



DARYL G. PURPERA,
CPA, CFE

Report Highlights

University of Louisiana at Monroe

University of Louisiana System

Audit Control # 8014044
Financial Audit Services • December 2014

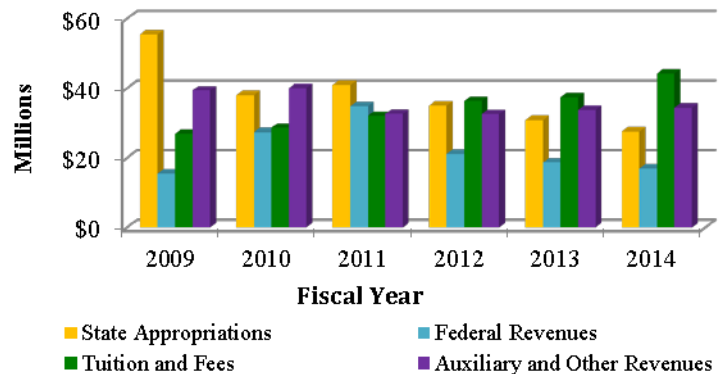
Why We Conducted This Audit

We performed certain audit procedures at the University of Louisiana at Monroe (ULM) as a part of the audit of the University of Louisiana System for the period ended June 30, 2014, and to evaluate its accountability over public funds for the period July 1, 2012 through June 30, 2014.

What We Found

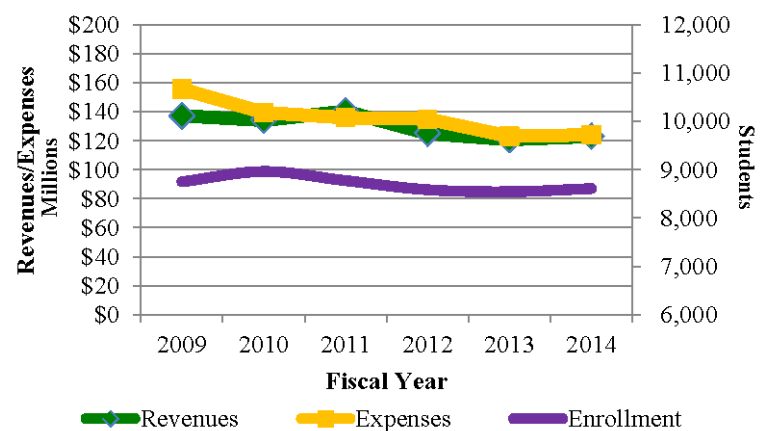
- ULM did not maintain adequate controls over its information technology (IT) controls. ULM's Banner accounting system processes more than \$120 million in revenues and expenses annually, and contains confidential data. Inadequate IT controls increase the risk of unauthorized access, changes, or data loss.
- Financial information relating to the following accounts was materially correct: cash and cash equivalents, investments, due from State Treasury, capital assets, unearned revenues, bonds payable, net position, net student tuition and fees, auxiliary enterprise revenue, state appropriations, federal nonoperating revenues, education and general expenses, auxiliary expenses, and interest expense. Internal control related to those accounts was adequate for the period examined.
- Management has resolved the prior finding related to missing recreational services funds.
- Based on a six-year analysis, expenses have consistently exceeded revenues. The impact of the state funding reductions on ULM's operating budget has been significant. In FY 2009, ULM received \$55.5 million from state appropriations, and in FY 2014 received only \$27.6 million from state appropriations. During that period, state funding was reduced by approximately 50%. While tuition revenues increased during this same period, this additional revenue was not enough to offset the reduction in state funding.

Six-Year Revenue Trend, by Fiscal Year (FY)



Source: Fiscal Year 2009–2014 ULM Annual Fiscal Reports, as adjusted

Fiscal/Enrollment Trend, by Fiscal Year (FY)



Source: Fiscal Year 2009–2014 ULM Annual Fiscal Reports and Board of Regents website data/publication

View the full report, including management's response, at www.la.gov.