



# Report Highlights

## SOWELA Technical Community College Southern Association of Colleges and Schools Audit

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### Why We Conducted This Audit

SOWELA Technical Community College (College) is seeking accreditation through the Southern Association of Colleges and Schools (SACS). During the accreditation process, SACS requires a financial statement audit.

### What We Found

We considered the College’s controls, compliance with laws, and financial reporting for financial accounts such as cash, capital assets, accounts payable, deferred revenues, benefits payable, tuition revenue, federal revenue, state appropriation, and educational and general expenses. We also analyzed the College’s revenues, expenses, tuition, fees, enrollment, and graduates over the last four years. Our work disclosed the following:

- The College did not perform collection follow-up procedures on student account receivables for the second consecutive year. As a result, students with receivable balances totaling \$570,255 were either not sent follow-up notifications or the account was not sent to a collection agency.
- The financial statements were fairly presented.
- As shown below, the College has increased its enrollment during the last four years, while placing a greater reliance on federal revenue and tuition increases to offset the decrease in its state appropriations.

We appreciate the College’s assistance in the completion of our work.

