



Report Highlights

SOWELA Technical Community College

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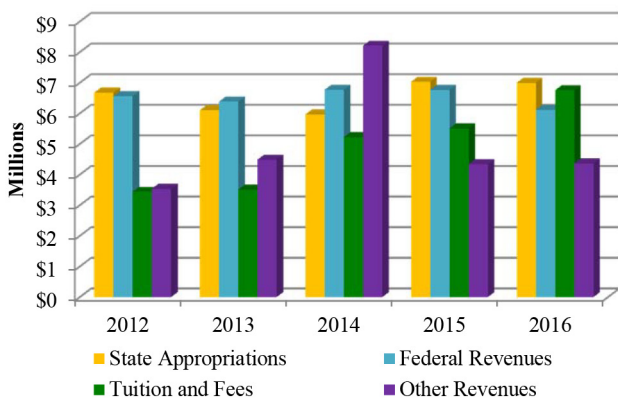
Why We Conducted This Work

We conducted procedures at SOWELA Technical Community College (SOWELA) to evaluate certain controls that SOWELA uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide overall accountability over public funds for the period July 1, 2015, through June 1, 2017.

What We Found

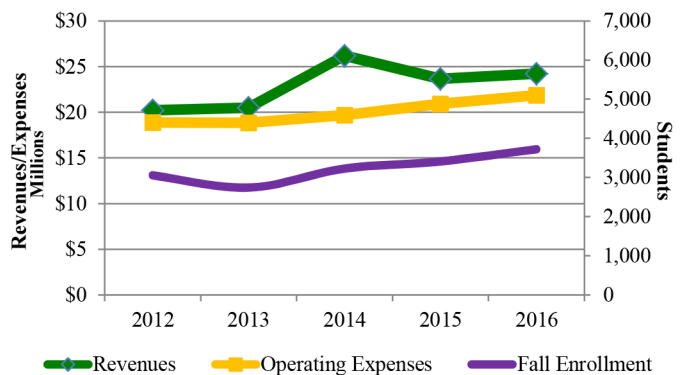
- We evaluated controls and transactions relating to student tuition and fee revenues, student accounts receivable, nonpayroll expenses, and federal nonoperating revenues from the Federal Pell Grant Program. We found that these controls provided reasonable assurance of accountability over public funds for the period examined.
- We compared the most current and prior-year financial activity using SOWELA’s annual fiscal reports and/or system-generated reports to identify trends and obtained explanations from management for any significant variances that could potentially indicate areas of risk. Management provided reasonable explanations for all significant variances.
- In analyzing financial trends of SOWELA over the past five fiscal years, state appropriations and federal revenues have remained relatively consistent. Tuition and fee revenues are increasing as a result of increased enrollment and increased tuition and fee rates. Other revenue has remained relatively consistent except in fiscal year 2014, when revenues increased as the result of an increase in capital funding for the construction of the new Nursing Building and land acquired for new facilities. During fiscal year 2014, there was also an increase in state grants for deferred maintenance, training programs, and training facility improvements. Although not reflected in the chart below, enrollment for Fall 2016 (fiscal year 2017) decreased by approximately 13% due to a decrease in dual-enrollment students.

Five-Year Revenue Trend, by Fiscal Year



Source: LCTCS Audit Reports

Fiscal/Enrollment Trends, by Fiscal Year



Source: LCTCS Audit Reports and Board of Regents enrollment data