off-campus student housing; and a decline in retention and persistence rates for returning students.

In an effort to address the inadequate housing needs the University has provided, when asked, information to developers. That has yielded increased interest in private development housing and a private 217 bed facility adjacent to the campus is under construction and is scheduled to be completed by Fall 2020. This will help increase the ability of student to secure housing and therefore assist with enrollment.

The institution has implemented many strategies as described below to address the decline in retention rates, and has realized an increase in fall-to-fall retention rate of first-time full-time freshmen. The retention rate has increased six percentage points from 55.4% to 62.1% (fall 2018 to fall 2019).

In addition to the efforts to improve enrollment the University continues to look for efficiencies in its operations. Albany State University is in the final stages of a system initiative referred to as the Comprehensive Administrative Review (CAR). The process has required a deep review of all administrative areas of the University and yielded recommendations related to improvements of organizational Structures and related process improvements. The draft report from this project has been shared with the university system office for review and feedback. As currently written the report includes recommendations that would eliminate 30.5 positions and reduce redundancies and inefficiencies still in place since the consolidation and will generate savings of \$1,593,154.00. Of these savings, \$945,000 will be reinvested into 14 positions, primarily in areas designed to improve student success. The additional savings of \$648,154.00 will be retained to rebuild the University’s reserves.

ASU has an enrollment plan with efforts to identify, recruit, enroll, retain and graduate a student body that aligns to the mission and goals while also maintaining fiscal sustainability. ASU has developed strategies in four areas to increase enrollment: increasing communication to prospective students by the use bi-weekly email communications, calling campaigns and text messaging campaigns; increasing the reach and impact of high school recruiting by scheduling ASU days and on-site

acceptance at various high schools; increasing international student enrollment; Presidential Bus Tours (PBT) offering on-site acceptance during both spring and fall terms and creating a more effective orientation program.

The following enrollment management strategies are currently employed at assist with increasing enrollment:

| Enrollment Management Strategies | | |
|---|---|--|
| Strategy | Description | Actual/Anticipated Result |
| ASU Days/Presidential Bus Tours (Recruitment) | <p>Designed to share an up-close look at ASU in an effort to recruit the best and brightest students in our local school districts and other targeted regions. The tours include the recruitment team, student ambassadors, faculty, staff, and alumni.</p> <p>Additionally, we focused on replacing our high school lunch room visits with ASU Days that focus on information sessions, application completion, onsite acceptances, and financial information.</p> | The 2019 Presidential Bus Tour included 4 schools and yielded 140 onsite acceptances and additional applications were submitted after the conclusion of the event. The 2020 Presidential Bus Tour is expanding the number of visits to include 10 schools. |
| Alumni Recruitment Program (Recruitment) | The Office of Admissions and Recruitment collaborated with the ASU National Alumni Association to create an alumni volunteer recruitment program in which alumni represent the University across the country at local college fairs, high school visits and other recruitment programs. All of our recruitment opportunities for the recruitment season are published on our online recruitment calendar and accessible to the public to assist with identification of resources to support the events. | Since its initiation in Summer 2019, the program has allowed ASU to have a presence at events where our limited campus resources would not have supported attendance. |
| Presidential Scholars Program (Recruitment and Retention) | The program targets recruitment of high school seniors with superior academic achievement and a commitment to service. ASU will continue hosting recruitment receptions across the state and border states to share information and answer questions with/from prospective students and their families. The ASU Foundation has identified funding for the Presidential Scholars Program. | Recruitment for this program began during the Spring 2020 semester and the inaugural cohort will start Fall 2020 semester. |
| | | |

| | | |
|---|--|---|
| Targeted Marketing – High Ability Students (Recruitment) | Enhanced marketing strategy focused on purchasing contact information and production of marketing mailers to target high ability students (based on top 10% of high school and defined ACT/SAT test scores). The focus will be on targeted Georgia regions and border states. | We will begin targeted marketing efforts during the Spring 2020 semester, pending the completion of new marketing materials and the purchase of names from College Board. |
| Golden Rams Retention Grant (Retention) | We recognized that each semester, hundreds of qualified students were being dropped from their classes for lack of payment. In conjunction with the ASU Foundation, we provide micro grants to students each semester to help cover modest financial shortfalls affecting the students' ability to pay tuition and fees and prevents them from stopping their studies or dropping out. | During the 2018-2019 academic year, the ASU Foundation assisted 389 students by awarding a total of \$238,757.94, with an average award of \$614. For Fall 2019, the ASU Foundation has already assisted 221 students with awards totaling \$104,388.06, with an average award of \$472. |
| Local Scholars Grant (Recruitment) | As a part of the Presidential Bus Tours to the local school districts, the ASU Foundation offers students, that submit their transcripts and receive conditional onsite admission acceptance, varying grant amounts based on their final high school GPA if their attend ASU. | In Fall 2019, 23 students who enrolled received the grant. |
| ASU to Atlanta (Recruitment and Retention) | During the spring semester, staff from Enrollment Management traveled to Atlanta to assist students with financial aid and other enrollment services for students that have been accepted to ASU and have outstanding enrollment matters. | During the Spring 2019 semester, we assisted over 200 students and their families with enrollment needs. |
| Summer Success Academy (Recruitment and Retention) | Six-week comprehensive program of orientation and academic support designed to ease the transition from high school to college while building a solid academic foundation. | The inaugural Summer 2019 cohort included 39 students. 95% of the students successfully completed the program and returned to ASU for the Fall 2019 semester. |

The institution is operating within its means, consistently balances its annual budget (see Statement 2 below), and is fiscally sustainable. The University has maintained financial stability through the challenging environment of consolidations and enrollment declines.

The Statement of Changes to Fund Balances below will show that over the last three fiscal years, while revenues decreased by 2%, expenditures decreased at a larger rate of 3%. Additionally, the Reserves available for expenditures in subsequent year increased by \$1,305,055. (See Statement 1 below.) Both Statements 1 and 2 below are excerpts from Supplementary Information in the Annual Financial Reports for the years referenced [\[02\]](#). These statements are prepared on a statutory basis of accounting other than GAAP.

Statement 1

Surplus Analysis Report
Statutory Basis

REVENUES

| | FY 2017 | FY 2018 | FY 2019 | year change |
|---|------------|------------|------------|-------------|
| State General Funds | 34,506,562 | 35,808,158 | 30,285,573 | |
| Other Funds | 58,974,702 | 62,339,706 | 61,340,874 | |
| Total Revenues | 93,481,264 | 98,147,864 | 91,626,447 | -2.0% |
| Prior Year Reserves Available for Expenditure | 2,931,024 | 1,605,158 | 3,352,373 | |
| Total Funds Available | 96,412,288 | 99,753,021 | 94,978,820 | |

EXPENDITURES

| | | | | |
|---|------------|------------|------------|-------|
| | 94,599,884 | 95,335,062 | 91,805,719 | -3.0% |
| Excess of Funds Available over Expenditures | 1,812,405 | 4,417,960 | 3,173,101 | |

Beginning Fund Balance July 1

| | | | |
|---|-----------|-----------|-----------|
| Reserved | 4,683,888 | 3,365,395 | 6,192,224 |
| Unreserved, Undesignated Fund Balance (Surplus) for Prior | 60,183 | 77,636 | 10,228 |
| Surplus Returned to State for Prior Year | -60,183 | -77,636 | -10,228 |
| Early Return of Current Year Surplus | | | -54,986 |

Adjustments

| | | | |
|---|------------|------------|------------|
| Prior Year Payables/Expenditures | 82,897 | -242,320 | 138,858 |
| Prior Year Receivables/Revenues | -205,135 | 266,575 | |
| Reserved Fund Balance Carried Over from Prior Yr as Funds | -2,931,024 | -1,605,158 | -3,352,373 |

Ending Fund Balance, June 30

| | | | |
|--|-----------|-----------|-----------|
| | 3,443,031 | 6,202,452 | 6,096,824 |
|--|-----------|-----------|-----------|

Analysis of Fund Balance

| | | | |
|-----------------------------------|-----------|-----------|-----------|
| Reserved | | | |
| Departmental Sales & Services | 140,886 | 148,153 | 599,987 |
| Indirect Cost Recovery | 1,158,020 | 1,506,874 | 1,053,056 |
| Technology Fees | 306,216 | 1,043,657 | 1,045,463 |
| Uncollectible Accounts Receivable | 1,760,237 | 2,839,851 | 3,110,775 |
| Tuition Carry-Forward | 0 | 653,689 | 211,672 |
| Total Reserved | 3,365,359 | 6,192,224 | 6,020,952 |
| Unreserved | | | |
| Surplus | 77,636 | 10,228 | 75,872 |

TOTAL FUND BALANCE

| | | | |
|--|-----------|-----------|-----------|
| | 3,442,995 | 6,202,452 | 6,096,824 |
|--|-----------|-----------|-----------|

| | | | |
|---|-----------|-----------|-----------|
| Reserve available for expenditure for subsequent year | 1,605,122 | 3,352,373 | 2,910,177 |
| Includes Departmental Sales & Services, Indirect Cost Recovery, Technology Fees, and Tuition Carry-Forward | | | |

Statutory Basis financial information was prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

Statement 2




Statement of Changes to Fund Balance by Program and Funding Sources

Statutory Basis

| | FY 2017 | FY 2018 | FY 2019 |
|---|-------------|-------------|-------------|
| Final Budget | 108,909,770 | 102,643,537 | 102,027,264 |
| Total Funds Available | 96,412,289 | 99,753,022 | 94,978,820 |
| Current Year Expenditures | 94,599,884 | 95,335,062 | 91,805,719 |
| Excess of Funds Available Over Expenditures | 1,812,405 | 4,417,960 | 3,173,101 |

The narrative above and supporting documentation attached adequately addresses the concerns noted for compliance with Standard 13.3. Albany State University manages its financial resources in a responsible manner. The institution is operating within its means and its fiscal activities are sustainable.

Sources

-  01_FR_FY19 credit hour production
-  02_FR_FY17-19 Sch2-Annual Financial Reports
-  03_FR_ASU Support Letter

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The following pages contain Supporting Documentation

| Institution | 2019 Credit Hours | 2018 Credit Hours | Number of Credit Hours | Percent Change | Lower | Upper | Grad/Prof |
|--|---------------------|---------------------|------------------------|----------------|---------------------|--------------------|--------------------|
| Augusta University | 352,044 | 338,583 | 13,461 | 4.0% | 86,210 | 61,923 | 203,911 |
| Georgia Institute of Technology | 801,522.5 | 757,334 | 44,188.5 | 5.8% | 232,291 | 219,448 | 349,783.5 |
| Georgia State University | 1,353,338.5 | 1,309,517 | 43,821.5 | 3.3% | 807,815 | 320,979.5 | 224,544 |
| University of Georgia | 1,138,235.1 | 1,105,124.15 | 33,110.95 | 3.0% | 446,990 | 413,456.5 | 277,788.6 |
| Research Universities | 3,645,140.1 | 3,510,558.15 | 134,581.95 | 3.8% | 1,573,306 | 1,015,807 | 1,056,027.1 |
| Georgia Southern University | 710,983.36 | 733,421.09 | -22,437.73 | -3.1% | 401,223.36 | 249,587 | 60,173 |
| Kennesaw State University | 918,075.36 | 919,950.09 | -1,874.73 | -0.2% | 525,121.36 | 337,607 | 55,347 |
| University of West Georgia | 342,497.36 | 336,582.09 | 5,915.27 | 1.8% | 184,497.36 | 113,402 | 44,598 |
| Valdosta State University | 279,016.36 | 281,232.09 | -2,215.73 | -0.8% | 138,790.36 | 95,264 | 44,962 |
| Comprehensive Universities | 2,250,572.45 | 2,271,185.36 | -20,612.91 | -0.9% | 1,249,632.45 | 795,860 | 205,080 |
| Albany State University | 158,795.36 | 158,844.09 | -48.73 | 0.0% | 127,138.36 | 25,247 | 6,410 |
| Clayton State University | 168,291.36 | 164,068.09 | 4,223.27 | 2.6% | 93,515.36 | 67,004 | 7,772 |
| Columbus State University | 198,842.36 | 202,357.09 | -3,514.73 | -1.7% | 106,041.36 | 67,333 | 25,468 |
| Fort Valley State University | 76,858.36 | 73,684.09 | 3,174.27 | 4.3% | 47,882.36 | 22,072 | 6,904 |
| Georgia College & State University | 198,276.5 | 198,595 | -318.5 | -0.2% | 109,150.5 | 68,006.5 | 21,119.5 |
| Georgia Southwestern State University | 74,196.36 | 76,230.09 | -2,033.73 | -2.7% | 37,676.36 | 26,116 | 10,404 |
| Middle Georgia State University | 187,715.36 | 176,141.09 | 11,574.27 | 6.6% | 123,725.36 | 59,724 | 4,266 |
| Savannah State University | 113,737.36 | 123,672.09 | -9,934.73 | -8.0% | 73,443.36 | 36,559 | 3,735 |
| University of North Georgia | 477,237.36 | 459,163.09 | 18,074.27 | 3.9% | 341,160.36 | 121,350 | 14,727 |
| State Universities | 1,653,950.41 | 1,632,754.73 | 21,195.68 | 1.3% | 1,059,733.41 | 493,411.5 | 100,805.5 |
| Abraham Baldwin Agricultural College * | 103,734.73 | 121,011.18 | -17,276.45 | -14.3% | 86,222.73 | 17,512 | 0 |
| Atlanta Metropolitan State College | 49,354.36 | 55,758.09 | -6,403.73 | -11.5% | 44,285.36 | 5,069 | 0 |
| College of Coastal Georgia | 83,047.36 | 85,075.09 | -2,027.73 | -2.4% | 61,423.36 | 21,624 | 0 |
| Dalton State College | 120,776.36 | 120,270.09 | 506.27 | 0.4% | 88,709.36 | 32,067 | 0 |
| East Georgia State College | 68,631.36 | 69,324.09 | -692.73 | -1.0% | 67,489.36 | 1,142 | 0 |
| Georgia Gwinnett College | 305,935.36 | 302,568.09 | 3,367.27 | 1.1% | 230,823.36 | 75,112 | 0 |
| Georgia Highlands College | 134,530.36 | 130,584.09 | 3,946.27 | 3.0% | 130,310.36 | 4,220 | 0 |
| Gordon State College | 86,148.36 | 92,727.09 | -6,578.73 | -7.1% | 74,519.36 | 11,629 | 0 |
| South Georgia State College | 61,056.36 | 61,875.09 | -818.73 | -1.3% | 57,763.36 | 3,293 | 0 |
| State Colleges | 1,013,214.64 | 1,039,192.91 | -25,978.27 | -2.5% | 841,546.64 | 171,668 | 0 |
| University System Totals | 8,562,877.6 | 8,453,691.15 | 109,186.45 | 1.3% | 4,724,218.5 | 2,476,746.5 | 1,361,912.6 |

*Data for fiscal year 2019 and 2018 reflect the merged credit hours of Abraham Baldwin Agricultural College and the former Bainbridge State College. In the consolidation of the two colleges, the technical academic programs at Bainbridge, and the students enrolled in them, were transitioned to Southern Regional Technical College. This strategic decision resulted in markedly fewer credit hours this fall at the former Bainbridge State College sites.

| | Original Appropriation | Amended Appropriation | Final Budget | Current Year Revenues |
|--------------------------|---------------------------|--------------------------|-------------------|--------------------------|
| Teaching | | | | |
| State Appropriation | | | | |
| State General Funds | \$ 34,506,558.00 | \$ 34,506,558.00 | \$ 34,506,562.00 | \$ 34,506,562.00 |
| Other Funds | 75,326,941.00 | 75,326,941.00 | 74,403,208.00 | 58,794,412.62 |
| | | | | |
| Total Operating Activity | \$ 109,833,499.00 | \$ 109,833,499.00 | \$ 108,909,770.00 | \$ 93,300,974.62 |

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| Funds Available Compared to Budget | | | | Expenditures Compared to Budget | | Excess of Funds Available Over Expenditures |
|------------------------------------|--------------------------------------|--------------------------|---------------------------|---------------------------------|-------------------------|---|
| Prior Year Carry-Over | Adjustments and Program Transfers | Total Funds Available | Variance Negative | Actual | Variance Positive | |
| \$ 0.00 | \$ 0.00 | \$ 34,506,562.00 | \$ 0.00 | \$ 34,506,562.00 | \$ 0.00 | \$ 0.00 |
| <u>2,931,024.01</u> | <u>180,289.86</u> | <u>61,905,726.49</u> | <u>(12,497,481.51)</u> | <u>60,093,321.77</u> | <u>14,309,886.23</u> | <u>1,812,404.72</u> |
| | | | | | | |
| <u>\$ 2,931,024.01</u> | <u>\$ 180,289.86</u> | <u>\$ 96,412,288.49</u> | <u>\$ (12,497,481.51)</u> | <u>\$ 94,599,883.77</u> | <u>\$ 14,309,886.23</u> | <u>\$ 1,812,404.72</u> |

ALBANY STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | Original Appropriation | Amended Appropriation | Final Budget | Funds Available Compared to Budget | |
|------------------------------|---------------------------|--------------------------|-----------------------|------------------------------------|----------------------------------|
| | | | | Current Year Revenues | Prior Year Reserve Carry-Over |
| Teaching | | | | | |
| State Appropriation | | | | | |
| State General Funds | \$ 35,673,967.00 | \$ 35,673,967.00 | \$ 35,808,158.00 | \$ 35,808,158.00 | \$ — |
| Other Funds | 61,645,412.00 | 61,645,412.00 | 66,835,379.00 | 62,339,705.82 | 1,605,157.61 |
| Total Teaching | 97,319,379.00 | 97,319,379.00 | 102,643,537.00 | 98,147,863.82 | 1,605,157.61 |
| Total Operating Activity | \$ 97,319,379.00 | \$ 97,319,379.00 | \$ 102,643,537.00 | \$ 98,147,863.82 | \$ 1,605,157.61 |

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

ALBANY STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | Funds Available Compared to Budget | | | Expenditures Compared to Budget | | Excess (Deficiency) of Funds Available Over/(Under) Expenditures |
|--------------------------|-------------------------------------|--------------------------|---------------------------------|---------------------------------|---------------------------------|---|
| | Program Transfers or Adjustments | Total Funds Available | Variance Positive (Negative) | Actual | Variance Positive (Negative) | |
| Teaching | | | | | | |
| State Appropriation | | | | | | |
| State General Funds | — | 35,808,158.00 | — | 35,808,158.00 | — | — |
| Other Funds | — | 63,944,863.43 | (2,890,515.57) | 59,526,903.79 | 7,308,475.21 | 4,417,959.64 |
| Total Teaching | — | 99,753,021.43 | (2,890,515.57) | 95,335,061.79 | 7,308,475.21 | 4,417,959.64 |
| Total Operating Activity | — | 99,753,021.43 | (2,890,515.57) | 95,335,061.79 | 7,308,475.21 | 4,417,959.64 |

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

ALBANY STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET BY PROGRAM AND FUNDING SOURCE
(STATUTORY BASIS) BUDGET FUND
YEAR ENDED JUNE 30, 2019

| | Original Appropriation | Amended Appropriation | Final Budget | Current Year Revenues |
|------------------------------|-----------------------------|-----------------------------|------------------------------|-----------------------------|
| Teaching | | | | |
| State Appropriation | | | | |
| State General Funds | \$ 30,252,949.00 | \$ 30,252,949.00 | \$ 30,285,573.00 | \$ 30,285,573.00 |
| Other Funds | <u>60,790,185.00</u> | <u>60,790,185.00</u> | <u>71,741,691.00</u> | <u>61,340,874.18</u> |
| Total Operating Activity | <u>\$ 91,043,134.00</u> | <u>\$ 91,043,134.00</u> | <u>\$ 102,027,264.00</u> | <u>\$ 91,626,447.18</u> |

Statutory Basis financial information was prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

SCHEDULE "2"

| Funds Available Compared to Budget | | | | Expenditures Compared to Budget | | Excess of Funds Available Over Expenditures |
|------------------------------------|-------------------------------------|--------------------------|--------------------------|---------------------------------|-------------------------|--|
| Prior Year Reserve Carry-Over | Program Transfers or Adjustments | Total Funds Available | Variance Negative | Actual | Variance Positive | |
| \$ - | \$ - | \$ 30,285,573.00 | \$ - | \$ 30,285,573.00 | \$ - | \$ - |
| <u>3,352,372.94</u> | <u>-</u> | <u>64,693,247.12</u> | <u>(7,048,443.88)</u> | <u>61,520,145.76</u> | <u>10,221,545.24</u> | <u>3,173,101.36</u> |
| <u>\$ 3,352,372.94</u> | <u>\$ -</u> | <u>\$ 94,978,820.12</u> | <u>\$ (7,048,443.88)</u> | <u>\$ 91,805,718.76</u> | <u>\$ 10,221,545.24</u> | <u>\$ 3,173,101.36</u> |



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January 29, 2020

President Marion Fedrick
Albany State University
504 College Drive
Albany, GA 31705

Dear President Fedrick:

We received the Preliminary Report of the Reaffirmation Committee for Albany State University (ASU). This report is largely a validation of the progress that has been made under your leadership and I thank and congratulate you for the successes reflected. Your continuing leadership is vital to keeping ASU on its current path of responding to the needs of its community and State, providing educational opportunities that meet student demands and retaining the quality of instruction that ASU has provided in its over 100 year history.

The University System of Georgia (USG) is just that, a System, which is only as successful as the institutions under its governance. As a System, we have the ability to mobilize and allocate resources when and where they are needed. The USG has demonstrated this ability and sustained support for ASU including:

- \$7.4 million in formula funds since fiscal year 2016, in order to mitigate the effect of enrollment declines
- Assembly of a 10-person transition team of System experts in their field during fiscal year 2018, with a focus on process improvements in the areas of Academics; Enrollment Management; Financial Aid; Student Experience; Human Resources; and, Communication
- Exemption from a reduction plan related to enrollment decline for fiscal year 2021, given the improvement in enrollment/credit hour production in academic year 2019

Strategic enrollment management and strong fiscal management will be key to keeping the institution moving forward. The accomplishments achieved through the transition team are not static and must be continuously refined. I am pleased to know that there has been significant progress made related to financial aid issues as evidenced by the fiscal year 2019 student financial aid and compliance audit by the Department of Audits. Now that this area is functioning well, I cannot overemphasize the importance of having a system in place to ensure there are no future lapses.

President Marion Fedrick
January 29, 2020
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I also look to you and your leadership team to be innovative in identifying efficiencies that can be captured as ASU completes its USG Comprehensive Administrative Review. Your work in this effort will enable you to reinvest dollars into the critical areas of enrollment management and student success.

These efforts are not easy ones, but neither are they insurmountable. I am committed to seeing the full potential realized at ASU and will continue to support the institution as it makes the necessary changes and reinvestments during this time. I look forward to working with you as you lead this institution further forward and know that my team and I are available to assist and consult in any way.

Sincerely,



Steve W. Wrigley

cc: Teresa MacCartney, Executive Vice Chancellor for Administration
Tracey Cook, Executive Vice Chancellor for Strategy and Fiscal Affairs
Tristan Denley, Executive Vice Chancellor for Academic Affairs
Ashley Jones, Vice Chancellor for External Affairs and Chief of Staff
John Fuchko, III, Vice Chancellor for Organizational Effectiveness