



Report Highlights

Southern University System

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Audit Control # 80170128
Financial Audit Services • December 2017

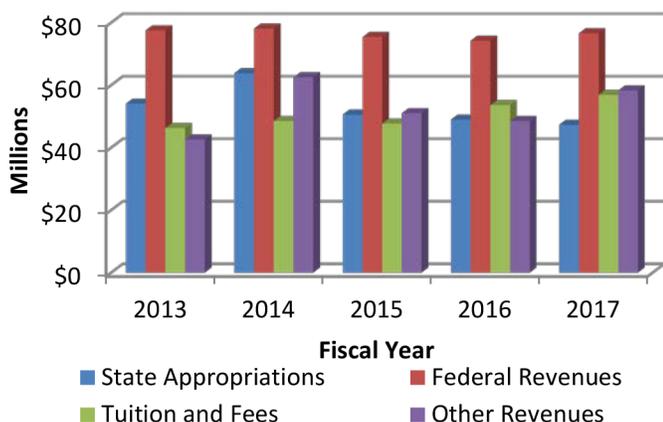
Why We Conducted This Audit

We conducted a financial statement audit of the Southern University System (System) for the year ended June 30, 2017, as a part of the Single Audit of the State of Louisiana, and to evaluate the System's accountability over public funds for the period July 1, 2016, through June 30, 2017.

What We Found

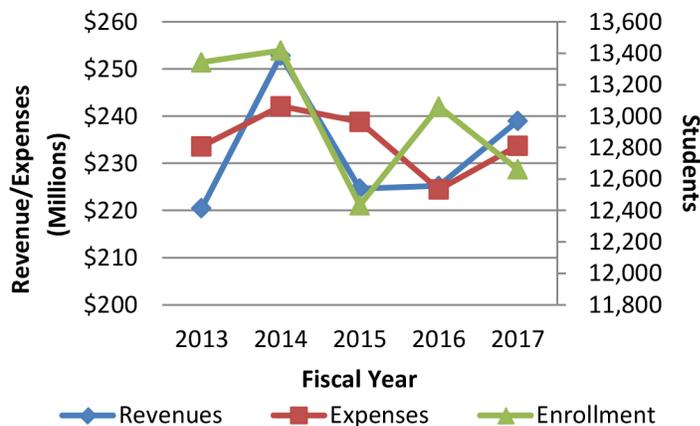
- Our auditors reviewed the status of the prior-year findings reported in the audit report dated March 29, 2017. We determined that management has resolved the prior-year findings related to deficiencies in internal control over unlocated movable property and weaknesses in internal audit function.
- The System's financial statements, as adjusted, are fairly stated. The auditor's report included an emphasis of matter paragraph regarding actuarial assumptions. The net pension liability for the System was \$232,282,638 at June 30, 2017, as determined by the Louisiana State Employees' Retirement System (LASERS) and Teachers' Retirement System of Louisiana (TRSL). The related actuarial valuations were performed by LASERS' and TRSL's actuaries using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at June 30, 2017, could be under or overstated.
- Based on the results of these procedures, we did not report any internal control deficiencies or noncompliance with laws and regulations.
- Since fiscal year 2013, State appropriations have decreased 13%. As State appropriations continue to decrease, the System's operations become more dependent on tuition and fees, and federal and other revenues. Other revenues increased by \$13 million in fiscal year 2017, primarily due to capital grants and gifts awarded to Southern University at New Orleans for building projects.

Revenue Trends, by Fiscal Year



Source: Fiscal Year 2013-2017 System Annual Fiscal Reports, as adjusted

Fiscal/Enrollment Trends, by Fiscal Year



Source: Fiscal Year 2013-2017 System Annual Fiscal Reports, as adjusted, and Board of Regents website

View the full report at www.lla.la.gov.