

**STATE OF GEORGIA  
DEPARTMENT OF AUDITS AND ACCOUNTS**



**CLAYTON STATE UNIVERSITY  
MORROW, GEORGIA**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

**Russell W. Hinton  
State Auditor**

CLAYTON STATE UNIVERSITY

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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A BUDGET COMPARISON AND SURPLUS ANALYSIS REPORT



## DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156  
Atlanta, Georgia 30334-8400

RUSSELL W. HINTON  
STATE AUDITOR  
(404) 656-2174

September 28, 2006

Members of the State Board of Regents of the  
University System of Georgia  
Honorable Thomas K. Harden, President  
Clayton State University

### Independent Accountant's Report on Applying Agreed-Upon Procedures

Ladies and Gentlemen:

We have performed the procedures enumerated below, which were agreed to by the University and the University System Office (Oversight Unit) of the Board of Regents of the University System of Georgia, solely to assist you in assessing the accuracy of the financial information reported to the University System Office in the University's 2006 Annual Financial Report and *Budget Comparison and Surplus Analysis Report*. The *Budget Comparison and Surplus Analysis Report* is attached as Exhibit A. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. Review selected balance sheet items reported on the Annual Financial Report (cash, accounts receivable, accounts payable, deferred revenues, net assets). Confirm that these items have adequate supporting documentation and are properly reconciled to the University's general ledger.

**We did not note any exceptions as a result of our procedures.**

2. Obtain the University's GAAP basis Statement of Net Assets and Statement of Revenues Expenses and Changes in Net Assets (SRECNA) submitted for inclusion in the State's CAFR and Single Audit. Utilizing test scripts, confirm that financial information presented in these statements properly supports activity reported in the University's accounting records.

**We did not note any exceptions as a result of our procedures.**

3. Obtain the University's Statement of Cash Flows submitted for inclusion in the State's CAFR and Single Audit. Utilizing cash flow worksheets, confirm information reported on Statement of Cash Flows.

**We did not note any exceptions as a result of our procedures.**

4. Obtain the University's Notes to the Financial Statements submitted for inclusion in the State's CAFR and Single Audit. Utilizing notes worksheets and other supporting documentation confirm that note disclosures related to Cash, Investments, Accounts Receivable, Capital Assets, Long-Term Debt, Lease Obligations and Retirement Plans have been properly reported.

**We did not note any exceptions as a result of our procedures.**

5. Review the University's year end GAAP basis journal entries. Obtain documentation for GAAP journal entries and confirm that the entries were posted to the University's Annual Financial Report.

**We did not note any exceptions as a result of our procedures.**

6. Confirm that State Appropriation revenues, receivables and remittances of prior year surplus balances have been properly recorded in the University's financial records. Prior year surplus balances should be netted against State Appropriation revenues in the GAAP basis financial statements; however, prior year surplus balances should be reflected as fund balance adjustments on the Budget basis financial statements.

**We did not note any exceptions as a result of our procedures.**

7. Obtain listing of write-off requests for accounts receivable less than \$3,000.00 for fiscal year 2006. Confirm that these write-off requests have been approved by the State Accounting Officer and have been posted to the University's financial statements.

**We did not note any exceptions as a result of our procedures.**

8. Verify that the listing of salaries, travel, and per diem and fees reported to the Department of Audits is in accordance with O.C.G.A. 50-6-27 reconciles to amounts recorded in the University's financial statements.

**Salaries reported to the Department of Audits were not reconciled with amounts recorded in the financial statements. A variance of \$7,153.76 was noted.**

9. Review year end *Budget Comparison and Surplus Analysis Report* (Exhibit A). Confirm that budget information presented in this report supports activity reported in the University's accounting records and determine if any budget overexpenditures exist.

**We did not note any exceptions as a result of our procedures.**

10. Obtain documentation for Budget basis reserves reported by University on the *Budget Comparison and Surplus Analysis Report* (Exhibit A). Confirm that the reserves are properly documented, valid and appropriate.

**We did not note any exceptions as a result of our procedures.**

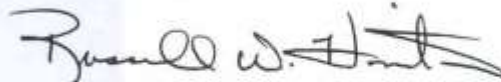
11. Review the H.O.P.E. Scholarship Program reconciliation between the University and the Georgia Student Finance Commission. Confirm that information reported to the Georgia Student Finance Commission has been reconciled with H.O.P.E. Scholarship activity reported on the University's financial records.

**We did not note any exceptions as a result of our procedures.**

These agreed-upon procedures do not constitute an audit of the financial statements or any part thereof, the objective of which is to express an opinion on the financial statements or a part thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Russell W. Hinton, CPA, CGFM  
State Auditor

RWH:as

[Redacted]

[Redacted]

EXHIBIT

[Redacted]

[Redacted]

CLAYTON STATE UNIVERSITY  
 BUDGET COMPARISON AND SURPLUS ANALYSIS REPORT  
 YEAR ENDED JUNE 30, 2006

EXHIBIT "A"

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
State Appropriation			
State General Funds	\$ 21,783,648.00	\$ 21,783,648.00	\$ 0.00
Federal Funds	7,746,613.00	7,616,612.43	-130,000.57
Other Funds	<u>23,684,203.00</u>	<u>23,651,570.05</u>	<u>-32,632.95</u>
Total Revenues	\$ <u>53,214,464.00</u>	\$ <u>53,051,830.48</u>	\$ <u>-162,633.52</u>
<u>EXPENDITURES</u>			
Public Service/Special Funding Initiatives	\$ 219,600.00	\$ 217,780.00	\$ 1,820.00
Teaching	<u>52,994,864.00</u>	<u>52,776,331.76</u>	<u>218,532.24</u>
Total Expenditures	\$ <u>53,214,464.00</u>	\$ <u>52,994,111.76</u>	\$ <u>220,352.24</u>
Excess of Funds Available over Expenditures	\$ <u>0.00</u>	\$ <u>57,718.72</u>	\$ <u>57,718.72</u>
<u>FUND BALANCE JULY 1</u>			
Reserved		271,704.59	
<u>ADJUSTMENTS</u>			
Prior Year Payables/Expenditures		90,014.01	
Prior Year Receivables/Revenues		<u>-151,509.93</u>	
<u>FUND BALANCE JUNE 30</u>		<u>\$ 267,927.39</u>	
<u>SUMMARY OF FUND BALANCE</u>			
Reserved			
Departmental Sales and Services		\$ 26,861.23	
Indirect Cost Recoveries		197,118.56	
Technology Fees		-38,219.77	
Uncollectible Accounts Receivable		<u>82,167.37</u>	
Total Fund Balance		<u>\$ 267,927.39</u>	

