

NICHOLLS STATE UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
MANAGEMENT LETTER
ISSUED DECEMBER 20, 2021

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Louisiana Legislative Auditor

Michael J. “Mike” Waguespack, CPA

Nicholls State University



December 2021

Audit Control # 80210085

Introduction

As a part of our audit of the University of Louisiana System (System) for the fiscal year ended June 30, 2021, 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, 2021, 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, Investments, Due from State Treasury, and Capital Assets

Liabilities - 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, Auxiliary Revenues, State Appropriations, and Federal Nonoperating Revenues

Expenses - Education and General, and Auxiliary Enterprise

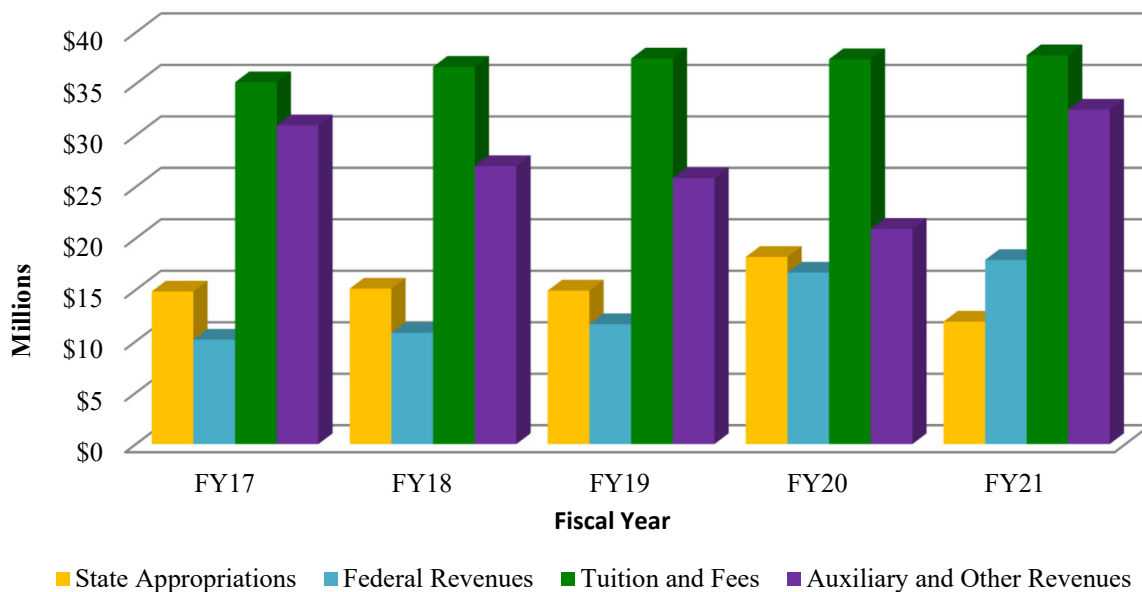
The account balances and classes of transactions tested are materially correct.

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.

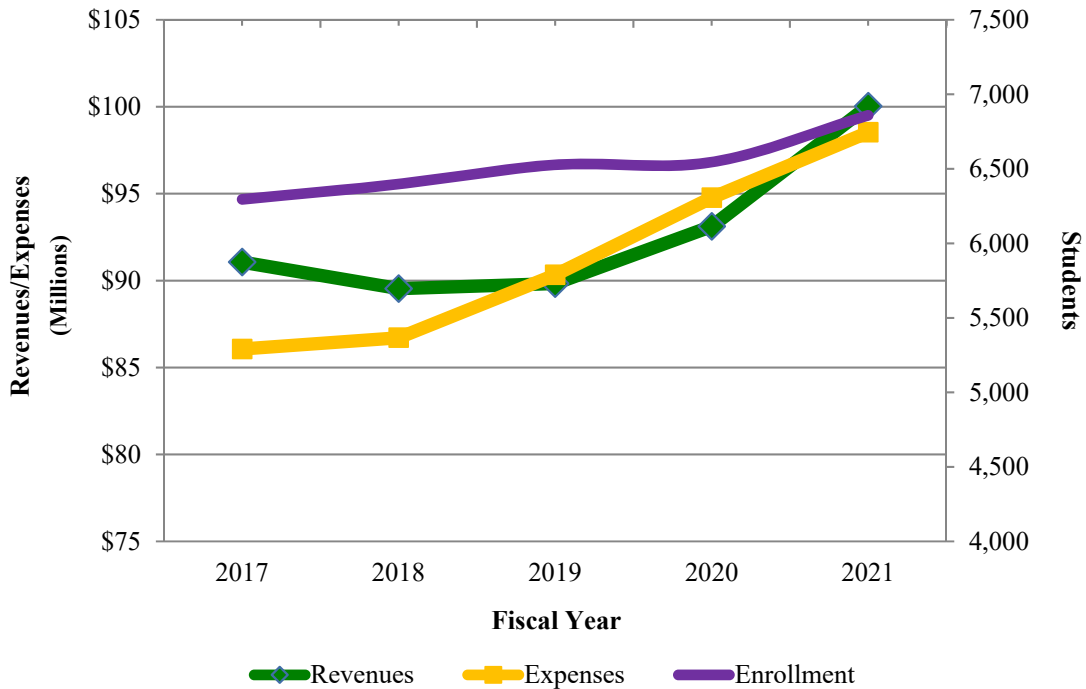
In analyzing financial trends of Nicholls over the past five fiscal years, revenues and expenses are trending in the same direction. Total revenues have increased 10%, and expenses have increased by 14% over the past five fiscal years. Since fiscal year 2017, Federal Nonoperating Revenues have increased 76% due to federal funds received related to COVID-19 relief in fiscal years 2020 and 2021. Over that same period, operating expenses have increased 15%, which in fiscal years 2020 and 2021 included expenses related to COVID-19 mitigation efforts. Enrollment has steadily increased over the last five fiscal years.

**Exhibit 1
Five-Year Revenue Trend**



Source: Fiscal Years 2017-2021 Nicholls Annual Fiscal Reports, as adjusted

**Exhibit 2
Fiscal/Enrollment Trends**



Source: Fiscal Years 2017-2021 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,

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

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APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at Nicholls State University (Nicholls) for the period from July 1, 2020, through June 30, 2021, 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, 2021.

- 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.

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.