

LOUISIANA TECH UNIVERSITY  
UNIVERSITY OF LOUISIANA SYSTEM

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES  
MANAGEMENT LETTER  
ISSUED MARCH 15, 2021

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# Louisiana Legislative Auditor



Louisiana Tech University

March 2021

Audit Control # 80200079

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## Introduction

As a part of our audit of the University of Louisiana System (System) and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2020, we performed procedures at Louisiana Tech University (La Tech) to provide assurances on financial information that was significant to the System's financial statements; evaluate the effectiveness of La Tech's internal controls over financial reporting and compliance; and determine whether La Tech complied with applicable laws and regulations.

## Results of Our Procedures

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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, 2020, we considered La Tech'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 and Due from State Treasury

**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** - Educational and General, and Auxiliary Enterprises

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

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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, 2020, we performed internal control and compliance testing 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 La Tech's Education Stabilization Fund (CFDA 84.425) program.

Those tests included evaluating the effectiveness of La Tech's internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether La Tech complied with applicable program requirements.

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

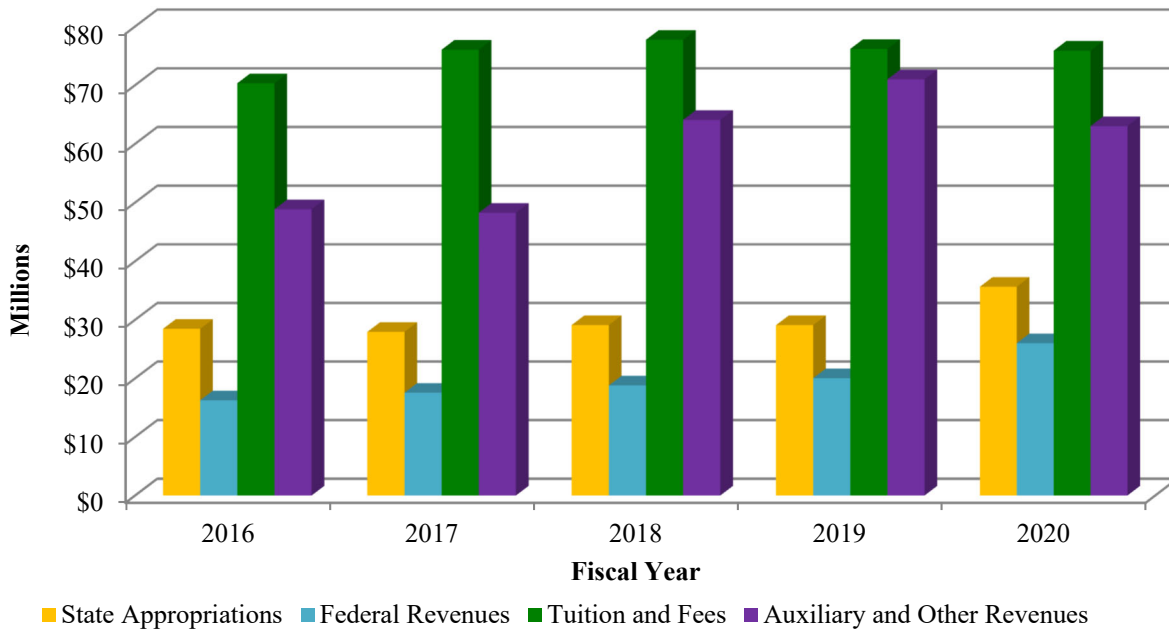
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## **Trend Analysis**

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

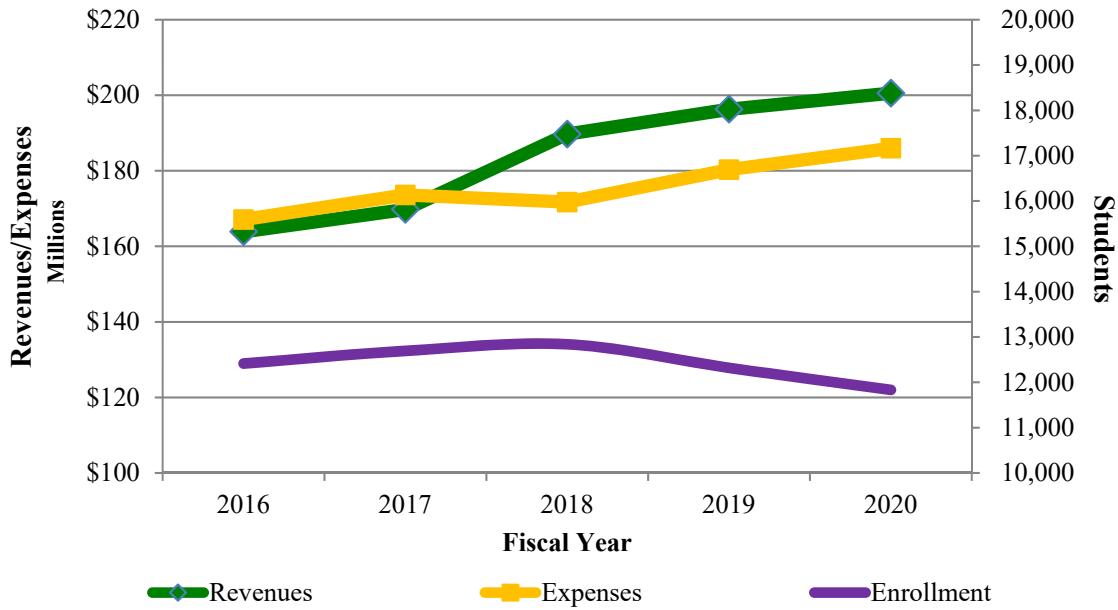
In analyzing financial trends of La Tech over the past five fiscal years, total revenues have exceeded expenses since fiscal year (FY) 2017. In FY 2018, La Tech received approximately \$18 million in capital grants and gifts from the Louisiana Tech Foundation for a new press box at Joe Aillet Stadium. In FY 2019, La Tech received approximately \$22 million in capital appropriation funds for the construction of a new Integrated Engineering and Science Building. In FY 2020, La Tech received approximately \$12.5 million in state and federal Coronavirus Aid, Relief, and Economic Security Act funds as a result of the COVID-19 pandemic. Expenses have steadily increased due in part to an approximately \$2.1 million impairment loss related tornado damages to several sports facilities on campus in FY 2019 and additional costs to demolish these buildings in FY 2020. While tuition and fees have remained fairly stable, enrollment has declined since FY 2018. This decline is due in part to a decrease in dual enrollment students resulting from new Board of Regents requirements and a decrease in new graduate students resulting from restrictions on international travel.

**Exhibit 1  
Five-Year Revenue Trend**



Source: Fiscal Year 2016-2020 System Audit Reports

**Exhibit 2  
Fiscal/Enrollment Trend Analysis**



Source: Fiscal Years 2016-2020 System Audit Reports and Board of Regents Publication Data

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 "Thomas H. Cole". The signature is written in a cursive style with a large, stylized initial 'T'.

Thomas H. Cole, CPA, CGMA  
Temporary Legislative Auditor

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LATECH2020

## APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at Louisiana Tech University (La Tech) for the period from July 1, 2019, through June 30, 2020, 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, were a part of the audit of the System's financial statements and our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2020.

- We evaluated La Tech'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 La Tech.
- Based on the documentation of La Tech'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 the Education Stabilization Fund (CFDA 84.425) program for the year ended June 30, 2020, as a part of the 2020 Single Audit.
- We compared the most current and prior-year financial activity using La Tech's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from La Tech's management for significant variances.

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