

SOUTHEASTERN LOUISIANA UNIVERSITY  
UNIVERSITY OF LOUISIANA SYSTEM

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES  
MANAGEMENT LETTER  
ISSUED DECEMBER 5, 2018

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# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

Southeastern Louisiana University



December 2018

Audit Control # 80180118

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## Introduction

As a part of our audit of the University of Louisiana System (System) and the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2018, we performed procedures at Southeastern Louisiana University (Southeastern); to provide assurances on financial information that is significant to the System's financial statements; evaluate the effectiveness of Southeastern's internal controls over financial reporting and compliance; and determine whether Southeastern complied with applicable laws and regulations. In addition, we determined whether management has taken actions to correct the findings reported in the prior year.

## Results of Our Procedures

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### Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in the Southeastern management letter dated November 22, 2017. We determined that management has resolved the prior-year findings related to Failure to Maintain Adequate Inventory of Movable Property and Inadequate Billing for Child Care Services.

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### Financial Statements – University of Louisiana System

As a part of our audit of the System's financial statements for the year ended June 30, 2018, we considered Southeastern's internal control over financial reporting and examined evidence supporting certain account balances and classes of transactions, as follows:

#### Statement of Net Position

**Assets** - Cash and Cash Equivalents, Investments, Due from State Treasury, and Capital Assets

**Liabilities** - Accounts Payable and Accruals, Unearned Revenue resulting from Student Tuition and Fees, and Bonds Payable

**Net Position** - Net Investment in Capital Assets, Restricted-Nonexpendable, Restricted-Expendable, and Unrestricted

## Statement of Revenues, Expenses, and Changes in Net Position

**Revenues** - Student Tuition and Fees net of Scholarship Allowances, Net Auxiliary Revenues, State Appropriations, Federal Nonoperating Revenues, and Capital Appropriations  
**Expenses** - Educational and General, and Auxiliary Enterprises

Based on the results of these procedures on the financial statements, the account balances and classes of transactions tested are materially correct, as adjusted.

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## Federal Compliance – Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2018, we performed procedures as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on information submitted by Southeastern to the Division of Administration's Office of Statewide Reporting and Accounting Policy for the preparation of the state's Schedule of Expenditures of Federal Awards (SEFA).

Based on the results of these Single Audit procedures, Southeastern's information submitted for the preparation of the state's SEFA is materially correct.

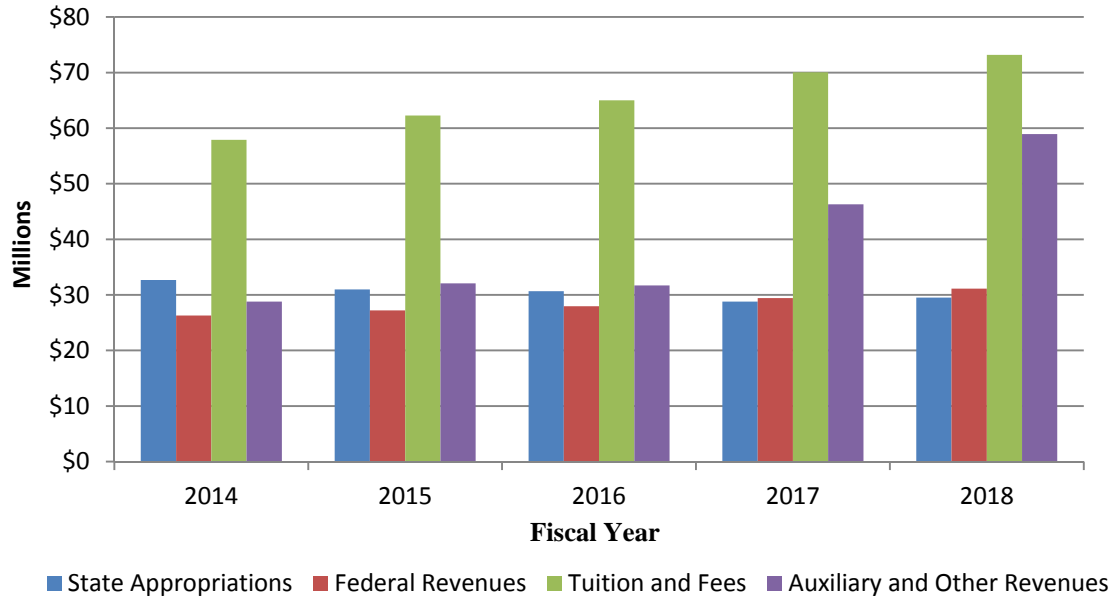
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## Trend Analysis

We compared the most current and prior-year financial activity using Southeastern's Annual Fiscal Reports and/or system-generated reports and obtained explanations from Southeastern's management for any significant variances. We also prepared an analysis of revenues, expenses, and enrollment over the past five fiscal years, as shown in Exhibits 1 and 2.

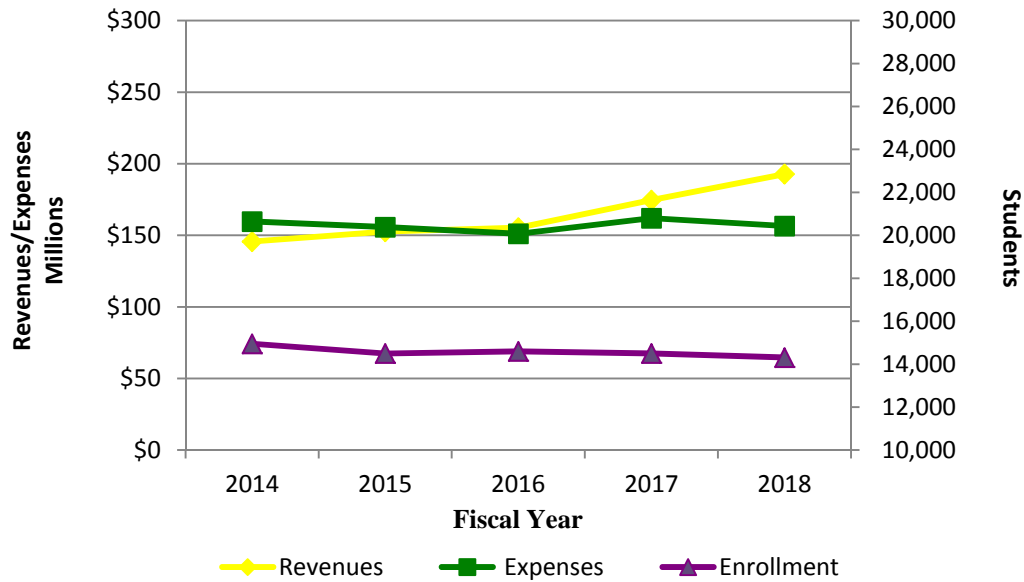
In analyzing financial trends of Southeastern over the previous five fiscal years, student enrollment and university expenses have remained somewhat steady, while revenues have steadily increased. Auxiliary and other revenues increased in fiscal year 2018 mostly because of additional capital appropriations received for the completion of the new Science and Technology building. Tuition and fee revenues have steadily increased because of the increases in tuition permitted by the GRAD Act.

### Exhibit 1 Five-Year Revenue Trends



Source: 2014-2018 Southeastern Annual Financial Reports

### Exhibit 2 Fiscal/Enrollment Trends



Source: 2014-2018 Southeastern Annual Financial Reports

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Thomas H. Cole, CPA  
First Assistant Legislative Auditor

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SLU 2018

## APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at Southeastern Louisiana University (Southeastern) for the period from July 1, 2017, through June 30, 2018, to provide assurances on financial information significant to University of Louisiana System (System) and evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. The procedures included inquiry, observation, review of policies and procedures, and a review of relevant laws and regulations. Our procedures, summarized below, are a part of the audit of the System's financial statements and the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2018.

- We evaluated Southeastern's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to Southeastern.
- Based on the documentation of Southeastern's controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinions on the System's financial statements.
- We performed procedures on information for the preparation of the state's Schedule of Expenditures of Federal Awards for the year ended June 30, 2018, as a part of the 2018 Single Audit.
- We compared the most current and prior-year financial activity using Southeastern's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from Southeastern's management for significant variances.

The purpose of this report is solely to describe the scope of our work at Southeastern and not to provide an opinion on the effectiveness of Southeastern's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review Southeastern's Annual Fiscal Report, and accordingly, we do not express an opinion on that report. Southeastern's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.