

BATON ROUGE COMMUNITY COLLEGE  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES  
MANAGEMENT LETTER  
ISSUED DECEMBER 26, 2018

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# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

Baton Rouge Community College



December 2018

Audit Control # 80180041

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## Introduction

As a part of our audit of the Louisiana Community and Technical College System (System) and the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2018, we performed procedures at Baton Rouge Community College (BRCC) to provide assurances on financial information that is significant to the System's financial statements; evaluate the effectiveness of BRCC's internal controls over financial reporting and compliance; and determine whether BRCC complied with applicable laws and regulations. In addition, we determined whether management has taken actions to correct the findings reported in the prior year.

## Results of Our Procedures

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### Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in the BRCC management letter dated December 27, 2017. We determined that management has resolved the prior-year findings related to Noncompliance over Return of Title IV Funds, Noncompliance with Student Technology Fee Plan, Noncompliance with Purchase Regulations, Inadequate Controls over Movable Property, and Untimely Termination of Access to the Banner System.

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### Financial Statements - Louisiana Community and Technical College System

As a part of our audit of the System's financial statements for the year ended June 30, 2018, we considered BRCC'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, Receivables resulting from tuition and fees, Due from Federal Government, and Capital Assets

**Liabilities** - Accounts Payable and Accrued Liabilities, and Unearned Revenues

**Net Position** - Net Investment in Capital Assets, Restricted-Expendable, Restricted-Nonexpendable, and Unrestricted

### **Statement of Revenues, Expenses, and Changes in Net Position**

**Revenues** - Student Tuition and Fees net of Scholarship Allowances, Federal Nonoperating Revenues, and Capital Appropriations

**Expenses** - Educational and General

Based on the results of these procedures on the financial statements, we did not report any internal control deficiencies or noncompliance with laws or regulations. In addition, the account balances and classes of transactions tested are 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, 2018, we performed procedures 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 information submitted by BRCC to the Division of Administration's Office of Statewide Reporting and Accounting Policy on the status of the prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings.

Based on the results of these Single Audit procedures, BRCC's information submitted for the preparation of the state's Summary Schedule of Prior Audit Findings, as adjusted, is materially correct.

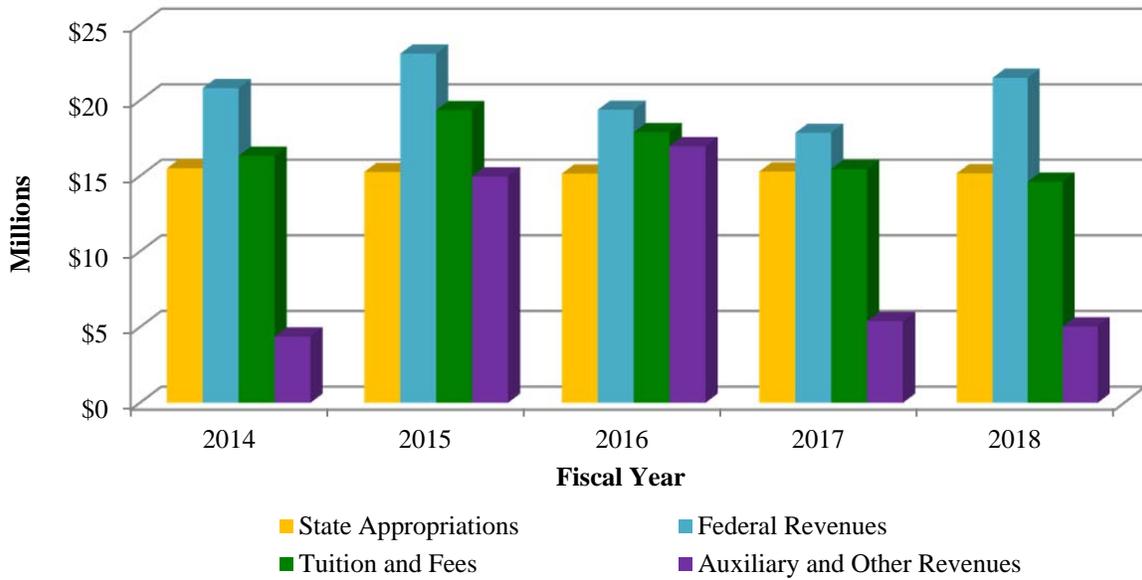
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### **Trend Analysis**

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

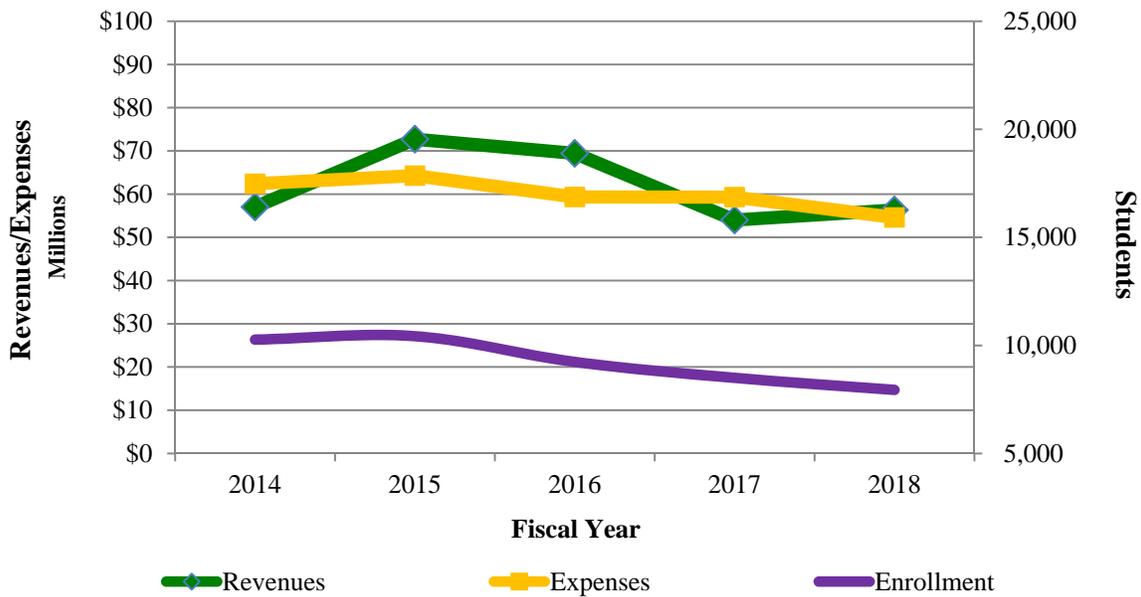
In analyzing the financial trends of BRCC over the past five fiscal years, we found that since fiscal year 2014 state appropriations have decreased approximately 2% due to a decreasing budget statewide. Tuition and fee revenues have decreased 10%. The decrease in tuition and fee revenues is mainly attributed to a continual decrease in student enrollment.

### Exhibit 1 Five-year Revenue Trends



Source: Fiscal Year 2014-2018 BRCC Annual Fiscal Reports, as adjusted

### Exhibit 2 Fiscal/Enrollment Trends



Source: Fiscal Year 2014-2018 BRCC 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,



Daryl G. Purpera, CPA, CFE  
Legislative Auditor

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BRCC 2018

## APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Baton Rouge Community College (BRCC) for the period from July 1, 2017, through June 30, 2018, 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 a review of relevant laws and regulations. Our procedures, summarized below, are a part of the audit of the System's financial statements and the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2018.

- We evaluated BRCC'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 BRCC.
- Based on the documentation of BRCC'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 opinion on the System's financial statements.
- We performed procedures on the status of prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings for the year ended June 30, 2018, as a part of the 2018 Single Audit.
- We compared the most current and prior-year financial activity using BRCC's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from BRCC's management for significant variances.

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