

ELAINE P. NUNEZ COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
MANAGEMENT LETTER
ISSUED DECEMBER 7, 2015

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Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Elaine P. Nunez Community College

December 2015

Audit Control # 80150149

Introduction

As a part of our audit of the Louisiana Community and Technical College System's (System) financial statements for the fiscal year ended June 30, 2015, we performed procedures at Elaine P. Nunez Community College (Nunez) to provide assurances on financial information that is significant to the System's financial statements and to evaluate the effectiveness of the college's internal control over financial reporting.

Nunez is a part of the System and offers associate degrees and occupational certificates in keeping with the demands of the area it services. Curricula at the college focus on the development of the total person by offering a blend of occupational sciences, arts, and the humanities. In recognition of the diverse needs of the individuals the state serves and of a democratic society, Nunez provides a comprehensive educational program that helps students cultivate values and skills in critical thinking, decision-making and problem solving, as well as prepare them for productive satisfying careers, and offer courses that transfer to senior institutions.

Results of Our Procedures

Financial Statements - Louisiana Community and Technical College System

As part of our audit of the System's financial statements for the year ended June 30, 2015, we considered Nunez's internal controls over financial reporting and examined evidence supporting certain account balances and classes of transactions as follows:

Statement of Net Position

Assets - Capital assets

Liabilities - Accounts payable and accruals

Net Position - Net investment in capital assets, restricted-expendable, restricted-nonexpendable, and unrestricted.

Statement of Revenues, Expenses, and Changes in Net Position

Revenues - Capital appropriations

Expenses - Educational and general

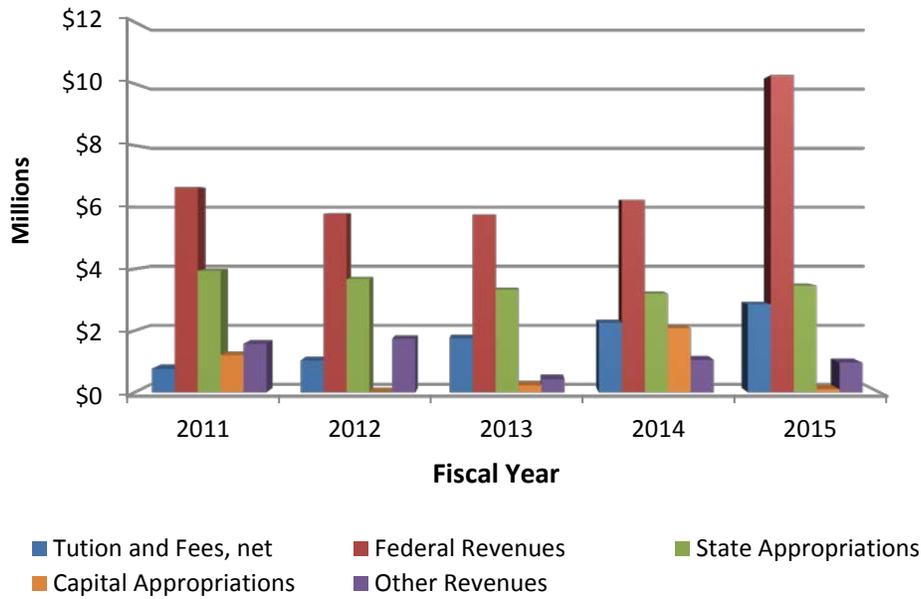
Based on the results of these procedures on the financial statements, the account balances and classes of transactions tested, as adjusted, are materially correct. In addition, we did not report any internal control deficiencies or noncompliance with laws or regulations.

Trend Analysis

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

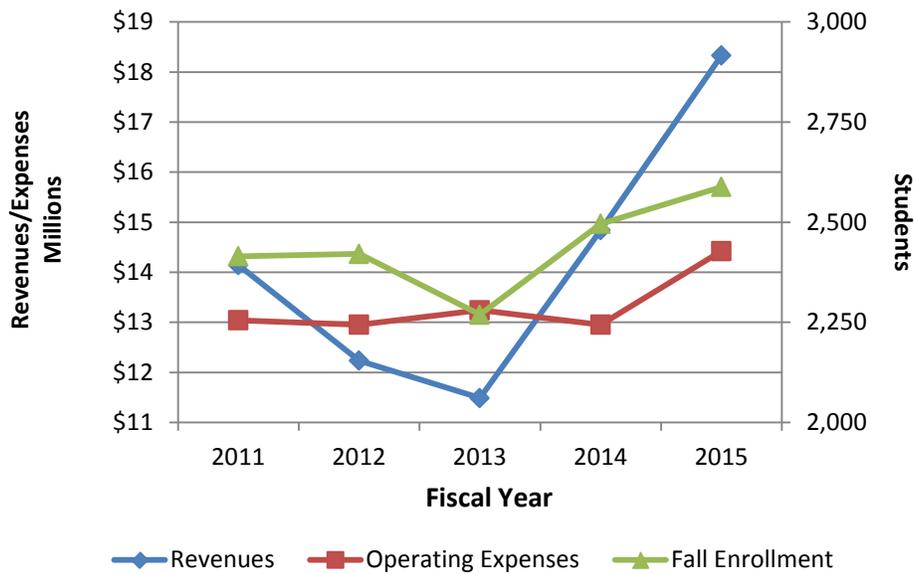
In analyzing financial trends of Nunez over the past five fiscal years, net tuition and fees, federal revenues, and student enrollment have increased since 2013, when Hurricane Isaac and difficulties encountered by the implementation of the new student enrollment system caused a decline in enrollment. Fall student enrollment has since increased 10% and 3.7% during the 2014 and 2015 school years, respectively. As a result of increases in enrollment and tuition rates, student tuition and fees have increased an average of 40% per year over the five-year period. However, federal revenues continue to be Nunez's largest revenue source. Federal revenues accounted for 58% of Nunez's revenues for the period covered. During fiscal year 2015, FEMA and Community Development Block Grant federal funds were used to fund construction costs of the newly-completed Stewart Administration Building.

Exhibit 1 Five-Year Revenue Trend



Source: Fiscal Year 2011-2015 Annual Fiscal Reports, as adjusted

Exhibit 2 Fiscal/Enrollment Trends



Sources: Fiscal Year 2011-2015 Annual Fiscal Reports, as adjusted, and 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,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive style with a large, stylized initial "D".

Daryl G. Purpera, CPA, CFE
Legislative Auditor

JMJ:NWM:WDG:EFS:aa

NUNEZ 2015

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at Elaine P. Nunez Community College (Nunez) for the period from July 1, 2014, through June 30, 2015, to provide assurances on financial information significant to the Louisiana Community and Technical College 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. The procedures included inquiry, observation, review of policies and procedures, and review of relevant laws and regulations. Our procedures, summarized below, are a part of the audit of the System's financial statements for the year ended June 30, 2015.

- We evaluated Nunez'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 Nunez.
- Based on the documentation of Nunez's controls and our understanding of related laws and regulations, we performed procedures to provide assurances on Nunez's 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 Nunez's annual fiscal reports and/or system-generated reports to identify trends and obtained explanations from Nunez's management for significant variances.

The purpose of this report is solely to describe the scope of our work at Nunez and not to provide an opinion on the effectiveness of Nunez'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 purpose.

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