

NICHOLLS STATE UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
MANAGEMENT LETTER
ISSUED DECEMBER 4, 2019

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Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

Nicholls State University



December 2019

Audit Control # 80190108

Introduction

As a part of our audit of the University of Louisiana System (System) for the fiscal year ended June 30, 2019, we performed procedures at Nicholls State University (Nicholls) to provide assurances on financial information that is significant to the System's financial statements; evaluate the effectiveness of Nicholls' internal controls over financial reporting and compliance; and determine whether Nicholls' complied with applicable laws and regulations.

Results of Our Procedures

Financial Statements – University of Louisiana System

As a part of our audit of the System's financial statements for the year ended June 30, 2019, we considered Nicholls' 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, and Capital Assets

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

Statement of Revenues, Expenses, and Changes in Net Position

Revenues - Student Tuition and Fees net of Scholarship Allowances, Auxiliary Revenues net of Scholarship Allowances, State Appropriations, and Federal Nonoperating Revenues

Expenses - Educational and General, and Auxiliary Enterprises

The account balances and classes of transactions tested, as adjusted, are materially correct.

Other Procedures

In addition to the System procedures noted above, we performed certain procedures that included obtaining, documenting, and reviewing Nicholls’ internal control and compliance with related laws and regulations over travel and LaCarte purchasing card expense transactions.

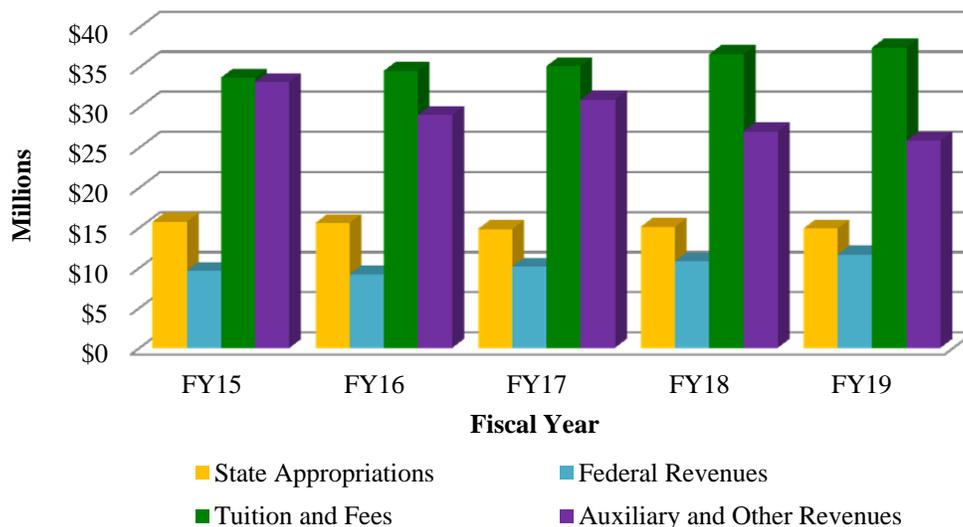
Based on the results of these procedures performed, we did not report any findings.

Trend Analysis

We compared the most current and prior-year financial activity using Nicholls’ Annual Fiscal Reports and/or system-generated reports and obtained explanations from Nicholls’ 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.

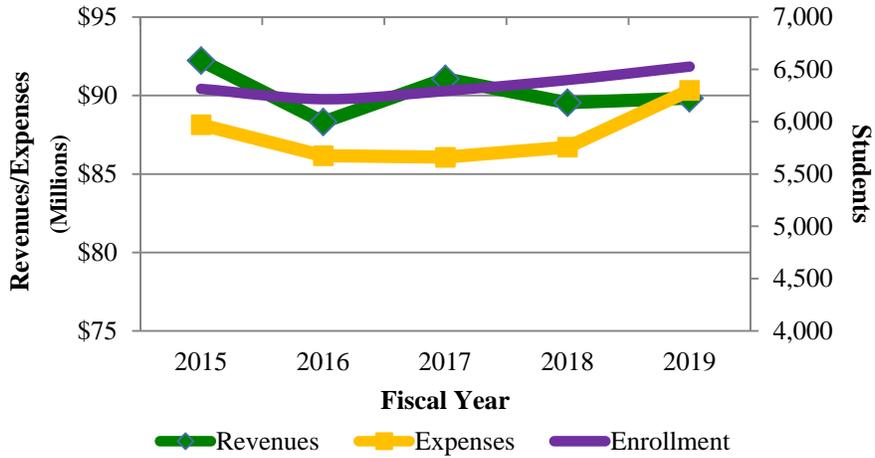
In analyzing financial trends of Nicholls over the past five fiscal years, revenues have decreased 3%, and expenses have increased by 2%. Since fiscal year 2015, auxiliary and other revenues have decreased 22% due to decreases in capital appropriations and capital gifts and grants. Over that same period, tuition and fees and federal revenues have increased by 11% and 21%, respectively, as a result of increases in tuition and fee rates and student enrollment. After a slight decline in fiscal year 2016, enrollment has steadily increased over the last three fiscal years.

**Exhibit 1
Five-Year Revenue Trend**



Source: Fiscal Years 2015-2019 Nicholls Annual Fiscal Reports, as adjusted

**Exhibit 2
Fiscal/Enrollment Trends**



Source: Fiscal Years 2015-2019 Nicholls Annual Fiscal Reports, as adjusted, and Louisiana Board of Regents website

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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NICHOLLS 2019

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at Nicholls State University (Nicholls) for the period from July 1, 2018, through June 30, 2019, to provide assurances on financial information significant to the University of Louisiana System (System), and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the System's financial statements for the year ended June 30, 2019.

- We evaluated Nicholls' 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 Nicholls.
- Based on the documentation of Nicholls' 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 compared the most current and prior-year financial activity using Nicholls' Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from Nicholls' management for significant variances.

In addition, we performed procedures on travel and LaCarte purchasing card expense transactions. The scope of these procedures was significantly less than an audit conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The purpose of this report is solely to describe the scope of our work at Nicholls, and not to provide an opinion on the effectiveness of Nicholls' 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 Nicholls' Annual Fiscal Report, and accordingly, we do not express an opinion on that report. Nicholls' accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.