

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana State University System
State of Louisiana
Baton Rouge, Louisiana

December 22, 1999



Financial and Compliance Audit Division

***Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor***

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana**

**General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1999
With Required Supplementary Information
and Supplemental Information Schedules**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge, New Orleans, and Shreveport offices of the Legislative Auditor.

December 22, 1999

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

**General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1999
With Required Supplementary Information
and Supplemental Information Schedule**

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OFFICE OF
LEGISLATIVE AUDITOR
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December 3, 1999

Independent Auditor's Report
on the Financial Statements

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the accompanying general purpose financial statements of the Louisiana State University System, a component unit of the State of Louisiana, as of and for the year ended June 30, 1999, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the Louisiana State University System. Our responsibility is to express an opinion on these financial statements based on our audit.

The various campuses of the Louisiana State University System have contracted with their foundations to invest the university's Eminent Scholars Endowed Chairs Program funds and the Endowed Professorships Program funds. The financial statements of these foundations, which are separate corporations, were not audited by us, but were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included for the previously mentioned funds, is based solely upon the reports of the other auditors. The various campuses of the Louisiana State University System include these investments held by their foundations for the state portion of the Eminent Scholars Endowed Chairs Program and the Endowed Professorships Program with total investments in their financial statements. As of June 30, 1999, investments reported in Statement A include investments held by the private foundations totaling \$3,413,289 in the Restricted Funds (expendable part), which represents approximately 1.2% of Restricted Fund assets, and \$37,199,925 in the Endowment Funds (nonexpendable part), which represents approximately 55.3% of Endowment Fund assets. Our opinion, insofar as it relates to these amounts, is based solely upon the reports of the other auditors.

As discussed in note 23, the Louisiana State University System, Louisiana State University Health Sciences Center (formerly known as Louisiana State University Medical Center) has contracted with the Louisiana State University School of Medicine in New Orleans Faculty Group Practice doing business as LSU Healthcare Network to assist the LSU Health Sciences Center in carrying out its medical, educational, and research functions. The financial statements of LSU Healthcare Network, a separate corporation, were not audited by us, but were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to amounts included for the previously mentioned operations, is based solely upon the reports of the other auditors. As of June 30, 1999, Statement A includes assets of LSU Healthcare Network totaling \$24,168,085 in the Restricted Fund, which represents

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LOUISIANA STATE UNIVERSITY SYSTEM STATE OF LOUISIANA Audit Report, June 30, 1999

approximately 8.8% of Restricted Fund assets, and \$1,160,675 in the Investment in Plant Fund, which represents less than 1% of Investment in Plant Fund assets. Also, Statement B includes revenues of LSU Healthcare Network totaling \$51,937,516 in the Restricted Fund, which represents approximately 8.3% of Restricted Fund revenues, and \$862,985 in the Investment in Plant Fund, which represents less than 1% of Investment in Plant Fund revenues. Statement B also includes expenditures of LSU Healthcare Network totaling \$47,445,168 in the Restricted Fund, which represents approximately 7.5% of Restricted Fund expenditures, and \$597,127 in the Investment in Plant Fund expenditures, which represents approximately 1% of Investment in Plant Fund expenditures. Our opinion, insofar as it relates to these amounts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

As described in note 9 to the financial statements, the university has excluded the liability relating to compensated absences from the accompanying financial statements. In our opinion, generally accepted accounting principles require that such liability be reflected in the financial statements in the year in which the benefits accrue.

In our opinion, based on our audit and the reports of other auditors, except for the effects of not recording the liability relating to compensated absences, as discussed in the preceding paragraph, the accompanying general purpose financial statements referred to previously present fairly, in all material respects, the financial position of the Louisiana State University System at June 30, 1999; the changes in fund balances; and the current funds revenues, expenditures, and other changes for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 1999, on our consideration of the Louisiana State University System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required

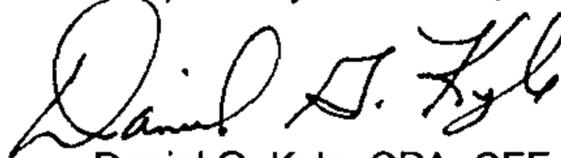
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LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Audit Report, June 30, 1999

part of the general purpose financial statements of the Louisiana State University System. Such information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and the reports of the other auditors, except for the effects of not recording the liability relating to compensated absences, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The Year 2000 supplementary information on pages 46 and 47 is not a required part of the basic financial statement but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Louisiana State University System is or will become Year 2000 compliant, that the university's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the university does business are or will become Year 2000 compliant.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

MGT:BJJ:PEP:dl

[LSU]

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
ALL FUNDS**

Combined Balance Sheet, June 30, 1999

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
ASSETS				
Cash and cash equivalents (note 2)	\$69,884,011	\$22,160,999	\$38,218,237	\$3,372,126
Investments (note 3)	81,000,000	2,227,828	31,703,883	82,061
Accrued interest	27,849	80,267	453,589	1,173
Accounts receivable (note 4)	157,669,597	7,301,768	113,323,244	
Due from state General Fund				
Notes receivable				29,845,771
Due from other funds (note 5)	8,653		90,597,285	
Deferred charges and prepaid expenses	3,683,637	1,732,795	1,829,886	
Inventories	33,835,125	9,986,512	26,049	
Institutional plant (note 16)				
Other assets	928,967			
TOTAL ASSETS	\$347,037,839	\$43,490,169	\$276,152,173	\$33,301,131
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$67,865,648	\$4,049,720	\$1,416,384	\$9,372
Accrued liabilities	28,107,772	810,572	9,132,839	
Due to state treasury (note 12)	86,297,086			
Due to other funds (note 5)	89,026,994	15,785	8,653	1,173
Deposits held for others	1,101,752	1,036,098		156,828
Deferred revenues	33,624,014	11,315,076	998,914	
Notes payable (note 11)				
Contracts payable (note 11)				
Bonds payable (note 11)				
Obligations under capital lease (note 10)				
Other liabilities	17,396		336,512	
Total Liabilities	306,040,662	17,227,251	11,893,302	167,373
Fund Equity:				
Net investment in plant				
Fund balances:				
Reserved (note 13)	33,835,125	2,191,666	12,992,884	
Current operations - unrestricted	7,162,052			
Current operations - restricted		24,071,252	251,265,987	
Noncurrent operations:				
Restricted				33,133,758
Endowment				
Term endowment				
Quasi-endowment				
Total Fund Equity	40,997,177	26,262,918	264,258,871	33,133,758
TOTAL LIABILITIES AND FUND EQUITY	\$347,037,839	\$43,490,169	\$276,152,173	\$33,301,131

The accompanying notes are an integral part of this statement.

Statement A

ENDOWMENT FUNDS	PLANT FUNDS				AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		
\$7,705,643	\$12,411,604	\$6,678,111	\$71,483		\$823,008	\$161,325,222
58,065,143	36,574,138	658,972	9,097,529		418,649	219,828,203
49,543	93,706	9,421				715,548
14,896	80,010				24,966	278,414,481
			712,842			712,842
						29,845,771
						90,605,938
						7,246,318
						43,847,686
				\$2,211,896,146		2,211,896,146
1,435,672						2,364,639
<u>\$67,270,897</u>	<u>\$49,159,458</u>	<u>\$7,346,504</u>	<u>\$9,881,854</u>	<u>\$2,211,896,146</u>	<u>\$1,266,623</u>	<u>\$3,046,802,794</u>
	\$312,552	\$8,436	\$55,261		\$1,906	\$73,719,279
						38,051,183
						86,297,086
\$1,181,778	362,134	9,421				90,605,938
					1,260,157	3,554,835
					4,560	45,942,564
				\$29,055,295		29,055,295
				3,210,221		3,210,221
				96,486,833		96,486,833
				3,384,663		3,384,663
						353,908
<u>1,181,778</u>	<u>674,686</u>	<u>17,857</u>	<u>55,261</u>	<u>132,137,012</u>	<u>1,266,623</u>	<u>470,661,805</u>
				2,079,759,134		2,079,759,134
	2,074,241	104,861	9,826,593			61,025,370
						7,162,052
						275,337,239
	46,410,531	7,223,786				86,768,075
62,340,577						62,340,577
875,071						875,071
2,873,471						2,873,471
<u>66,089,119</u>	<u>48,484,772</u>	<u>7,328,647</u>	<u>9,826,593</u>	<u>2,079,759,134</u>	<u>NONE</u>	<u>2,576,140,989</u>
<u>\$67,270,897</u>	<u>\$49,159,458</u>	<u>\$7,346,504</u>	<u>\$9,881,854</u>	<u>\$2,211,896,146</u>	<u>\$1,266,623</u>	<u>\$3,046,802,794</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
ALL FUNDS**

**Combined Statement of Changes in Fund Balances
For the Year Ended June 30, 1999**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$579,101,033	\$134,428,122		
Tuition and fees - restricted			\$19,046,108	
Federal appropriations - restricted			(11,505)	
State grants and contracts - restricted			59,709,938	
Federal grants and contracts - restricted			129,231,472	\$232,353
Local grants and contracts - restricted			2,493,690	
Private gifts, grants, and contracts - restricted			102,946,017	25
Investment income - restricted			4,346,215	104,661
Interest on loans receivable				653,391
Sales and services			91,544,373	
State funded endowments				
Endowment income			3,010,653	
Hospital - restricted	829,570,565		187,877,693	
Additions to plant facilities				
Retirement of indebtedness				
Other sources		15,287	29,218,575	333,242
Total revenues and other additions	1,408,671,598	134,443,409	629,413,229	1,323,672
Expenditures and other deductions:				
Educational and general	577,548,793		405,624,881	
Hospital	769,177,591		194,286,351	11,917
Auxiliary enterprises		117,371,308		
Indirect costs recovered			26,191,601	
Loan cancellations and write-offs				185,541
Expended for plant facilities				
Disposal of plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Refunded to grantors				183,937
Interagency transfers (note 17)	7,575,165		2,824,806	
Other		1,158,100		49,245
Total expenditures and other deductions	1,354,301,549	118,529,408	628,927,639	430,640
Transfers among funds - additions (deductions):				
Mandatory:				
Principal and interest		(5,188,847)	(3,738,886)	
Loan fund matching	(115,896)		(18,987)	134,883
Other (note 22)	(23,416,805)		23,416,805	

(Continued)

The accompanying notes are an integral part of this statement.

Statement B

ENDOWMENT FUNDS	PLANT FUNDS			INVESTMENT IN PLANT	TOTAL (MEMORANDUM ONLY)
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS		
					\$713,529,155
					19,046,108
					(11,505)
					59,709,938
			\$29,723		129,493,548
					2,493,690
\$1,554,523					104,500,565
58,454	\$3,054,057	\$68,754	208,441		7,840,582
					653,391
					91,544,373
4,320,000					4,320,000
499,750					3,510,403
					1,017,448,258
				\$142,591,519	142,591,519
				5,241,230	5,241,230
153,921	15,714,665		3,339,138	4,125,533	52,900,361
6,586,648	18,768,722	68,754	3,577,302	151,958,282	2,354,811,616
					983,173,674
					963,475,859
					117,371,308
					26,191,601
					185,541
	29,825,536				29,825,536
				35,135,719	35,135,719
			5,241,230		5,241,230
			5,665,705		5,665,705
					183,937
	16,399,320				26,799,291
68,157		1,273,870	381,281	22,494,514	25,425,167
68,157	46,224,856	1,273,870	11,288,216	57,630,233	2,218,674,568

8,927,733

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
ALL FUNDS
Combined Statement of Changes in Fund Balances, 1999**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Transfers among funds - additions (deductions): (Cont.)				
Nonmandatory:				
Capital improvements	(\$5,595,747)	(\$4,216,569)	\$4,681,224	
Renewals and replacements		(1,829,413)		
Other		(522,898)	(740,162)	\$6,580
Total transfers among funds	<u>(29,128,448)</u>	<u>(11,757,727)</u>	<u>23,599,994</u>	<u>141,463</u>
Inventory decrease	<u>(687,725)</u>	<u>NONE</u>	<u>(2,493)</u>	<u>NONE</u>
Net increase (decrease) for the year	24,553,876	4,156,274	24,083,091	1,034,495
Fund balances at beginning of year (restated - note 14)	<u>16,443,301</u>	<u>22,106,644</u>	<u>240,175,780</u>	<u>32,099,263</u>
Fund balances at end of year	<u><u>\$40,997,177</u></u>	<u><u>\$26,262,918</u></u>	<u><u>\$264,258,871</u></u>	<u><u>\$33,133,758</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement B

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL (MEMORANDUM ONLY)
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
	\$5,168,720	(\$37,628) 1,829,413 28,616			
<u>\$1,227,864</u>					
1,227,864	5,168,720	1,820,401	\$8,927,733	NONE	NONE
NONE	NONE	NONE	NONE	NONE	(\$690,218)
7,746,355	(22,287,414)	615,285	1,216,819	\$94,328,049	135,446,830
58,342,764	70,772,186	6,713,362	8,609,774	1,985,431,085	2,440,694,159
<u>\$66,089,119</u>	<u>\$48,484,772</u>	<u>\$7,328,647</u>	<u>\$9,826,593</u>	<u>\$2,079,759,134</u>	<u>\$2,576,140,989</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
CURRENT FUNDS

Combined Statement of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1999

	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED
Revenues:			
Tuition and fees	\$156,215,597		\$17,848,041
Federal appropriations	10,923,124		
State appropriations	381,840,422		13,752
Federal grants and contracts			112,069,041
State grants and contracts			52,172,728
Local grants and contracts			2,316,425
Private gifts, grants, and contracts			90,155,658
Hospital income	829,570,565		193,977,360
Sales and services of educational departments	12,067,339		111,056,475
Sales and services of auxiliary departments		\$134,428,122	
Endowment income			3,346,506
Investment income	3,377,089		4,107,014
Other sources	14,677,462		20,325,695
Total revenues	<u>1,408,671,598</u>	<u>134,428,122</u>	<u>607,388,695</u>
Expenditures and transfers:			
Educational and general:			
Instruction	252,116,786		71,091,049
Research	85,635,737		112,068,973
Public service	36,374,869		112,928,764
Academic support	60,800,078		31,210,791
Student services	13,802,559		7,048,949
Institutional support	59,302,547		30,239,715
Operations and maintenance of plant	48,671,885		8,550,231
Scholarships and fellowships	20,844,332		32,486,409
Total educational and general expenditures	<u>577,548,793</u>	NONE	<u>405,624,881</u>
Mandatory transfers for:			
Principal and interest		5,188,847	3,738,886
Loan fund matching	115,896		18,987
Other	23,416,805		(23,416,805)
Nonmandatory transfers for:			
Capital improvements	5,595,747	4,216,569	(4,681,224)
Renewals and replacements		1,829,413	
Other		522,898	740,162
Auxiliary enterprises expenditures		117,371,308	
Hospital expenditures	769,177,591		194,286,351
Total expenditures and transfers	<u>1,375,854,832</u>	<u>129,129,035</u>	<u>576,311,238</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			22,024,534
Inventory decrease	(687,725)		(2,493)
Other	(7,575,165)	(1,142,813)	(29,016,407)
Net increase in fund balances	<u>\$24,553,876</u>	<u>\$4,156,274</u>	<u>\$24,083,091</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

Notes to the Financial Statements
As of and for the Year Ended June 30, 1999

INTRODUCTION

The Louisiana State University System is a publicly supported institution of higher education. The university is a component unit of the State of Louisiana, within the executive branch of government. The university is under the management and supervision of the Louisiana State University Board of Supervisors; however, the annual budgets of the university and changes to the degree programs, departments of instruction, et cetera, require the approval of the Board of Regents for Higher Education. The board of supervisors is comprised of 16 members appointed for a six-year term by the governor, with the consent of the Senate, and one student member appointed for a one-year term by a council composed of the student body presidents of the university. As a state university, operations of the university's instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature. The chief executive officer of the university system is the president.

The university system is comprised of nine institutions on ten campuses in five cities and nine state hospitals. The system includes LSU and A&M College, Paul M. Hebert Law School, and Pennington Biomedical Research Center, all in Baton Rouge; the LSU Agricultural Center (including the Louisiana Agricultural Experiment Station and the Louisiana Cooperative Extension Service) with headquarters in Baton Rouge; the University of New Orleans; LSU in Shreveport; LSU at Alexandria and LSU at Eunice, both two-year institutions; and the LSU Health Sciences Center composed of schools of Medicine, Dentistry, Nursing, and Allied Health Professions, and a Graduate School in New Orleans, the Louisiana State University School of Medicine in New Orleans Faculty Group Practice (a Louisiana non-profit corporation doing business as LSU Healthcare Network) and a School of Medicine and Hospital in Shreveport. The state hospitals of the LSU Health Sciences Center's Health Care Services Division include E. A. Conway Medical Center in Monroe, Earl K. Long Medical Center in Baton Rouge, Huey P. Long Medical Center in Pineville, University Medical Center in Lafayette, W. O. Moss Regional Medical Center in Lake Charles, Lallie Kemp Regional Medical Center in Independence, Washington-St. Tammany Regional Medical Center in Bogalusa, Leonard J. Chabert Medical Center in Houma, and Medical Center of Louisiana at New Orleans. Baton Rouge Community College, included in prior reports as a part of the LSU System, began full operations in the 1998 fall semester and reports its operations independently of the LSU System. The community college was created under the joint management of the Board of Supervisors of the Louisiana State University System and the Board of Supervisors of the Southern University System and was transferred to the management of the Louisiana Community and Technical College System effective July 1, 1999.

Operations of the Board of Supervisors, LSU and A&M College, Pennington Biomedical Research Center, LSU at Alexandria, LSU at Eunice, the Paul M. Hebert Law School, and the LSU Agricultural Center are referred to in portions of these notes as LSU and A&M College - Baton Rouge and related. Student enrollment for the university system for the 1998 fall

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

semester totaled 58,464. During October 1998, the university system had approximately 5,000 full-time and part-time faculty members, including associates and affiliated faculty.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) considers both the American Institute of Certified Public Accountants (AICPA) College Guide model and the governmental model to be acceptable for accounting and financial reporting by governmental colleges and universities. The accompanying financial statements have been prepared in accordance with the AICPA College Guide model principles, except for the recognition of compensated absences. The university recognizes the liability for unused annual and sick leave when paid because major portions of the liability will be paid from the university's General Funds from future appropriations made by the Louisiana Legislature.

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The university is considered a component unit of the State of Louisiana because the state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) a majority of the members of the governing boards are appointed by the governor; (2) the state has control and exercises authority over budget matters; (3) state appropriations provide the largest percentage of total revenues; (4) the state issues bonds to finance certain construction; and (5) the university primarily serves state residents. The accompanying financial statements present information only as to the transactions of the programs of the Louisiana State University System, a component unit of the State of Louisiana.

The Louisiana State University School of Medicine in New Orleans Faculty Group Practice (a Louisiana non-profit corporation doing business as LSU Healthcare Network) is considered a component unit of the university system and is included in the financial statements. The component unit is included in the reporting entity because of the significance of its operational and financial relationships with the Louisiana State University System, LSU Health Sciences Center. Although the LSU School of Medicine in New Orleans Faculty Group Practice is legally separate, it is reported as a part of the university system because its purpose is to assist the LSU Health Sciences Center in carrying out its medical, educational, and research functions.

Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements. The general purpose financial statements are audited by the Louisiana Legislative Auditor.

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Notes to the Financial Statements (Continued)

C. FUND ACCOUNTING

To observe the limitations and restrictions placed on the use of available resources, the accounts of the university are maintained in accordance with the principles of fund accounting. Such principles prescribe the manner in which resources for various purposes are classified, for accounting and reporting purposes, into funds that are in accordance with specified activities or objectives. Accounts are separately maintained for each fund; however, in the accompanying financial statements, funds having similar characteristics have been combined into fund groups. Accordingly, all financial statements have been reported by fund groups. A brief description of each fund group follows:

Current Funds

Current funds are operating funds that will be expended in the near term. Such funds include the General Fund, Auxiliary Enterprises Fund, and Restricted Fund.

The General Fund is used for operating purposes on which there are no restrictions, except the budgetary control provisions included in the annual legislative appropriation act. The current funds also include auxiliary enterprise funds designated by the Board of Supervisors as applicable to certain activities to maintain the operations as essentially self-supporting. Unexpended balances in the auxiliary activities are retained to fund future expenses of the auxiliary operations. Restricted current funds represent those operating funds on which restrictions have been imposed that limit the purposes for which such funds can be used and include gifts, grants, or contracts from governmental or private agencies.

Student Loan Funds

The student loan funds group accounts for resources available for loans to students.

Endowment Funds

The endowment fund group consists of endowment funds, term endowment funds, and quasi-endowment funds. *Endowment funds* are funds with respect to which donors or other outside agencies have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income that may either be expended or added to principal. Term endowment funds differ from endowment funds in that all or a portion of the principal becomes expendable

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after a stated period of time or an occurrence of a specified event. Quasi-endowment funds are those funds that the governing board of the institution, rather than a donor or other external agency, has determined to treat as endowment funds, to be retained and invested. Expendable income derived from investment of principal is accounted for in the restricted current fund; any nonexpendable interest is accounted for as income in the endowment fund.

Plant Funds

The plant funds group contains four self-balancing subgroups. Unexpended plant funds are used for the acquisition of long-lived assets for institutional purposes. Funds for renewals and replacements are set aside from current operating revenues for the renewal and replacement of auxiliary enterprise properties. Funds for retirement of indebtedness are to service plant indebtedness of the university. Investment in plant includes all long-lived assets of the university. Certain plant assets are provided directly by the state and are funded by general obligation bonds of the state. While the plant assets are included in the financial statements, the general obligation bonds are not since they are funded by the state treasurer.

Agency Funds

Agency funds are deposits in which the university acts as custodian or fiscal agent on behalf of others, such as student or faculty organizations and workshops.

D. BASIS OF ACCOUNTING

The financial statements of the university have been prepared on the accrual basis of accounting, except that (1) depreciation is not recognized; (2) annual and sick leave are recognized when paid; and (3) the inventories of the General Fund are recorded as expenditures at the time of purchase.

The statement of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds relating to the current reporting period. It does not purport to present the results of operations (net income or loss) for the period as would a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as expenditures in the case of normal acquisitions, repairs, and renovations; mandatory transfers in the case of required provisions for debt amortization and interest; and as transfers of a nonmandatory nature for all other cases.

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Notes to the Financial Statements (Continued)

E. BUDGET PRACTICES

The appropriations made for the General Fund of the Louisiana State University System are annual lapsing appropriations established by legislative action and by Title 39 of the Louisiana Revised Statutes. The statute requires that the budget be approved by the Board of Regents for Higher Education and certain legislative and executive agencies of state government. Budget revisions are granted by the Joint Legislative Committee on the Budget. In compliance with these legal restrictions, budgets are adopted on the accrual basis of accounting, except that (1) depreciation is not recognized; (2) leave costs are treated as budgeted expenditures to the extent that they are expected to be paid; and (3) inventories in the General Fund are recorded as expenditures at the time of purchase.

The original approved budgets and subsequent amendments approved are as follows:

	<u>Board of Supervisors and System Administration</u>	<u>Pennington Biomedical Research Center</u>	<u>LSU and A&M College - Baton Rouge</u>
Original approved budget	\$1,631,713	\$6,122,262	\$248,781,932
Preamble decrease	(43,892)	(78,727)	(3,203,807)
Increases:			
State General Fund		219,741	5,604,905
Interim Emergency Board			
Interagency transfers			
	<hr/>	<hr/>	<hr/>
Total	<u>\$1,587,821</u>	<u>\$6,263,276</u>	<u>\$251,183,030</u>

The other funds of the university, although subject to internal budgeting, are not required to submit budgets for approval through the legislative budget process.

**F. CASH AND CASH EQUIVALENTS
AND INVESTMENTS**

Cash includes cash on hand, demand deposits, and interest-bearing demand deposits. Cash equivalents include amounts in time deposits. Under state law, the Louisiana State University System may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the university may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

<u>LSU at Alexandria</u>	<u>LSU at Eunice</u>	<u>Paul M. Hebert Law Center</u>	<u>LSU Agricultural Center</u>	<u>University of New Orleans</u>	<u>LSU in Shreveport</u>	<u>LSU Health Sciences Center</u>
\$7,979,128 (79,285)	\$7,282,104 (103,039)	\$9,428,280 (60,438)	\$78,432,503 (687,541)	\$86,887,334 (1,164,889)	\$19,057,411 (125,921)	\$1,145,536,758 (9,958,286)
149,621	164,936	336,813	2,719,933	2,176,863 1,156,000	367,229	1,650,516
						3,413,121
<u>\$8,049,464</u>	<u>\$7,344,001</u>	<u>\$9,704,655</u>	<u>\$80,464,895</u>	<u>\$89,055,308</u>	<u>\$19,298,719</u>	<u>\$1,140,642,109</u>

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In accordance with Louisiana Revised Statute (R.S.) 49:327(C)(3), the university is authorized to invest funds in direct United States Treasury obligations and, in addition, funds derived from gifts and grants, endowments, and reserve funds established in accordance with bond issues may be invested as stipulated by the conditions of the gift instrument or bond indenture. The majority of these investments are United States Treasury securities, mutual funds, and investments held by private foundations and are reported at market value on the balance sheet.

G. INVENTORIES

Inventories are valued at cost or replacement cost, except for livestock at the LSU and A&M College - Baton Rouge and the Agricultural Center and the inventory of Professional Practice and the Dental School of the LSU Health Sciences Center - New Orleans. These inventories are valued at current market prices. The university uses periodic and perpetual inventory systems and values its various other inventories using the first-in, first-out and weighted-average valuation methods. Inventories in the General and Restricted Funds are recorded as expenditures at the time of purchase. Year-end balances are offset by a fund balance reserve that indicates this portion of the fund balance does not constitute available spendable resources. The inventories of the auxiliary enterprise funds are expended when sold or used.

H. DEFERRED REVENUES

Tuition and fees collected at June 30, 1999, but applicable to the 1999 summer session, are reported as deferred revenues. Expenses relating to this session are reported in the period the tuition and fees are recognized as revenues.

I. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve fund balances, is employed by the university during the year. Encumbrances outstanding at year-end in all funds, except for the General Fund and certain encumbrances of the Restricted Fund referred to in note 13, are reported as reservations of fund balance since they do not constitute expenditures or liabilities in the year encumbered. Encumbrances of the General Fund are not included in the financial statements because the university does not have the ability to finance the liquidation of encumbrances after June 30, 1999, as provided by R.S. 39:82.

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

J. PLANT ASSETS

Physical plant and equipment are stated at cost at the date of acquisition, estimated cost if actual cost is not known, fair market value at date of donation in the case of gifts, or market value for livestock. Public domain or infrastructures are capitalized. Construction in progress is capitalized during construction. No depreciation has been provided on plant assets.

K. COMPENSATED ABSENCES

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. Faculty with 12-month appointments who have over 10 years of state service, non-classified employees with over 10 years of state service, and classified employees regardless of years of state service accumulate leave without limitation. According to the university leave schedule, faculty with 12-month appointments who have less than 10 years of state service and non-classified employees with less than 10 years of state service can only accumulate 176 hours of annual leave; sick leave is accumulated without limitation. Effective January 1, 1994, academic and unclassified employees were given the opportunity to elect to remain under the university leave schedule or change to the Louisiana State Civil Service annual leave accrual schedule under which there is no limit on the accumulation of annual leave. Nine-month faculty members accrue sick leave but do not accrue annual leave; however, they are granted faculty leave during holiday periods when students are not in classes. Upon separation of employment, both classified and non-classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic and unclassified personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The liability for unused annual leave and unused sick leave, as discussed previously in note 1, is not recorded in the accompanying financial statements.

L. TOTAL COLUMNS ON STATEMENTS

Total columns on the statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations. Neither are such data comparable to a consolidation.

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

2. CASH AND CASH EQUIVALENTS

At June 30, 1999, the university has cash and cash equivalents (book balances) of \$161,325,222 as follows:

	Cash on Hand	Cash - Demand Deposits	Interest- Bearing Demand Deposits	Cash Equivalents - Time Deposits	Cash in State Treasury	Total
LSU and A&M College - Baton Rouge and Related	\$1,045,241	(\$11,946,974)		\$79,845,946		\$68,944,213
University of New Orleans	143,066	130,217	\$9,916,231	847,989		11,037,503
LSU in Shreveport	16,302		(660,792)	4,975,000	\$69,593	4,400,103
LSU Health Sciences Center	6,045,518		12,683,958	168,600	58,045,327	76,943,403
Total	<u>\$7,250,127</u>	<u>(\$11,816,757)</u>	<u>\$21,939,397</u>	<u>\$85,837,535</u>	<u>\$58,114,920</u>	<u>\$161,325,222</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the university has \$122,444,163 in deposits (collected bank balances), excluding amounts held within the state treasury. These deposits are secured from risk by \$2,590,085 of federal deposit insurance (GASB Category 1), \$4,992,346 collateralized with securities held by the university in the university's name (GASB Category 1), \$100,994,584 collateralized with securities held by the pledging financial institution's trust department or agent in the university's name (GASB Category 2), and \$13,867,148 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Included in cash and cash equivalents is cash available to the university within the state treasury totaling \$58,114,920. Securities pledged for cash in the state treasury are not included in the above computations as these amounts are secured by fiscal agent banks established by the state treasury independent of the university.

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Notes to the Financial Statements (Continued)

3. INVESTMENTS

At June 30, 1999, the university has investments totaling \$219,828,203 as follows:

	LSU and A&M College - Baton Rouge and Related	University of New Orleans	LSU in Shreveport	LSU Health Sciences Center
United States government securities held by the financial institution in trust	\$5,190,870	\$22,410,547		\$46,382,733
Mutual funds held by the financial institution or its agent in trust	95,658,294			
Stock held by the university	5,008,727	17,294		267,639
Real estate				3,978,885
Investments held by private foundations in external investment pools	24,101,399	8,345,962	\$606,209	7,559,644
Faculty Group Practice				300,000
Total investments	\$129,959,290	\$30,773,803	\$606,209	\$58,488,901

Investments for the LSU and A&M College - Baton Rouge and Related include the securities of the Board of Supervisors and System Administration, Pennington Biomedical Research Center, LSU at Alexandria, LSU at Eunice, the Paul M. Hebert Law Center, and the LSU Agricultural Center. The investments are reported at fair value as required by GASB Statement 31. Investments held by private foundations in external investment pools are managed in accordance with the terms outlined in a management agreement executed between the university and the foundation. Each university is a voluntary participant.

The credit risk of GASB Codification Section 150.164 was applied to the university's investments. Stocks of \$5,293,660 are investments either held by the university or its agent and registered in the university's name (GASB Category 1). United States government securities of \$54,486,756 are held by the counterparty or its trust department or agent in the university's name (GASB Category 2). Investments totaling \$19,497,394 are unsecured and unregistered with securities held by the counterparty or its trust department or agent but not in the university's name (GASB Category 3). Mutual funds totaling \$95,658,294, real estate investments totaling \$3,978,885, investments held by private foundations in external investment pools totaling \$40,613,214, and other investments totaling \$300,000 were not categorized.

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Notes to the Financial Statements (Continued)

4. ACCOUNTS RECEIVABLE

Accounts receivable are shown on Statement A net of an allowance for doubtful accounts as follows:

<u>Fund</u>	<u>Accounts Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Statement A</u>
General	\$363,929,035	\$206,259,438	\$157,669,597
Auxiliary Enterprises	7,323,555	21,787	7,301,768
Restricted	162,424,749	49,101,505	113,323,244
Endowment	14,896		14,896
Unexpended Plant	80,010		80,010
Agency	24,966		24,966
	<hr/>	<hr/>	<hr/>
Total	<u>\$533,797,211</u>	<u>\$255,382,730</u>	<u>\$278,414,481</u>

The allowance represents a provision in current funds from patients served at various hospitals, medical center clinics, and outside billings.

5. DUE FROM/TO OTHER FUNDS

The following is a summary of amounts due from/to other funds at June 30, 1999:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Current Funds:		
General	\$8,653	\$89,026,994
Auxiliary Enterprises		15,785
Restricted	90,597,285	8,653
Student Loan Funds		1,173
Endowment Funds		1,181,778
Plant Funds:		
Unexpended		362,134
Renewals and Replacements		9,421
	<hr/>	<hr/>
Total	<u>\$90,605,938</u>	<u>\$90,605,938</u>

LOUISIANA STATE UNIVERSITY SYSTEM
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Notes to the Financial Statements (Continued)

6. PENSION PLANS

Plan Description. Substantially all employees of the university are members of two statewide, public employee retirement systems. Academic employees are generally members of the Louisiana Teachers Retirement System (TRS), and classified/unclassified state employees are members of the Louisiana State Employees Retirement System (LASERS). Both plans are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. TRS and LASERS provide retirement, disability, and survivors' benefits to plan members and beneficiaries. Benefits granted by the retirement systems are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual publicly available financial reports that include financial statements and required supplementary information for the systems. The reports may be obtained by writing to the Teachers Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446, and/or the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (225) 922-0600.

Funding Policy. The contribution requirements of employee plan members and the university are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution as set forth in R.S. 11:102. Employees contribute 8% (TRS) and 7.5% (LASERS) of covered salaries. The state is required to contribute 16.5% of covered salaries to TRS and 12.4% of covered salaries to LASERS. The university's employer contribution is funded by the State of Louisiana through the annual appropriation to the university. The university's employer contributions to TRS for the years ended June 30, 1999, 1998, and 1997, were \$24,864,010, \$24,642,144, and \$23,460,182, respectively, and to LASERS for the years ended June 30, 1999, 1998, and 1997, were \$51,542,268, \$52,547,349, and \$20,866,691, respectively, equal to the required contributions for each year.

Optional Retirement System

R.S. 11:921 created an optional retirement plan for academic and administrative employees of public institutions of higher education. This program was designed to aid universities in recruiting employees who may not be expected to remain in TRS for 10 or more years. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants.

The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the

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Notes to the Financial Statements (Continued)

optional retirement plan rather than the TRS and purchase retirement and death benefits through contracts provided by designated companies.

Total contributions by the university are 16.4% of the covered payroll. The participant's contribution (8%), less any monthly fee required to cover the cost of administration and maintenance of the optional retirement plan, is remitted to the designated company or companies. Upon receipt of the employer's contribution, the TRS pays over to the appropriate company or companies, on behalf of the participant, an amount equal to the employer's portion of the normal cost contribution as determined annually by the actuarial committee. The TRS retains the balance of the employer contribution for application to the unfunded accrued liability of the system. Benefits payable to participants are not the obligations of the State of Louisiana or the TRS. Such benefits and other rights of the optional retirement plan are the liability and responsibility solely of the designated company or companies to whom contributions have been made. Employer and employee contributions to the optional retirement plan totaled \$33,785,510 and \$16,387,637, respectively, for the year ended June 30, 1999.

**7. POSTRETIREMENT HEALTH CARE
AND LIFE INSURANCE BENEFITS**

The university provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the university's employees become eligible for these benefits if they reach normal retirement age while working for the university. These benefits for retirees and similar benefits for active employees are provided through a state-operated group insurance program and various insurance companies whose monthly premiums are paid jointly by the employee and the university. The university recognizes the cost of providing these benefits to retirees (university's portion of premiums) as an expenditure when paid during the year. These retiree benefits totaled \$12,171,572 for the year ended June 30, 1999.

**8. CONTINGENT LIABILITIES
AND RISK MANAGEMENT**

At June 30, 1999, the university is contingently liable for \$422,947 as guarantor of mortgage loans on sorority and fraternity houses built on university property. This amount has not been accrued in the accompanying financial statements. Also, the university is involved in numerous lawsuits at June 30, 1999. In the opinion of legal counsel for the university, the ultimate outcome of these lawsuits cannot be determined; however, any losses, with few exceptions, would be fully covered by insurance. Losses arising from judgments, claims, and similar contingencies are paid by either private insurance companies or through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by General Fund appropriation. The university is involved in 533 lawsuits at June 30, 1999, of which 50 lawsuits are handled by contract attorneys. The remainder of the lawsuits are handled by the Office of Risk Management. Of the 50 lawsuits

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Notes to the Financial Statements (Continued)

being handled by contract attorneys, the attorneys have estimated a possible liability of \$6,052,519 relating to 14 of the lawsuits. This amount has not been accrued in the accompanying financial statements. The contract attorneys did not estimate a liability for nine lawsuits in which the plaintiffs are seeking damages of \$2,994,000.

The LSU Board of Supervisors, on behalf of the LSU Health Sciences Center in Shreveport, entered into negotiation with the United States Attorney's Office relative to inappropriate billings for services by the hospital. Management anticipates that this matter may be settled with the federal government in the near future for an estimated \$1.5 million. However, since the negotiation process is still on-going at this time, this amount is uncertain and has not been accrued in the accompanying financial statements.

9. COMPENSATED ABSENCES

At June 30, 1999, employees of the university have accumulated and vested \$73,808,652 of employee annual leave benefits and \$21,108,980 of sick leave benefits, which were computed in accordance with GASB Codification Section C60.105. As previously discussed, the leave payable is not recorded in the accompanying financial statements. If the financial statements were corrected for this departure from generally accepted accounting principles, current funds' liabilities would be increased by \$78,240,358 in the Current Funds - General Fund; \$2,711,131 in the Current Funds - Auxiliary Fund; and \$13,966,143 in the Restricted Fund. Also, the net increase in fund balance would be decreased by \$5,363,806 for the year ended June 30, 1999, and an adjustment to decrease prior year fund balances would be made for \$89,553,826.

10. LEASE OBLIGATIONS

Operating Leases

The annual rental payments for noncancelable operating leases during the next five fiscal years are presented as follows:

Nature of Operating Lease	2000	2001	2002	2003	2004	Thereafter
Office space	\$3,196,104	\$1,381,502	\$1,076,171	\$585,281	\$388,115	\$580,997
Equipment	2,275,343	124,317	84,691			
Other	2,353,779	1,364,814	1,021,333	981,912	203,312	61,308
Total	<u>\$7,825,226</u>	<u>\$2,870,633</u>	<u>\$2,182,195</u>	<u>\$1,567,193</u>	<u>\$591,427</u>	<u>\$642,305</u>

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Capital Leases

The university records items under capital leases as assets and obligations in the accompanying financial statements. The following is a schedule of future minimum lease payments under capital leases, together with the present value of minimum lease payments at June 30, 1999:

Fiscal year ending June 30:	
2000	\$1,178,723
2001	1,026,043
2002	955,558
2003	475,495
2004	67,893
Total minimum lease payments	<u>3,703,712</u>
Less - amount representing interest	<u>(319,049)</u>
Present value of net minimum lease payments	<u><u>\$3,384,663</u></u>

11. LONG-TERM DEBT

Notes Payable

The university has entered into a number of installment purchase agreements for the purchase of computer equipment, copiers, vehicles, et cetera. These agreements require scheduled payments either on a monthly or annual basis and have interest rates ranging from zero to 12%. The following is a summary of installment notes payable by the university for the year ended June 30, 1999:

Balance at July 1, 1998	\$8,913,000
Installment purchases in 1999	934,595
Installment payments in 1999	<u>(2,833,884)</u>
Installment notes payable at June 30, 1999	<u><u>\$7,013,711</u></u>

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Notes to the Financial Statements (Continued)

The following is a summary of future minimum installment payments as of June 30, 1999:

<u>Year Ending June 30:</u>	
2000	\$3,338,137
2001	2,431,006
2002	1,008,295
2003	770,139
Total minimum installment payments	<u>7,547,577</u>
Less - amount representing interest	<u>(533,866)</u>
Total	<u><u>\$7,013,711</u></u>

The majority of the installment purchase agreements have non-appropriation exculpatory clauses that allow for lease cancellation if the Louisiana Legislature does not make an appropriation for its continuation during any future fiscal period.

In addition to the installment purchase agreements, the university has entered into loan agreements with the Louisiana Public Facilities Authority (LPFA) on October 31, 1988. The LPFA loan agreement totaling \$28,500,000 is for financing, refinancing, or reimbursing the cost of facilities; improvements and expansions of the LSU Athletic Department; construction of the Student Recreation Sports Center for Louisiana State University and A&M College - Baton Rouge, improvements for parking and safety at Louisiana State University and A&M College - Baton Rouge, improvements to residential life facilities (\$26,200,000); additions to the parking garage at the LSU Health Sciences Center in New Orleans (\$1,000,000); and building a child care center at the University of New Orleans (\$1,300,000). The loan repayments are payable from the fees, rates, rentals, charges, grants, or other receipts or income derived by or in connection with the facilities, equipment, and improvements. According to terms of the loan agreement, the university is to repay principal and interest on the obligation on the 28th day of each month commencing August 28, 1991. The university made payments during the year totaling \$1,284,166. At June 30, 1999, the outstanding balance is \$21,262,500.

During the year ended June 30, 1999, the LSU Health Sciences Center - Health Care Services Division entered into an agreement with the Louisiana Equipment Acquisition Fund (LEAF) program for the acquisition of computer equipment. In addition, the LSU Health Sciences Center - Louisiana State University School of Medicine in New Orleans Faculty Group Practice (a Louisiana non-profit corporation doing business as LSU Healthcare Network) entered into an installment agreement for the purchase of telephone equipment. At June 30, 1999, the outstanding balances are \$271,933 and \$507,151, respectively.

Notes payable totaling \$29,055,295 are reflected on Statement A.

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

Bonds and Contracts Payable

As presented on Statement A, at June 30, 1999, contracts payable total \$3,210,221 and bonds payable total \$96,486,833.

The following is a summary of bonds and reimbursement contracts payable by the university for the year ended June 30, 1999:

	LSU and A&M College - Baton Rouge	LSU at Alexandria	LSU at Eunice
	<u> </u>	<u> </u>	<u> </u>
Bonds and contracts payable at July 1, 1998	\$70,258,404	\$556,429	\$1,650,000
Bonds and contracts added	3,500,000		
Bonds and contracts retired	<u>(2,095,039)</u>	<u>(80,715)</u>	<u>(54,167)</u>
 Bonds and contracts payable at June 30, 1999	 <u><u>\$71,663,365</u></u>	 <u><u>\$475,714</u></u>	 <u><u>\$1,595,833</u></u>

Detailed summaries, by issues, of all bond and reimbursement contract debt outstanding at June 30, 1999, including interest payments of \$47,975,674 for LSU and A&M College - Baton Rouge; \$79,512 for LSU at Alexandria; \$910,083 for LSU at Eunice; \$24,664,509 for the University of New Orleans; \$25,106 for LSU in Shreveport; and \$28,350 for the LSU Health Sciences Center follow:

<u>University of New Orleans</u>	<u>LSU in Shreveport</u>	<u>LSU Health Sciences Center</u>	<u>Total</u>
\$10,940,000	\$314,285	\$520,000	\$84,239,118
15,915,000			19,415,000
<u>(1,550,000)</u>	<u>(57,143)</u>	<u>(120,000)</u>	<u>(3,957,064)</u>
<u>\$25,305,000</u>	<u>\$257,142</u>	<u>\$400,000</u>	<u>\$99,697,054</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

Bonds Payable

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding July 1, 1998</u>
LSU and A&M College - Baton Rouge			
Student Housing System Bonds:			
Series 1961	July 1, 1961	\$2,735,000	\$313,000
1963 - Series A	July 1, 1963	1,100,000	141,000
1964:			
Series A	July 1, 1964	900,000	225,000
Series B	July 1, 1964	3,790,000	976,000
Building Bonds of 1965 -			
Series B	July 1, 1965	1,545,000	393,000
Student Housing System Bonds:			
1966:			
Series B	July 1, 1966	2,175,000	675,000
Series C	July 1, 1966	1,250,000	350,000
1968 - Series B	July 1, 1968	1,275,000	380,000
1981 - Series A	July 1, 1982	1,241,000	256,000
Auxiliary Revenue Bonds 1994	June 15, 1994	26,290,000	23,615,000
1996 Revenue Bonds	September 5, 1996	33,485,000	33,485,000
1997 Auxiliary Revenue Bonds	December 1, 1997	6,500,000	6,500,000
1999 Auxiliary Revenue Bonds	April 29, 1999	3,500,000	
LSU at Eunice			
1998 Auxiliary Revenue Bonds	June 1, 1998	1,650,000	1,650,000
University of New Orleans			
Jefferson Center, 1996-A	August 1, 1996	4,485,000	3,885,000
Revenue Bonds of 1997:			
Series A	January 15, 1997	5,965,000	5,915,000
Series B	February 5, 1997	1,140,000	1,140,000
Revenue Bonds of 1998	August 15, 1998	15,915,000	
LSU Health Sciences Center			
New Orleans - Building Revenue Bonds of 1962			
	April 1, 1962	2,990,000	520,000
Total Bonds Payable		<u>\$117,931,000</u>	<u>\$80,419,000</u>

<u>Redeemed</u>	<u>Outstanding June 30, 1999</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Interest Outstanding June 30, 1999</u>
\$120,000	\$193,000	1999-2001	3.5%	\$9,309
44,000	97,000	1999-2003	3.5%	5,425
36,000	189,000	1999-2004	3.625%	20,481
150,000	826,000	1999-2004	3.625%	90,624
55,000	338,000	1999-2005	3%	33,840
75,000	600,000	1999-2006	3%	74,100
45,000	305,000	1999-2006	3%	34,200
40,000	340,000	1999-2008	3%	42,750
83,000	173,000	1999-2001	3%	7,830
975,000	22,640,000	1999-2014	4.2% - 5.75%	11,535,069
	33,485,000	1999-2026	4.2% - 5.5%	31,699,552
	6,500,000	1999-2017	4.0% - 5.2%	3,434,660
	3,500,000	2002	5.0%	525,000
54,167	1,595,833	1999-2018	5.0%	910,083
310,000	3,575,000	1999-2026	4.10% - 5.60%	2,873,265
100,000	5,815,000	1999-2006	3.75% - 5.65%	5,533,203
1,140,000	15,915,000	1999-2030	3.9% - 5.0%	16,258,041
120,000	400,000	1999-2002	3.5%	28,350
<u>\$3,347,167</u>	<u>\$96,486,833</u>			<u>\$73,115,782</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

Reimbursement Contracts Payable

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding July 1, 1998</u>
LSU and A&M College - Baton Rouge and Related Tiger Stadium Additions Bonds, Series 1976-B	February 1, 1976	\$3,500,000	\$765,790
LSU Union Additions Bonds, Series 1984-B	July 31, 1984	2,700,000	1,696,329
Student Recreation Sports Center Bonds, Series 1984-A	April 1, 1984	750,000	360,890
LSU Union Additions Bonds, Series 1983-A	March 1, 1983	300,000	126,395
Building Bonds, Series 1977-C - Alexandria	October 1, 1977	100,000	31,429
Student Union Additions Bonds, Series 1979-B - Alexandria	June 15, 1979	1,410,000	525,000
LSU in Shreveport Building Bonds, Series 1977-C	October 1, 1977	<u>1,000,000</u>	<u>314,286</u>
Total Reimbursement Contracts Payable		<u><u>\$9,760,000</u></u>	<u><u>\$3,820,119</u></u>

The annual requirements to amortize all bonds and reimbursement contracts outstanding at June 30, 1999, including interest of \$73,683,234, are as follows:

<u>Fiscal Year</u>	<u>LSU and A&M College - Baton Rouge and Related</u>	<u>University of New Orleans</u>	<u>LSU in Shreveport</u>	<u>LSU Health Sciences Center</u>	<u>Total</u>
2000	\$7,006,985	\$1,713,288	\$70,789	\$144,000	\$8,935,062
2001	6,975,847	1,714,201	70,729	139,450	8,900,227
2002	9,997,351	1,511,831	70,532	144,900	11,724,614
2003	6,311,106	1,671,457	70,198		8,052,761
2004	6,265,741	1,671,828			7,937,569
Subsequent years	86,143,151	41,686,904			127,830,055
Total	<u><u>\$122,700,181</u></u>	<u><u>\$49,969,509</u></u>	<u><u>\$282,248</u></u>	<u><u>\$428,350</u></u>	<u><u>\$173,380,288</u></u>

<u>Redeemed</u>	<u>Outstanding June 30, 1999</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Interest Outstanding June 30, 1999</u>
\$238,757	\$527,033	1999-2001	5.6%	\$44,766
163,485	1,532,844	1999-2004	4.67% - 6.01%	301,882
48,577	312,313	1999-2004	9.3% - 9.5%	93,835
21,220	105,175	1999-2003	8.125% - 8.2%	22,351
5,715	25,714	1999-2003	4.70% - 4.75%	2,512
75,000	450,000	1999-2004	5.375% - 5.5%	77,000
<u>57,143</u>	<u>257,142</u>	1999-2002	4.70% - 4.75%	<u>25,106</u>
<u>\$609,897</u>	<u>\$3,210,221</u>			<u>\$567,452</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

The following is a summary of the debt service reserve requirements of the various bond issues at June 30, 1999:

<u>Bond Issue</u>	<u>Cash/ Investment Reserves Available</u>	<u>Reserve Requirement</u>	<u>Difference</u>
Auxiliary Plant:			
LSU and A&M College - Baton Rouge	\$6,932,813	\$6,932,813	
LSU at Alexandria	111,859	111,859	
LSU at Eunice	919	919	
University of New Orleans	528,691	528,691	
LSU in Shreveport	69,593	69,593	
LSU Health Sciences Center	<u>297,000</u>	<u>297,000</u>	
Total	<u>\$7,940,875</u>	<u>\$7,940,875</u>	<u>NONE</u>
Educational Plant - University of New Orleans	<u>\$1,825,718</u>	<u>\$1,369,645</u>	<u>\$456,073</u>

The LSU Health Sciences Center's 1962 Building Revenue Bond agreement requires that, after all payments have been made to the Bond and Interest Sinking Fund Account, a sum of \$20,000 per annum, or available portion thereof, be transferred to the Repair and Replacement Reserve Account until the reserve in that account totals \$200,000. At June 30, 1999, the Repair and Replacement Reserve Account has a balance of \$60,000. For the prior year ended June 30, 1998, the Repair and Replacement Reserve Account had a balance of \$40,000. According to the terms of the 1962 Building Revenue Bonds agreement, the reserves can be used for repairs, renewals and replacements, and renovations that are not paid as part of the ordinary and normal operating expenses.

12. DUE TO STATE TREASURY

As shown on Statement A, the General Fund has a total of \$86,297,086 due to the state treasury at June 30, 1999. This amount consists of \$86,192,755 of seed advance, \$1,957 of unexpended appropriation, \$64,025 of petty cash advances, and \$38,349 refund of prior year expenditures.

13. RESERVATIONS OF FUND BALANCES

Reservations of fund balances at June 30, 1999, as shown on Statement A, are summarized as follows:

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

	Reserved for		Bond Indentures	Total
	Encumbrances	Inventories		
Current Funds:				
General		\$33,835,125		\$33,835,125
Auxiliary Enterprises	\$2,191,666			2,191,666
Restricted	12,966,835	26,049		12,992,884
Plant Funds:				
Unexpended	2,074,241			2,074,241
Renewals and Replacements	104,861			104,861
Retirement of Indebtedness			\$9,826,593	9,826,593
Total	\$17,337,603	\$33,861,174	\$9,826,593	\$61,025,370

LSU Board of Supervisors and System Administration, Pennington Biomedical Research Center, LSU and A&M College - Baton Rouge, LSU at Alexandria, LSU at Eunice, Paul M. Hebert Law Center, and LSU Agricultural Center have reserved fund balances of \$4,934,278 in the Restricted Fund for encumbrances outstanding at June 30, 1999. Additional encumbrances of Pennington Biomedical Research Center, LSU A&M College - Baton Rouge, LSU at Alexandria, LSU at Eunice, and LSU Agricultural Center totaling \$8,231,983 were outstanding at year-end for restricted state and federal grants and contracts. Under these agreements, reimbursement is provided by the grantor after expenditures occur and the related encumbrances are liquidated. A reservation of fund balances has not been established for such encumbrances.

**14. PRIOR YEAR RESTATEMENT
OF FUND BALANCES**

As shown on Statement B, fund balance at the beginning of the year has been restated for prior period adjustments made during the year by the university system. The adjustments made to fund balance at the beginning of the year are summarized as follows:

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

	Restricted Funds	Investment in Plant Fund
	<u> </u>	<u> </u>
Fund Balance at June 30, 1998, as previously reported	\$240,176,835	\$1,988,159,676
Adjustments:		
Change in the reporting of Baton Rouge Community College	(1,055)	(8,170,083)
Fixed assets:		
Additional improvements to plant facilities - LSU Health Sciences Center		7,465,367
Correction to the reporting of investments in real estate - LSU Health Sciences Center		(2,053,645)
Adjustment for depreciation expense - LSU Health Sciences Center - LSU School of Medicine in New Orleans Faculty Group Practice		29,770
	<u> </u>	<u> </u>
Fund Balance at June 30, 1998, as restated	<u>\$240,175,780</u>	<u>\$1,985,431,085</u>

15. STUDENT LOAN FUNDS

The fund balances of the student loan funds at June 30, 1999, are as follows:

	Perkins Loan Fund	Health Professions	Miscellaneous Other Loans	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LSU and A&M College - Baton Rouge	\$14,077,788	\$52,175	\$252,122	\$14,382,085
LSU at Alexandria			8,008	8,008
LSU at Eunice	596,986		9,557	606,543
University of New Orleans	4,998,647		44,147	5,042,794
LSU Health Sciences Center	3,992,551	8,471,878	629,899	13,094,328
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$23,665,972</u>	<u>\$8,524,053</u>	<u>\$943,733</u>	<u>\$33,133,758</u>

16. PLANT FUNDS

In August 1987, the Financial Accounting Standards Board (FASB) issued Statement No. 93, *Recognition of Depreciation by Not-for-Profit Organizations*, which requires not-for-profit organizations, including colleges and universities, to recognize depreciation of their long-lived tangible assets in their financial statements. In January 1988, the GASB issued Statement No. 8, which addresses the implementation of FASB Statement No. 93. Codification of Governmental Accounting and Financial Reporting Standards Section Co5.102 states that, "Colleges and universities that follow the AICPA Industry Audit Guide, *Audits of Colleges and Universities*, should not change their accounting and reporting for depreciation of capital assets as a result of FASB Statement No. 93; the GASB has several projects under way

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

that may affect that reporting." As reflected in note 1-D, depreciation is not currently recognized by the university.

Physical plant facilities acquired before June 30, 1939, were valued based on estimated building costs. Subsequent additions to physical plant and equipment are stated at cost at the date of acquisition, estimated cost if actual cost is not known, fair market value at the date of donation in the case of gifts, or market value for livestock. Estimated costs of physical plant facilities constitute an immaterial portion of total value of plant facilities. A summary of investment in plant follows:

	LSU Board of Supervisors and System Administration	Pennington Biomedical Research Center	LSU and A&M College - Baton Rouge	LSU at Alexandria	LSU at Eunice
Land and improvements		\$2,915,801	\$27,316,321	\$2,280,081	\$377,609
Buildings	\$1,734,226	35,851,840	413,524,631	12,785,943	18,335,518
Equipment	441,190	17,577,066	226,406,115	5,115,376	3,522,799
Library books			79,910,607	3,308,243	1,436,261
Livestock			88,260		
Total	\$2,175,416	\$56,344,707	\$747,245,934	\$23,489,643	\$23,672,187

In accordance with R.S. 39:321-332, the Louisiana State University System, except for the LSU Health Sciences Center - Health Care Services Division, E. A. Conway Medical Center, and the Medical Center of Louisiana at New Orleans, has complied with the Louisiana movable property statutes.

17. INTERAGENCY TRANSFERS

During the year, the Louisiana State University Health Sciences Center - Health Care Services Division (HCSD) transferred \$7,575,165 of Medicaid overcollections from its general fund to the Department of Health and Hospitals (DHH). The transfer of Medicaid overcollections is required by Act 3 of the 1997 regular session.

In addition, HCSD transferred \$2,824,806 from its restricted fund to DHH as required by the Joint Legislative Committee on the Budget.

Also, as reported on Statement B, transfers from the unexpended plant fund to the Office of Facility Planning and Control of \$16,399,320 were made during the year to finance renovation or construction projects. The LSU Health Sciences Center transferred \$7,339,288 for the Women and Children's Clinic; \$3,183,171 to renovate the pediatric units; \$2,232,741 to finance a Life Safety Project at Earl K. Long Medical Center; \$1,109,811 for Animal Care Replacement; \$1,080,000 for the University Campus sprinkler system; \$920,000 for the Charity Campus sprinkler system; \$475,874 for the Medical School roof projects; \$40,000 to replace the incinerator; and \$18,435 for the Imaging Center.

<u>Paul M. Hebert Law Center</u>	<u>LSU Agricultural Center</u>	<u>University of New Orleans</u>	<u>LSU in Shreveport</u>	<u>LSU Health Sciences Center</u>	<u>Total</u>
	\$3,499,109	\$57,759,678	\$3,664,270	\$44,897,474	\$142,710,343
\$5,773,245	17,295,871	145,293,046	39,519,727	484,168,419	1,174,282,466
2,060,720	59,470,854	51,068,690	10,911,139	375,675,361	752,249,310
3,610,121		25,142,571	5,487,750	23,670,214	142,565,767
					88,260
<u>\$11,444,086</u>	<u>\$80,265,834</u>	<u>\$279,263,985</u>	<u>\$59,582,886</u>	<u>\$928,411,468</u>	<u>\$2,211,896,146</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

18. AUXILIARY ENTERPRISES

The university maintains various auxiliary enterprise funds that provide services to the university community. Segment information for the year ended June 30, 1999, follows:

	<u>Food Services</u>	<u>Housing</u>	<u>Bookstore</u>
Net increase in fund balances	\$306,706	\$678,465	\$83,715
Net income	414,796	2,272,802	867,263
Net assets	3,071,450	3,693,400	9,994,038
Outstanding principal and interest on debt	357,136	53,413,644	4,193,106
Annual principal and interest on debt	62,109	2,209,038	179,234

19. FOUNDATIONS

The accompanying financial statements do not include the accounts of the following foundations:

- Louisiana State University System Foundation
- LSU Property Foundation
- Pennington Biomedical Research Foundation
- Pennington Medical Foundation
- Tiger Athletic Foundation - LSU and A&M College - Baton Rouge
- LSU Alumni Association
- LSU Alexandria Foundation
- LSU Eunice Foundation
- LSU Law Alumni Association
- University of New Orleans Foundation
- University of New Orleans Research and Technology Foundation
- UNO Athletic Foundation
- UNO Alumni Association
- LSU in Shreveport Foundation
- LSU Alumni in Shreveport Association
- LSU Medical Center Shreveport Foundation
- Louisiana State University Medical Center Foundation
- LSU Medical School Alumni Association
- LSU School of Dentistry Alumni Association
- LSU School of Nursing Alumni Association
- Biomedical Research Foundation of Northwest Louisiana

These foundations are separate corporations whose financial statements are subject to audit by independent certified public accountants.

<u>Athletics</u>	<u>Student Center</u>	<u>Others</u>	<u>Total</u>
\$1,531,188	\$980,079	\$576,121	\$4,156,274
2,941,405	934,152	2,475,394	9,905,812
3,509,045	297,555	5,697,430	26,262,918
34,742,320	2,799,727	16,829,894	112,335,827
1,547,682	469,631	636,768	5,104,462

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

20. DEFERRED COMPENSATION PLAN

Certain employees of the university participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

21. HEALTH CARE SERVICES DIVISION

Act 3 of the 1997 Regular Legislative Session transferred the public hospitals, their functions, funds, and employees from the Louisiana Health Care Authority to the LSU System. Act 3 provides for the operation of the public hospitals by the LSU Medical Center (renamed LSU Health Sciences Center) under the overall direction, supervision, and management of the LSU Board of Supervisors. This resulted in the creation of the LSU Medical Center Health Care Services Division (renamed LSU Health Sciences Center - Health Care Services Division), which is comprised of nine hospitals throughout the state and a central administrative unit located in Baton Rouge.

22. OTHER TRANSFERS

During the fiscal year ended June 30, 1999, the LSU Health Sciences Center - Health Care Services Division transferred \$23,416,805 from the General Fund to the Restricted Fund. The transfer was attributed to over collections and surpluses of the fiscal year ended June 30, 1999. Act 3 of the 1997 Regular Legislative Session authorized these transfers to establish the restricted funds necessary for the division's operating expenses and reserves.

23. FACULTY GROUP PRACTICE

For the year ended June 30, 1999, the financial statements of the university system included the LSU School of Medicine in New Orleans Faculty Group Practice. The LSU School of Medicine in New Orleans Faculty Group Practice is a non-profit corporation doing business as the LSU Healthcare Network (LSUHN). The governing board of LSUHN was established in August 1995 and is comprised of 15 members, 7 of which are appointed by LSU and 8 of which are from the community and not members or employees of the LSU Board of Supervisors. LSUHN began operations in March 1997, providing health care to the general public and assisting the LSU Health Sciences Center in carrying out its medical, educational, and research functions.

A cooperative endeavor agreement, dated November 1, 1995, documents the relationship between the LSU Health Sciences Center and LSUHN. The agreement provides for the LSU Health Sciences Center and LSUHN to continue as autonomous organizations, with separate but complimentary missions. The agreement establishes a relationship where the LSU Health Sciences Center will lease certain faculty, staff, and specific office space and equipment to LSUHN as its part of the agreement. LSUHN will reimburse the LSU Health Sciences Center

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Notes to the Financial Statements (Concluded)

for the use of its employees, facilities, and equipment; provide support to the academic programs; and provide access to a patient base that would not otherwise be available, as its part of the agreement.

24. IMPROVEMENTS TO PLANT ON BEHALF OF UNIVERSITY

The University of New Orleans Research and Technology Foundation, a separate corporation created for or in behalf of the University of New Orleans, issued long-term debt instruments for infrastructure improvements and the construction of facilities on land owned by the university. The project, valued at \$32,085,918 at December 31, 1998, was completely financed by the University of New Orleans Research and Technology Foundation through the sale of bonds through the Louisiana Public Facilities Authority and through notes supported by private industry. The university leases the space to the University of New Orleans Research and Technology Foundation in accordance with terms of a cooperative endeavor agreement. The improvements are owned by the University of New Orleans Research and Technology Foundation, but upon the expiration of the lease, will revert to the university.

25. SUBSEQUENT EVENT

The Board of Supervisors of Louisiana State University Agricultural and Mechanical College entered into a Master Agreement for Performance-Based Energy Equipment and Services with Johnson Controls, Inc. (JCI) on behalf of the University of New Orleans (UNO) on October 30, 1998. The contract provides for the design and installation of \$13,476,377 of equipment, controls, and other energy efficiency improvements by JCI and the leasing of those improvements to UNO for a term of 20 years with semiannual payments of \$588,702. The university would not be obligated to make payment until the latter of April 30, 1999, or substantial completion executed by a Certificate of Substantial Completion. As of June 30, 1999, substantial completion had not occurred. As a result, UNO did not record either the first rental payment expense or the long-term debt associated with the capital lease.

**SUPPLEMENTARY INFORMATION REQUIRED BY THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

The following page contains supplementary information as required by *Technical Bulletin 98-1*, issued by the Governmental Accounting Standards Board (GASB) in October 1998. The provisions of the GASB technical bulletin, effective for financial statements dated after October 31, 1998, require disclosures in the notes to the financial statements about the governmental entity's readiness in addressing Year 2000 issues for its computer systems and other electronic equipment. In March 1999, GASB issued *Technical Bulletin 99-1*, which allowed the disclosure of Year 2000 issues in required supplementary information.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 1999**

YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the Louisiana State University System's operation as early as 1999.

The LSU System has completed an inventory of critical computer systems and other equipment necessary to operate. At the LSU and A&M campus, which serves all campuses other than the University of New Orleans (UNO), the LSU Health Sciences Center, and LSU Shreveport, data are in internally developed mainframe software systems. At UNO, data are in mainframe systems using externally developed software. At LSU Shreveport, data are in internally developed mainframe software systems. At LSU Health Sciences Center, data are primarily in mainframe systems operating with internally developed software, however, externally developed software is also used.

The computer systems were analyzed, assessed, remediated as needed, tested, and validated to ensure Year 2000 readiness internally by university staff, by external contractors, and with software upgrades purchased from vendors. As of July 1, 1999, the majority of the remediated critical computer systems had been moved to production and are now operating singularly or in parallel with other systems. As of October 5, 1999, all critical computer systems had been moved into production. The cost of this process, estimated by the System at \$9 million, was absorbed by the LSU System. This estimate does not include the LSU and A&M campus.

Management believes that the LSU System will be able to process date and/or date-related information correctly before and after January 1, 2000. However, because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determined until the Year 2000 and thereafter. Consequently, management cannot guarantee that the LSU System's remediation efforts will be successful in whole or in part, or that parties with whom the LSU System does business will be Year 2000 compliant.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended June 30, 1999**

The following supplemental information schedules present the Balance Sheets; Schedules of Changes in Fund Balances; and Schedules of Revenues, Expenditures, and Other Changes - Current Funds for the LSU Board of Supervisors and System Administration, the Pennington Biomedical Research Center, the LSU and A&M College - Baton Rouge Campus, the LSU at Alexandria Campus, the LSU at Eunice Campus, the Paul M. Hebert Law Center, the LSU Agricultural Center, the University of New Orleans Campus, the LSU in Shreveport Campus, and the LSU Health Sciences Center.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU BOARD OF SUPERVISORS AND
SYSTEM ADMINISTRATION**

Balance Sheet, All Funds, June 30, 1999

	CURRENT FUNDS		PLANT FUND - INVESTMENT IN PLANT	TOTAL (MEMORANDUM ONLY)
	GENERAL	RESTRICTED		
ASSETS				
Cash and cash equivalents	\$62,273	\$334,664		\$396,937
Accounts receivable		18,910		18,910
Due from other campuses		530,036		530,036
Deferred charges and prepaid expenses	2,050	475		2,525
Institutional plant			\$2,175,416	2,175,416
TOTAL ASSETS	\$64,323	\$884,085	\$2,175,416	\$3,123,824
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$7,467			\$7,467
Accrued liabilities	56,856	\$5,505		62,361
Total Liabilities	64,323	5,505	NONE	69,828
Fund Equity:				
Net investment in plant			\$2,175,416	2,175,416
Fund balances:				
Reserved		146,243		146,243
Current operations - restricted		732,337		732,337
Total Fund Equity	NONE	878,580	2,175,416	3,053,996
TOTAL LIABILITIES AND FUND EQUITY	\$64,323	\$884,085	\$2,175,416	\$3,123,824

LOUISIANA STATE UNIVERSITY SYSTEM
 STATE OF LOUISIANA
 LSU BOARD OF SUPERVISORS AND
 SYSTEM ADMINISTRATION

Schedule of Changes in Fund Balances
 For the Year Ended June 30, 1999

	CURRENT FUNDS		PLANT FUND - INVESTMENT	TOTAL
	GENERAL	RESTRICTED	IN PLANT	
Revenues and other additions:				
Unrestricted current fund revenues	\$1,587,821			\$1,587,821
Private gifts, grants, and contracts - restricted		\$7,350		7,350
Investment income - restricted		136,993		136,993
Additions to plant facilities			\$70,948	70,948
Other sources		284,856		284,856
Total revenues and other additions	<u>1,587,821</u>	<u>429,199</u>	<u>70,948</u>	<u>2,087,968</u>
Expenditures and other deductions:				
Educational and general	1,587,821	88,478		1,676,299
Disposal of plant facilities			108,860	108,860
Total expenditures and other deductions	<u>1,587,821</u>	<u>88,478</u>	<u>108,860</u>	<u>1,785,159</u>
Net increase (decrease) for the year	NONE	340,721	(37,912)	302,809
Fund balances at beginning of year (restated)	<u>NONE</u>	<u>537,859</u>	<u>2,213,328</u>	<u>2,751,187</u>
Fund balances at end of year	<u><u>NONE</u></u>	<u><u>\$878,580</u></u>	<u><u>\$2,175,416</u></u>	<u><u>\$3,053,996</u></u>

LOUISIANA STATE UNIVERSITY SYSTEM
 STATE OF LOUISIANA
 LSU BOARD OF SUPERVISORS AND
 SYSTEM ADMINISTRATION
 CURRENT FUNDS

Schedule of Revenues, Expenditures,
 and Other Changes
 For the Year Ended June 30, 1999

	<u>GENERAL</u>	<u>RESTRICTED</u>
Revenues:		
State appropriations	\$1,587,821	
Private gifts, grants, and contracts		\$7,350
Other sources		81,128
Total revenues	<u>1,587,821</u>	<u>88,478</u>
Expenditures:		
Institutional support	1,513,441	88,478
Operations and maintenance of plant	74,380	
Total expenditures	<u>1,587,821</u>	<u>88,478</u>
Other additions - excess of restricted receipts over transfers to revenues		<u>340,721</u>
Net increase in fund balances	<u>NONE</u>	<u>\$340,721</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
PENNINGTON BIOMEDICAL RESEARCH CENTER**

Balance Sheet, All Funds, June 30, 1999

	CURRENT FUNDS		ENDOWMENT
	GENERAL	RESTRICTED	FUNDS
ASSETS			
Cash and cash equivalents	\$154,650	\$3,864,203	
Investments		76,098	\$1,462,271
Accounts receivable	46,834	562,329	
Deferred charges and prepaid expenses	1,495	1,259	
Institutional plant			
TOTAL ASSETS	\$202,979	\$4,503,889	\$1,462,271
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$166,891	\$22,040	
Accrued liabilities	35,392	67,303	
Due to state treasury	608		
Deposits held for others			
Deferred revenues	88		
Total Liabilities	202,979	89,343	NONE
Fund Equity:			
Net investment in plant			
Fund balances:			
Reserved		525,148	
Current operations - restricted		3,889,398	
Noncurrent operations - endowment			\$1,462,271
Total Fund Equity	NONE	4,414,546	1,462,271
TOTAL LIABILITIES AND FUND EQUITY	\$202,979	\$4,503,889	\$1,462,271

PLANT FUND - INVESTMENT IN PLANT	AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	\$837	\$4,019,690
		1,538,369
		609,163
		2,754
<u>\$56,344,707</u>		<u>56,344,707</u>
<u>\$56,344,707</u>	<u>\$837</u>	<u>\$62,514,683</u>
		\$188,931
		102,695
		608
	\$837	837
		88
<u>NONE</u>	<u>837</u>	<u>293,159</u>
\$56,344,707		56,344,707
		525,148
		3,889,398
		1,462,271
<u>56,344,707</u>	<u>NONE</u>	<u>62,221,524</u>
<u>\$56,344,707</u>	<u>\$837</u>	<u>\$62,514,683</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
PENNINGTON BIOMEDICAL RESEARCH CENTER**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1999**

	CURRENT FUNDS		ENDOWMENT
	GENERAL	RESTRICTED	FUNDS
Revenues and other additions:			
Unrestricted current fund revenues	\$6,057,622		
State and local grants and contracts - restricted		\$157,851	
Federal grants and contracts - restricted		7,940,428	
Private gifts, grants, and contracts		3,688,576	
Investment income - restricted		75,763	
Endowment income		50,689	\$100,925
Additions to plant facilities			
Other sources		2,195,482	
Total revenues and other additions	<u>6,057,622</u>	<u>14,108,789</u>	<u>100,925</u>
Expenditures and other deductions:			
Educational and general	6,057,622	11,358,500	
Indirect costs recovered		2,932,556	
Disposal of plant facilities			
Total expenditures and other deductions	<u>6,057,622</u>	<u>14,291,056</u>	<u>NONE</u>
Net increase (decrease) for the year	NONE	(182,267)	100,925
Fund balances at beginning of year	<u>NONE</u>	<u>4,596,813</u>	<u>1,361,346</u>
Fund balances at end of year	<u><u>NONE</u></u>	<u><u>\$4,414,546</u></u>	<u><u>\$1,462,271</u></u>

PLANT FUND - INVESTMENT IN PLANT	TOTAL
	\$6,057,622
	157,851
	7,940,428
	3,688,576
	75,763
	151,614
\$4,569,672	4,569,672
	2,195,482
<u>4,569,672</u>	<u>24,837,008</u>
	17,416,122
	2,932,556
278,845	278,845
<u>278,845</u>	<u>20,627,523</u>
4,290,827	4,209,485
<u>52,053,880</u>	<u>58,012,039</u>
<u>\$56,344,707</u>	<u>\$62,221,524</u>

LOUISIANA STATE UNIVERSITY SYSTEM
 STATE OF LOUISIANA
 PENNINGTON BIOMEDICAL RESEARCH CENTER
 CURRENT FUNDS

Schedule of Revenues, Expenditures,
 and Other Changes
 For the Year Ended June 30, 1999

	<u>GENERAL</u>	<u>RESTRICTED</u>
Revenues:		
State appropriations	\$5,336,505	
Federal grants and contracts		\$6,831,388
State grants and contracts		150,329
Private gifts, grants, and contracts		2,767,501
Sales and services of educational departments	13,099	
Investment income		60,418
Other sources	708,018	1,548,864
Total revenues	<u>6,057,622</u>	<u>11,358,500</u>
Expenditures:		
Research	1,999,881	9,958,270
Public service	11	340,117
Academic support	938,627	288,109
Institutional support	1,378,440	752,275
Operations and maintenance of plant	1,740,663	19,729
Total expenditures	<u>6,057,622</u>	<u>11,358,500</u>
Other additions (deductions):		
Excess of restricted receipts over transfers to revenues		2,750,289
Other		<u>(2,932,556)</u>
Net decrease in fund balances	<u>NONE</u>	<u>(\$182,267)</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AND A&M COLLEGE - BATON ROUGE**

Balance Sheet, All Funds, June 30, 1999

	CURRENT FUNDS			STUDENT LOAN FUNDS	ENDOWMENT FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED		
ASSETS					
Cash and cash equivalents	\$1,203,005	\$11,493,486	\$19,018,938	\$1,512,080	\$5,112,701
Investments	81,000,000	1,123,741	2,114,717		24,566,038
Accrued interest	18,825	60,936	135,969		
Accounts receivable	7,984,191	5,151,182	18,539,722		
Due from state General Fund					
Notes receivable				13,024,047	
Due from other campuses	8,653				
Deferred charges and prepaid expenses	1,286,493	1,730,142	1,517,470		
Inventories	180,133	5,431,661			
Institutional plant					
Other assets					1,435,672
TOTAL ASSETS	\$91,681,300	\$24,991,148	\$41,326,816	\$14,536,127	\$31,114,411
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$4,617,831	\$1,821,106	\$249,960	\$360	
Accrued liabilities	2,859,931	480,255	365,547		
Due to other campuses	76,053,001				\$2,259,801
Deposits held for others	785,033	721,032		153,682	
Deferred revenues	7,185,371	11,065,092	484,905		
Notes payable					
Contracts payable					
Bonds payable					
Total Liabilities	91,501,167	14,087,485	1,100,412	154,042	2,259,801
Fund Equity:					
Net investment in plant					
Fund balances:					
Reserved	180,133	1,594,619	3,139,623		
Current operations - restricted		9,309,044	37,086,781		
Noncurrent operations:					
Restricted				14,382,085	
Endowment					25,121,788
Term endowment					875,071
Quasi-endowment - restricted					2,857,751
Total Fund Equity	180,133	10,903,663	40,226,404	14,382,085	28,854,610
TOTAL LIABILITIES AND FUND EQUITY	\$91,681,300	\$24,991,148	\$41,326,816	\$14,536,127	\$31,114,411

UNEXPENDED	PLANT FUNDS			AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		
\$6,115,750	\$4,558,664	\$1,890		\$232,028	\$49,248,542
9,877,457		6,329,940			125,011,893
3,074					218,804
73,710				419	31,749,224
		600,983			600,983
					13,024,047
					8,653
					4,534,105
					5,611,794
			\$747,245,934		747,245,934
					1,435,672
<u>\$16,069,991</u>	<u>\$4,558,664</u>	<u>\$6,932,813</u>	<u>\$747,245,934</u>	<u>\$232,447</u>	<u>\$978,689,651</u>
\$189,700	\$8,436			\$1,406	\$6,888,799
					3,705,733
					78,312,802
				231,041	1,890,788
					18,735,368
			\$26,036,613		26,036,613
			2,477,365		2,477,365
			69,186,000		69,186,000
<u>189,700</u>	<u>8,436</u>	<u>NONE</u>	<u>97,699,978</u>	<u>232,447</u>	<u>207,233,468</u>
			649,545,956		649,545,956
1,278,499	98,885	\$6,932,813			13,224,572
					46,395,825
14,601,792	4,451,343				33,435,220
					25,121,788
					875,071
					2,857,751
<u>15,880,291</u>	<u>4,550,228</u>	<u>6,932,813</u>	<u>649,545,956</u>	<u>NONE</u>	<u>771,456,183</u>
<u>\$16,069,991</u>	<u>\$4,558,664</u>	<u>\$6,932,813</u>	<u>\$747,245,934</u>	<u>\$232,447</u>	<u>\$978,689,651</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AND A&M COLLEGE - BATON ROUGE

Schedule of Changes in Fund Balances
For the Year Ended June 30, 1999

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$246,182,073	\$88,323,553		
Tuition and fees - restricted			\$10,744,889	
State grants and contracts - restricted			25,726,696	
Federal grants and contracts - restricted			49,901,287	
Private gifts, grants, and contracts - restricted			15,132,835	
Investment income - restricted			1,210,161	\$30,688
Interest on loans receivable				344,401
Sales and services			1,796,945	
State funded endowments				
Endowment income			1,191,604	
Additions to plant facilities				
Retirement of indebtedness				
Other sources			9,940,386	203,263
Total revenues and other additions	<u>246,182,073</u>	<u>88,323,553</u>	<u>115,644,803</u>	<u>578,352</u>
Expenditures and other deductions:				
Educational and general	245,961,616		97,983,804	
Auxiliary enterprises		74,658,644		
Indirect costs recovered			8,280,511	
Loan cancellations and write-offs				148,978
Expended for plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Disposal of plant facilities				
Other		692,849		5,802
Total expenditures and other deductions	<u>245,961,616</u>	<u>75,351,493</u>	<u>106,264,315</u>	<u>154,780</u>
Transfers among funds - additions (deductions):				
Mandatory:				
Principal and interest		(4,241,991)	(3,186,899)	
Loan fund matching grants	(47,331)			47,331
Nonmandatory:				
Capital improvements	(173,126)	(3,049,938)	(217,631)	
Renewals and replacements		(1,600,452)		
Other		(326,742)	298,126	
Total transfers among funds	<u>(220,457)</u>	<u>(9,219,123)</u>	<u>(3,106,404)</u>	<u>47,331</u>
Inventory increase	<u>22,857</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
Net increase (decrease) for the year	22,857	3,752,937	6,274,084	470,903
Fund balances at beginning of year	<u>157,276</u>	<u>7,150,726</u>	<u>33,952,320</u>	<u>13,911,182</u>
Fund balances at end of year	<u>\$180,133</u>	<u>\$10,903,663</u>	<u>\$40,226,404</u>	<u>\$14,382,085</u>

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
					\$334,505,626
					10,744,889
					25,726,696
					49,901,287
\$650					15,133,485
	\$1,050,197		\$111,019		2,402,065
					344,401
					1,796,945
1,400,000					1,400,000
(195,781)					995,823
				\$49,917,903	49,917,903
				3,275,602	3,275,602
153,921	3,509,827			2,472,596	16,279,993
<u>1,358,790</u>	<u>4,560,024</u>	<u>NONE</u>	<u>111,019</u>	<u>55,666,101</u>	<u>512,424,715</u>
					343,945,420
					74,658,644
					8,280,511
					148,978
	23,163,657				23,163,657
			3,275,602		3,275,602
			4,461,736		4,461,736
				13,966,491	13,966,491
		\$957,944	690	4,399,716	6,057,001
<u>NONE</u>	<u>23,163,657</u>	<u>957,944</u>	<u>7,738,028</u>	<u>18,366,207</u>	<u>477,958,040</u>
			7,428,890		
	3,578,195	(137,500)			
		1,600,452			
		28,616			
<u>NONE</u>	<u>3,578,195</u>	<u>1,491,568</u>	<u>7,428,890</u>	<u>NONE</u>	<u>NONE</u>
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>22,857</u>
1,358,790	(15,025,438)	533,624	(198,119)	37,299,894	34,489,532
27,495,820	30,905,729	4,016,604	7,130,932	612,246,062	736,966,651
<u>\$28,854,610</u>	<u>\$15,880,291</u>	<u>\$4,550,228</u>	<u>\$6,932,813</u>	<u>\$649,545,956</u>	<u>\$771,456,183</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AND A&M COLLEGE - BATON ROUGE
CURRENT FUNDS**

**Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1999**

	<u>GENERAL</u>	<u>AUXILIARY ENTERPRISES</u>	<u>RESTRICTED</u>
Revenues:			
Tuition and fees	\$88,511,591		\$10,122,321
State appropriations	139,573,234		
Federal grants and contracts			43,441,753
State grants and contracts			24,384,218
Private gifts, grants, and contracts			13,703,088
Sales and services of educational departments	6,905,773		1,410,539
Sales and services of auxiliary departments		\$88,323,553	
Endowment income			1,082,939
Investment income	2,277,976		936,330
Other sources	8,913,499		6,307,146
Total revenues	<u>246,182,073</u>	<u>88,323,553</u>	<u>101,388,334</u>
Expenditures and transfers:			
Educational and general:			
Instruction	114,803,588		21,430,978
Research	28,686,737		39,856,272
Public service	1,870,615		13,133,358
Academic support	34,629,780		1,996,562
Student services	6,133,530		2,442,819
Institutional support	21,448,985		3,025,479
Operations and maintenance of plant	24,032,468		1,181,655
Scholarships and fellowships	14,355,913		14,916,681
Total educational and general expenditures	<u>245,961,616</u>	NONE	<u>97,983,804</u>
Mandatory transfers for:			
Principal and interest		4,241,991	3,186,899
Loan fund matching grants	47,331		
Nonmandatory transfers for:			
Capital improvements	173,126	3,049,938	217,631
Renewals and replacements		1,600,452	
Other		326,742	(298,126)
Auxiliary enterprises expenditures		74,658,644	
Total expenditures and transfers	<u>246,182,073</u>	<u>83,877,767</u>	<u>101,090,208</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			14,256,469
Inventory increase	22,857		
Other		(692,849)	(8,280,511)
Net increase in fund balances	<u>\$22,857</u>	<u>\$3,752,937</u>	<u>\$6,274,084</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AT ALEXANDRIA**

Balance Sheet, All Funds, June 30, 1999

	CURRENT FUNDS			STUDENT LOAN FUNDS	ENDOWMENT FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED		
ASSETS					
Cash and cash equivalents	\$402,823	\$1,399,731	\$865,429	\$8,008	\$15,218
Investments			23,879		291,868
Accounts receivable	118,599	5,635	150,871		
Due from state General Fund					
Deferred charges and prepaid expenses	5,449				
Inventories		270,073			
Institutional plant					
TOTAL ASSETS	\$526,871	\$1,675,439	\$1,040,179	\$8,008	\$307,086
LIABILITIES AND FUND EQUITY					
<i>Liabilities:</i>					
Accounts payable	\$114,746	\$5,614	\$19,974		
Accrued liabilities	168,109	6,375	10,287		
Due to state treasury	40				
Deposits held for others					
Deferred revenues	243,976	34,568	21,882		
Contracts payable					
Total Liabilities	526,871	46,557	52,143	NONE	NONE
<i>Fund Equity:</i>					
Net investment in plant					
<i>Fund balances:</i>					
Reserved		51,531	62,247		
Current operations - restricted		1,577,351	925,789		
<i>Noncurrent operations:</i>					
Restricted				\$8,008	
Endowment					\$291,868
Quasi-endowment - restricted					15,218
Total Fund Equity	NONE	1,628,882	988,036	8,008	307,086
TOTAL LIABILITIES AND FUND EQUITY	\$526,871	\$1,675,439	\$1,040,179	\$8,008	\$307,086

PLANT FUNDS				AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		
\$146,969	\$158,480			\$14,864	\$3,011,522
					315,747
					275,105
		\$111,859			111,859
					5,449
					270,073
			\$23,489,643		23,489,643
<u>\$146,969</u>	<u>\$158,480</u>	<u>\$111,859</u>	<u>\$23,489,643</u>	<u>\$14,864</u>	<u>\$27,479,398</u>
					\$140,334
					184,771
					40
				\$14,864	14,864
					300,426
			\$475,714		475,714
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>475,714</u>	<u>14,864</u>	<u>1,116,149</u>
			23,013,929		23,013,929
\$104,093		\$111,859			329,730
					2,503,140
42,876	\$158,480				209,364
					291,868
					15,218
<u>146,969</u>	<u>158,480</u>	<u>111,859</u>	<u>23,013,929</u>	<u>NONE</u>	<u>26,363,249</u>
<u>\$146,969</u>	<u>\$158,480</u>	<u>\$111,859</u>	<u>\$23,489,643</u>	<u>\$14,864</u>	<u>\$27,479,398</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AT ALEXANDRIA**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1999**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$7,715,915	\$1,601,295		
Tuition and fees - restricted			\$212,470	
State grants and contracts - restricted			456,212	
Federal grants and contracts - restricted			1,708,682	
Private gifts, grants, and contracts - restricted			768,109	
Investment income - restricted			1,003	\$287
Sales and services			3,449	
State funded endowments				
Endowment income			29,669	
Additions to plant facilities				
Retirement of indebtedness				
Other sources		15,287	9,329	6,833
Total revenues and other additions	<u>7,715,915</u>	<u>1,616,582</u>	<u>3,188,923</u>	<u>7,120</u>
Expenditures and other deductions:				
Educational and general	7,715,915		3,083,369	
Auxiliary enterprises		1,384,707		
Indirect costs recovered			53,347	
Expended for plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Disposal of plant facilities				
Other		28,832		6,897
Total expenditures and other deductions	<u>7,715,915</u>	<u>1,413,539</u>	<u>3,136,716</u>	<u>6,897</u>
Transfers among funds - additions (deductions):				
Mandatory - principal and interest		(110,946)		
Nonmandatory:				
Capital improvements		(412,911)		
Renewals and replacements		(16,548)		
Others		(130,730)	130,730	
Total transfers among funds	<u>NONE</u>	<u>(671,135)</u>	<u>130,730</u>	<u>NONE</u>
Net increase (decrease) for the year	NONE	(468,092)	182,937	223
Fund balances at beginning of year	<u>NONE</u>	<u>2,096,974</u>	<u>805,099</u>	<u>7,785</u>
Fund balances at end of year	<u>NONE</u>	<u>\$1,628,882</u>	<u>\$988,036</u>	<u>\$8,008</u>

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
					\$9,317,210
					212,470
					456,212
					1,708,682
					768,109
					1,290
					3,449
\$40,000					40,000
(5,418)					24,251
				\$1,670,764	1,670,764
				80,714	80,714
					31,449
<u>34,582</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>1,751,478</u>	<u>14,314,600</u>
					10,799,284
					1,384,707
					53,347
	\$318,038				318,038
			\$80,714		80,714
			30,232		30,232
				415,829	415,829
		\$13,057			48,786
<u>NONE</u>	<u>318,038</u>	<u>13,057</u>	<u>110,946</u>	<u>415,829</u>	<u>13,130,937</u>
			110,946		
	412,911				
		16,548			
<u>NONE</u>	<u>412,911</u>	<u>16,548</u>	<u>110,946</u>	<u>NONE</u>	<u>NONE</u>
34,582	94,873	3,491	NONE	1,335,649	1,183,663
272,504	52,096	154,989	111,859	21,678,280	25,179,586
<u>\$307,086</u>	<u>\$146,969</u>	<u>\$158,480</u>	<u>\$111,859</u>	<u>\$23,013,929</u>	<u>\$26,363,249</u>

LOUISIANA STATE UNIVERSITY SYSTEM
 STATE OF LOUISIANA
 LSU AT ALEXANDRIA
 CURRENT FUNDS

Schedule of Revenues, Expenditures,
 and Other Changes
 For the Year Ended June 30, 1999

	<u>GENERAL</u>	<u>AUXILIARY ENTERPRISES</u>	<u>RESTRICTED</u>
Revenues:			
Tuition and fees	\$2,124,855		\$79,043
State appropriations	5,318,994		
Federal grants and contracts			1,696,601
State grants and contracts			444,884
Private gifts, grants, and contracts			813,955
Sales and services of educational departments	20,820		
Sales and services of auxiliary departments		\$1,601,295	
Endowment income			7,245
Investment income	33,280		
Other sources	217,966		41,641
Total revenues	<u>7,715,915</u>	<u>1,601,295</u>	<u>3,083,369</u>
Expenditures and transfers:			
Educational and general:			
Instruction	4,183,009		1,100,140
Public service			5,859
Academic support	465,383		21,479
Student services	564,665		131,066
Institutional support	1,228,195		106,530
Operations and maintenance of plant	1,191,852		489
Scholarships and fellowships	82,811		1,717,806
Total educational and general expenditures	<u>7,715,915</u>	NONE	<u>3,083,369</u>
Mandatory transfers - principal and interest		110,946	
Nonmandatory transfers for:			
Capital improvements		412,911	
Renewals and replacements		16,548	
Others		130,730	(130,730)
Auxiliary enterprises expenditures		1,384,707	
Total expenditures and transfers	<u>7,715,915</u>	<u>2,055,842</u>	<u>2,952,639</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			105,554
Other		(13,545)	(53,347)
Net increase (decrease) in fund balances	<u>NONE</u>	<u>(\$468,092)</u>	<u>\$182,937</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AT EUNICE**

Balance Sheet, All Funds, June 30, 1999

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
ASSETS				
Cash and cash equivalents	\$513,730	\$1,668,578	\$255,043	\$51,964
Investments			18,462	
Accounts receivable	40,188	1,490	443,302	
Notes receivable				554,579
Inventories		247,848		
Institutional plant				
TOTAL ASSETS	\$553,918	\$1,917,916	\$716,807	\$606,543
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$152,327	\$25,691	\$204	
Accrued liabilities	150,266	4,540	12,716	
Due to state treasury	679			
Deposits held for others				
Deferred revenues	250,646	24,453	19,321	
Bonds payable				
Total Liabilities	553,918	54,684	32,241	NONE
Fund Equity:				
Net investment in plant				
Fund balances:				
Reserved		24,124	15,007	
Current operations - restricted		1,839,108	669,559	
Noncurrent operations:				
Restricted				\$606,543
Endowment				
Total Fund Equity	NONE	1,863,232	684,566	606,543
TOTAL LIABILITIES AND FUND EQUITY	\$553,918	\$1,917,916	\$716,807	\$606,543

Schedule 13

ENDOWMENT FUNDS	PLANT FUNDS				AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		
\$11,105	\$1,200	\$165,489			\$3,324	\$2,670,433
128,545	1,605,239		\$919			1,753,165
						484,980
						554,579
						247,848
				\$23,672,187		23,672,187
<u>\$139,650</u>	<u>\$1,606,439</u>	<u>\$165,489</u>	<u>\$919</u>	<u>\$23,672,187</u>	<u>\$3,324</u>	<u>\$29,383,192</u>
						\$178,222
						167,522
						679
					\$3,324	3,324
						294,420
				\$1,595,833		1,595,833
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>1,595,833</u>	<u>3,324</u>	<u>2,240,000</u>
						22,076,354
						22,076,354
			\$919			40,050
						2,508,667
	\$1,606,439	\$165,489				2,378,471
\$139,650						139,650
<u>139,650</u>	<u>1,606,439</u>	<u>165,489</u>	<u>919</u>	<u>22,076,354</u>	<u>NONE</u>	<u>27,143,192</u>
<u>\$139,650</u>	<u>\$1,606,439</u>	<u>\$165,489</u>	<u>\$919</u>	<u>\$23,672,187</u>	<u>\$3,324</u>	<u>\$29,383,192</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AT EUNICE

Schedule of Changes in Fund Balances
For the Year Ended June 30, 1999

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$7,220,229	\$1,594,136		
Tuition and fees - restricted			\$250,740	
State grants and contracts - restricted			974,812	
Federal grants and contracts - restricted			3,430,914	
Private gifts, grants, and contracts - restricted			86,799	
Sales and services			2,754	
Investment income - restricted				\$12,228
Interest on loans receivable				5,726
Endowment income			13,926	
Additions to plant facilities				
Retirement of indebtedness				
Other sources			44,923	32,974
Total revenues and other additions	<u>7,220,229</u>	<u>1,594,136</u>	<u>4,804,868</u>	<u>50,928</u>
Expenditures and other deductions:				
Educational and general	7,209,038		4,725,842	
Auxiliary enterprises		1,235,555		
Indirect costs recovered			58,851	
Loan cancellations and write-offs				6,436
Retirement of indebtedness				
Interest on indebtedness				
Disposal of plant facilities				
Other		69,093		13,398
Total expenditures and other deductions	<u>7,209,038</u>	<u>1,304,648</u>	<u>4,784,693</u>	<u>19,834</u>
Transfers among funds - additions (deductions):				
Mandatory:				
Principal and interest		(135,643)		
Loan fund matching grants	(11,191)			11,191
Nonmandatory:				
Capital improvements		592		
Renewals and replacements		(13,320)		
Total transfers among funds	<u>(11,191)</u>	<u>(148,371)</u>	<u>NONE</u>	<u>11,191</u>
Net increase (decrease) for the year	NONE	141,117	20,175	42,285
Fund balances at beginning of year	NONE	1,722,115	664,391	564,258
Fund balances at end of year	<u>NONE</u>	<u>\$1,863,232</u>	<u>\$684,566</u>	<u>\$606,543</u>

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
					\$8,814,365
					250,740
					974,812
					3,430,914
					86,799
					2,754
	\$62,121				74,349
					5,726
(\$1,766)					12,160
				\$1,505,743	1,505,743
				54,167	54,167
					77,897
<u>(1,766)</u>	<u>62,121</u>	<u>NONE</u>	<u>NONE</u>	<u>1,559,910</u>	<u>15,290,426</u>
					11,934,880
					1,235,555
					58,851
					6,436
			\$54,167		54,167
			87,203		87,203
				271,324	271,324
		\$13,360			95,851
<u>NONE</u>	<u>NONE</u>	<u>13,360</u>	<u>141,370</u>	<u>271,324</u>	<u>13,744,267</u>
					135,643
	(592)				
		13,320			
<u>NONE</u>	<u>(592)</u>	<u>13,320</u>	<u>135,643</u>	<u>NONE</u>	<u>NONE</u>
(1,766)	61,529	(40)	(5,727)	1,288,586	1,546,159
141,416	1,544,910	165,529	6,646	20,787,768	25,597,033
<u>\$139,650</u>	<u>\$1,606,439</u>	<u>\$165,489</u>	<u>\$919</u>	<u>\$22,076,354</u>	<u>\$27,143,192</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AT EUNICE
CURRENT FUNDS

Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1999

	<u>GENERAL</u>	<u>AUXILIARY ENTERPRISES</u>	<u>RESTRICTED</u>
Revenues:			
Tuition and fees	\$2,362,951		\$213,418
State appropriations	4,806,669		
Federal grants and contracts			3,383,055
State grants and contracts			974,856
Private gifts, grants, and contracts			146,282
Sales and services of educational departments			639
Sales and services of auxiliary departments		\$1,594,136	
Endowment income			7,592
Other sources	50,609		
Total revenues	<u>7,220,229</u>	<u>1,594,136</u>	<u>4,725,842</u>
Expenditures and transfers:			
Educational and general:			
Instruction	4,086,299		904,332
Academic support	410,756		11,915
Student services	642,715		840,293
Institutional support	1,116,592		158,499
Operations and maintenance of plant	917,387		3,888
Scholarships and fellowships	35,289		2,806,915
Total educational and general expenditures	<u>7,209,038</u>	NONE	<u>4,725,842</u>
Mandatory transfers for:			
Principal and interest		135,643	
Loan fund matching grants	11,191		
Nonmandatory transfers:			
Capital improvements		(592)	
Renewals and replacements		13,320	
Auxiliary enterprises expenditures		1,235,555	
Total expenditures and transfers	<u>7,220,229</u>	<u>1,383,926</u>	<u>4,725,842</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			79,026
Other		(69,093)	(58,851)
Net increase in fund balances	<u>NONE</u>	<u>\$141,117</u>	<u>\$20,175</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
PAUL M. HEBERT LAW CENTER**

Balance Sheet, All Funds, June 30, 1999

	CURRENT FUNDS		ENDOWMENT
	GENERAL	RESTRICTED	FUNDS
ASSETS			
Cash and cash equivalents	\$507,315	\$969,589	\$179,861
Investments		54,449	755,226
Accounts receivable	18,629	14,777	
Deferred charges and prepaid expenses	129,052		
Institutional plant			
TOTAL ASSETS	\$654,996	\$1,038,815	\$935,087
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$93,250	\$1,048	
Accrued liabilities	84,451	6,585	
Due to state treasury	111		
Deposits held for others	121,750		
Deferred revenues	355,434	8,796	
Total Liabilities	654,996	16,429	NONE
Fund Equity:			
Net investment in plant			
Fund balances:			
Reserved		29,985	
Current operations - restricted		992,401	
Noncurrent operations:			
Endowment			\$934,585
Quasi-endowment - restricted			502
Total Fund Equity	NONE	1,022,386	935,087
TOTAL LIABILITIES AND FUND EQUITY	\$654,996	\$1,038,815	\$935,087

PLANT FUND - INVESTMENT IN PLANT	AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
	\$1,354	\$1,658,119
		809,675
		33,406
		129,052
<u>\$11,444,086</u>		<u>11,444,086</u>
<u>\$11,444,086</u>	<u>\$1,354</u>	<u>\$14,074,338</u>
		\$94,298
		91,036
		111
	\$1,354	123,104
		364,230
<u>NONE</u>	<u>1,354</u>	<u>672,779</u>
\$11,444,086		11,444,086
		29,985
		992,401
		934,585
		502
<u>11,444,086</u>	<u>NONE</u>	<u>13,401,559</u>
<u>\$11,444,086</u>	<u>\$1,354</u>	<u>\$14,074,338</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
PAUL M. HEBERT LAW CENTER

Schedule of Changes in Fund Balances
For the Year Ended June 30, 1999

	CURRENT FUNDS		ENDOWMENT FUNDS	PLANT FUND -	TOTAL
	GENERAL	RESTRICTED		IN PLANT	
Revenues and other additions:					
Unrestricted current fund revenues	\$9,226,641				\$9,226,641
Tuition and fees - restricted		\$122,829			122,829
State grants and contracts - restricted		101,477			101,477
Private gifts, grants, and contracts - restricted		271,160	\$100,000		371,160
Sales and services		215,891			215,891
Investment income - restricted		39,697			39,697
State funded endowments			200,000		200,000
Endowment income		69,266	(13,359)		55,907
Additions to plant facilities				\$992,403	992,403
Total revenues and other additions	<u>9,226,641</u>	<u>820,320</u>	<u>286,641</u>	<u>992,403</u>	<u>11,326,005</u>
Expenditures and other deductions:					
Educational and general	9,226,641	554,845			9,781,486
Disposal of plant facilities				446,266	446,266
Total expenditures and other deductions	<u>9,226,641</u>	<u>554,845</u>	<u>NONE</u>	<u>446,266</u>	<u>10,227,752</u>
Net increase for the year	NONE	265,475	286,641	546,137	1,098,253
Fund balances at beginning of year	<u>NONE</u>	<u>756,911</u>	<u>648,446</u>	<u>10,897,949</u>	<u>12,303,306</u>
Fund balances at end of year	<u>NONE</u>	<u>\$1,022,386</u>	<u>\$935,087</u>	<u>\$11,444,086</u>	<u>\$13,401,559</u>

LOUISIANA STATE UNIVERSITY SYSTEM
 STATE OF LOUISIANA
 PAUL M. HEBERT LAW CENTER
 CURRENT FUNDS

Schedule of Revenues, Expenditures,
 and Other Changes
 For the Year Ended June 30, 1999

	<u>GENERAL</u>	<u>RESTRICTED</u>
Revenues:		
Tuition and fees	\$3,795,663	\$106,521
State appropriations	5,329,685	13,752
State grants and contracts		677
Private gifts, grants, and contracts		262,157
Sales and services of educational departments	43,883	219,403
Investment income	55,283	
Endowment income		27,027
Other sources	2,127	(74,692)
Total revenues	<u>9,226,641</u>	<u>554,845</u>
Expenditures and transfers - educational and general:		
Instruction	4,501,308	365,100
Research	363,845	677
Public service	773	13,042
Academic support	1,643,517	66
Student services	368,436	20,464
Institutional support	1,140,985	49,142
Operations and maintenance of plant	766,607	14,424
Scholarships and fellowships	441,170	91,930
Total educational and general expenditures	<u>9,226,641</u>	<u>554,845</u>
Other additions - excess of restricted receipts over transfers to revenues		<u>265,475</u>
Net increase in fund balances	<u>NONE</u>	<u>\$265,475</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AGRICULTURAL CENTER**

Balance Sheet, All Funds, June 30, 1999

	CURRENT FUNDS		ENDOWMENT
	GENERAL	RESTRICTED	FUNDS
ASSETS			
Cash and cash equivalents	\$428,847	\$5,421,689	
Investments		25,124	\$505,317
Accounts receivable	184,113	4,328,545	
Deferred charges and prepaid expenses	12,147	48,500	
Inventories	3,037,722		
Institutional plant			
TOTAL ASSETS	\$3,662,829	\$9,823,858	\$505,317
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$37,875	\$36,629	
Accrued liabilities	577,255	191,624	
Due to state treasury	519		
Deposits held for others	2,168		
Deferred revenues	7,290	1,600	
Total Liabilities	625,107	229,853	NONE
Fund Equity:			
Net investment in plant			
Fund balances:			
Reserved	3,037,722	1,016,025	
Current operations - restricted		8,577,980	
Noncurrent operations:			
Restricted			
Endowment			\$505,317
Total Fund Equity	3,037,722	9,594,005	505,317
TOTAL LIABILITIES AND FUND EQUITY	\$3,662,829	\$9,823,858	\$505,317

PLANT FUNDS		AGENCY FUNDS	TOTAL (MEMORANDUM ONLY)
UNEXPENDED	INVESTMENT IN PLANT		
\$2,069,412		\$19,022	\$7,938,970
			530,441
6,300			4,518,958
			60,647
			3,037,722
	\$80,265,834		80,265,834
<u>\$2,075,712</u>	<u>\$80,265,834</u>	<u>\$19,022</u>	<u>\$96,352,572</u>
\$37,846			\$112,350
			768,879
			519
		\$19,022	21,190
			8,890
<u>37,846</u>	<u>NONE</u>	<u>19,022</u>	<u>911,828</u>
	\$80,265,834		80,265,834
145,954			4,199,701
			8,577,980
1,891,912			1,891,912
			505,317
<u>2,037,866</u>	<u>80,265,834</u>	<u>NONE</u>	<u>95,440,744</u>
<u>\$2,075,712</u>	<u>\$80,265,834</u>	<u>\$19,022</u>	<u>\$96,352,572</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU AGRICULTURAL CENTER**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1999**

	CURRENT FUNDS		ENDOWMENT
	GENERAL	RESTRICTED	FUNDS
Revenues and other additions:			
Unrestricted current fund revenues	\$78,495,068		
Federal appropriations - restricted		(\$11,505)	
State grants and contracts - restricted		6,472,416	
Federal grants and contracts - restricted		5,125,383	
Private gifts, grants, and contracts - restricted		3,684,690	
Investment income - restricted		298,456	
Sales and services		534,215	
Endowment income		50,496	(\$10,515)
Additions to plant facilities			
Other sources		1,239,898	
Total revenues and other additions	<u>78,495,068</u>	<u>17,394,049</u>	<u>(10,515)</u>
Expenditures and other deductions:			
Educational and general	78,495,068	16,453,410	
Indirect costs recovered		529,175	
Expended for plant facilities			
Disposal of plant facilities			
Total expenditures and other deductions	<u>78,495,068</u>	<u>16,982,585</u>	<u>NONE</u>
Inventory decrease	<u>(62,664)</u>	<u>NONE</u>	<u>NONE</u>
Net increase (decrease) for the year	(62,664)	411,464	(10,515)
Fund balances at beginning of year	<u>3,100,386</u>	<u>9,182,541</u>	<u>515,832</u>
Fund balances at end of year	<u>\$3,037,722</u>	<u>\$9,594,005</u>	<u>\$505,317</u>

PLANT FUNDS		
<u>UNEXPENDED</u>	<u>INVESTMENT IN PLANT</u>	<u>TOTAL</u>
		\$78,495,068
		(11,505)
		6,472,416
		5,125,383
		3,684,690
\$99,348		397,804
		534,215
		39,981
	\$6,100,335	6,100,335
(22,418)		1,217,480
<u>76,930</u>	<u>6,100,335</u>	<u>102,055,867</u>
		94,948,478
		529,175
868,925		868,925
	3,057,762	3,057,762
<u>868,925</u>	<u>3,057,762</u>	<u>99,404,340</u>
<u>NONE</u>	<u>NONE</u>	<u>(62,664)</u>
(791,995)	3,042,573	2,588,863
<u>2,829,861</u>	<u>77,223,261</u>	<u>92,851,881</u>
<u>\$2,037,866</u>	<u>\$80,265,834</u>	<u>\$95,440,744</u>

LOUISIANA STATE UNIVERSITY SYSTEM
 STATE OF LOUISIANA
 LSU AGRICULTURAL CENTER
 CURRENT FUNDS

Schedule of Revenues, Expenditures,
 and Other Changes
 For the Year Ended June 30, 1999

	<u>GENERAL</u>	<u>RESTRICTED</u>
Revenues:		
Federal appropriations	\$10,923,124	
State appropriations	63,089,996	
Federal grants and contracts		\$4,860,732
State grants and contracts		6,117,077
Private gifts, grants, and contracts		4,258,912
Sales and services of educational departments	3,611,514	569,815
Investment income	150,186	127,437
Endowment income		45,570
Other sources	720,248	473,867
Total revenues	<u>78,495,068</u>	<u>16,453,410</u>
Expenditures and transfers - educational and general:		
Research	38,318,403	10,744,816
Public service	31,337,666	5,379,662
Academic support	219,409	
Institutional support	6,396,644	298,185
Operations and maintenance of plant	2,222,946	
Scholarships and fellowships		30,747
Total educational and general expenditures	<u>78,495,068</u>	<u>16,453,410</u>
Other additions (deductions):		
Excess of restricted receipts over transfers to revenues		940,639
Inventory decrease	(62,664)	
Other		(529,175)
Net increase (decrease) in fund balances	<u>(\$62,664)</u>	<u>\$411,464</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
UNIVERSITY OF NEW ORLEANS**

Balance Sheet, All Funds, June 30, 1999

	CURRENT FUNDS			STUDENT LOAN FUNDS	ENDOWMENT FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED		
ASSETS					
Cash and cash equivalents	\$4,312,531	\$4,255,261	\$105,652	\$202,025	\$1,234,683
Investments			285,604		8,726,350
Accrued interest	5,200				
Accounts receivable	2,353,165	945,660	7,940,572		
Notes receivable				4,840,769	
Deferred charges and prepaid expenses	763,106	2,423	34,303		
Inventories	266,095	818,388	26,049		
Institutional plant					
TOTAL ASSETS	\$7,700,097	\$6,021,732	\$8,392,180	\$5,042,794	\$9,961,033
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$1,324,436	\$240,943	\$722,382		
Accrued liabilities	1,779,778	71,030	482,875		
Deposits held for others	114,869	114,675			
Due to other campuses			8,653		
Deferred revenues	4,214,919	166,190	277,684		
Notes payable					
Bonds payable					
Total Liabilities	7,434,002	592,838	1,491,594	NONE	NONE
Fund Equity:					
Net investment in plant					
Fund balances:					
Reserved	266,095	119,157	935,307		
Current operations - restricted		5,309,737	5,965,279		
Noncurrent operations:					
Restricted				\$5,042,794	
Endowment					\$9,961,033
Total Fund Equity	266,095	5,428,894	6,900,586	5,042,794	9,961,033
TOTAL LIABILITIES AND FUND EQUITY	\$7,700,097	\$6,021,732	\$8,392,180	\$5,042,794	\$9,961,033

PLANT FUNDS					
UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	AGENCY FUNDS	TOTAL
\$512,670	\$5,039			\$409,642	\$11,037,503
19,352,179		\$2,409,670			30,773,803
8,139					13,339
				1,292	11,240,689
					4,840,769
					799,832
					1,110,532
			\$279,263,985		279,263,985
<u>\$19,872,988</u>	<u>\$5,039</u>	<u>\$2,409,670</u>	<u>\$279,263,985</u>	<u>\$410,934</u>	<u>\$339,080,452</u>
		\$55,261			\$2,343,022
					2,333,683
				\$410,934	640,478
					8,653
					4,658,793
			\$1,493,541		1,493,541
			25,305,000		25,305,000
<u>NONE</u>	<u>NONE</u>	<u>55,261</u>	<u>26,798,541</u>	<u>410,934</u>	<u>36,783,170</u>
			252,465,444		252,465,444
		2,354,409			3,674,968
					11,275,016
<u>\$19,872,988</u>	<u>\$5,039</u>				24,920,821
					9,961,033
<u>19,872,988</u>	<u>5,039</u>	<u>2,354,409</u>	<u>252,465,444</u>	<u>NONE</u>	<u>302,297,282</u>
<u>\$19,872,988</u>	<u>\$5,039</u>	<u>\$2,409,670</u>	<u>\$279,263,985</u>	<u>\$410,934</u>	<u>\$339,080,452</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
UNIVERSITY OF NEW ORLEANS

Schedule of Changes in Fund Balances
For the Year Ended June 30, 1999

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$86,580,758	\$11,329,713		
<i>Tuition and fees - restricted</i>			\$6,390,557	
State grants and contracts - restricted			8,061,557	
Federal grants and contracts - restricted			25,445,572	\$87,738
Local grants and contracts - restricted			1,004,656	
Private gifts, grants, and contracts - restricted			5,352,359	
State funded endowments				
Investment income - restricted			124,152	
Endowment income			947,707	
Interest on loans receivable				58,709
Additions to plant facilities				
Retirement of indebtedness				
Other sources			3,923,329	71,099
Total revenues and other additions	86,580,758	11,329,713	51,249,889	217,546
Expenditures and other deductions:				
Educational and general	85,395,478		44,195,921	
Auxiliary enterprises		10,119,151		
Indirect costs recovered			3,923,329	
Loan cancellations and write-offs				29,362
Expended for plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Disposal of plant facilities				
Other				12,289
Total expenditures and other deductions	85,395,478	10,119,151	48,119,250	41,651
Transfers among funds - additions (deductions):				
Mandatory:				
<i>Principal and interest</i>		(387,094)	(551,987)	
Loan fund matching	(29,280)			29,280
Nonmandatory:				
Capital improvements	(1,156,000)	(474,984)	(304,273)	
Renewals and replacements		(61,038)		
Other			(1,254,901)	
Total transfers among funds	(1,185,280)	(923,116)	(2,111,161)	29,280
Inventory decrease	(22,388)	NONE	(2,493)	NONE
Net increase (decrease) for the year	(22,388)	287,446	1,016,985	205,175
Fund balances at beginning of year	288,483	5,141,448	5,883,601	4,837,619
Fund balances at end of year	\$266,095	\$5,428,894	\$6,900,586	\$5,042,794

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
					\$97,910,471
					6,390,557
					8,061,557
			\$29,723		25,563,033
					1,004,656
\$1,720,000					5,352,359
	\$910,009		108,819		1,720,000
200,403					1,142,980
					1,148,110
					58,709
				\$10,334,432	10,334,432
				1,608,546	1,608,546
	12,227,256		3,339,138	326,408	19,887,230
1,920,403	13,137,265	NONE	3,477,680	12,269,386	180,182,640
					129,591,399
					10,119,151
					3,923,329
					29,362
	1,828,228				1,828,228
			1,608,546		1,608,546
			1,015,562		1,015,562
				5,962,896	5,962,896
		\$250,044	380,591	15,914,999	16,557,923
NONE	1,828,228	250,044	3,004,699	21,877,895	170,636,396
			939,081		
	1,793,664	141,593			
		61,038			
1,254,901					
1,254,901	1,793,664	202,631	939,081	NONE	NONE
NONE	NONE	NONE	NONE	NONE	(24,881)
3,175,304	13,102,701	(47,413)	1,412,062	(9,608,509)	9,521,363
6,785,729	6,770,287	52,452	942,347	262,073,953	292,775,919
\$9,961,033	\$19,872,988	\$5,039	\$2,354,409	\$252,465,444	\$302,297,282

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
UNIVERSITY OF NEW ORLEANS
CURRENT FUNDS

Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1999

	<u>GENERAL</u>	<u>AUXILIARY ENTERPRISES</u>	<u>RESTRICTED</u>
Revenues:			
Tuition and fees	\$39,360,683		\$6,202,259
State appropriations	42,886,572		
Federal grants and contracts			22,767,842
State grants and contracts			6,632,198
Local grants and contracts			827,391
Private gifts, grants, and contracts			4,742,917
Sales and services of educational departments	228,843		
Sales and services of auxiliary departments		\$11,329,713	
Endowment income			1,662,757
Investment income	417,529		120,056
Other sources	3,687,131		3,351,662
Total revenues	<u>86,580,758</u>	<u>11,329,713</u>	<u>46,307,082</u>
Expenditures and transfers:			
Educational and general:			
Instruction	44,649,300		9,102,210
Research	1,304,173		19,222,350
Public service	2,679,384		2,323,944
Academic support	10,350,474		810,105
Student services	3,530,827		2,525,299
Institutional support	11,589,929		628,997
Operations and maintenance of plant	7,430,939		624,685
Scholarships and fellowships	3,860,452		8,958,331
Total educational and general expenditures	<u>85,395,478</u>	NONE	<u>44,195,921</u>
Mandatory transfers for:			
Principal and interest		387,094	551,987
Loan fund matching	29,280		
Nonmandatory transfers for:			
Capital improvements	1,156,000	474,984	304,273
Renewals and replacements		61,038	
Other			1,254,901
Auxiliary enterprises expenditures		10,119,151	
Total expenditures and transfers	<u>86,580,758</u>	<u>11,042,267</u>	<u>46,307,082</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			4,942,807
Inventory (decrease)	(22,388)		(2,493)
Other			(3,923,329)
Net increase (decrease) in fund balances	<u>(\$22,388)</u>	<u>\$287,446</u>	<u>\$1,016,985</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU IN SHREVEPORT**

Balance Sheet, All Funds, June 30, 1999

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
ASSETS				
Cash and cash equivalents	\$1,076,593	\$1,319,010	\$1,616,905	
Investments				
Accrued interest	3,824	3,546	1,828	
Accounts receivable	271,561	55,197	724,868	
Deferred charges and prepaid expenses	91,534		5,602	
Inventories		318,706		
Institutional plant				
TOTAL ASSETS	\$1,443,512	\$1,696,459	\$2,349,203	NONE
LIABILITIES AND FUND EQUITY				
<i>Liabilities:</i>				
Accounts payable	\$19,769	\$5,626	\$51,060	
Accrued liabilities	346,655	6,087	14,861	
Deposits held for others				
Deferred revenues	1,077,088		171,678	
Contracts payable				
Obligations under capital leases				
<i>Total Liabilities</i>	<i>1,443,512</i>	<i>11,713</i>	<i>237,599</i>	<i>NONE</i>
<i>Fund Equity:</i>				
Net investment in plant				
<i>Fund balances:</i>				
Reserved			29,943	
Current operations - restricted		1,684,746	2,081,661	
Noncurrent operations:				
Restricted				
Endowment				
<i>Total Fund Equity</i>	<i>NONE</i>	<i>1,684,746</i>	<i>2,111,604</i>	<i>NONE</i>
TOTAL LIABILITIES AND FUND EQUITY	\$1,443,512	\$1,696,459	\$2,349,203	NONE

ENDOWMENT FUNDS	PLANT FUNDS			AGENCY FUNDS	TOTAL
	UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		
\$38,873	\$265,512	\$69,593		\$13,617	\$4,400,103
606,209					606,209
72	439				9,709
				23,255	1,074,881
					97,136
					318,706
			\$59,582,886		59,582,886
<u>\$645,154</u>	<u>\$265,951</u>	<u>\$69,593</u>	<u>\$59,582,886</u>	<u>\$36,872</u>	<u>\$66,089,630</u>
					\$76,455
					367,603
				\$36,872	36,872
					1,248,766
			\$257,142		257,142
			61,999		61,999
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>319,141</u>	<u>36,872</u>	<u>2,048,837</u>
			59,263,745		59,263,745
		\$69,593			99,536
					3,766,407
	\$265,951				265,951
<u>\$645,154</u>	<u>\$265,951</u>	<u>\$69,593</u>	<u>\$59,263,745</u>	<u>NONE</u>	<u>645,154</u>
<u>645,154</u>	<u>265,951</u>	<u>69,593</u>	<u>59,263,745</u>	<u>NONE</u>	<u>64,040,793</u>
<u>\$645,154</u>	<u>\$265,951</u>	<u>\$69,593</u>	<u>\$59,582,886</u>	<u>\$36,872</u>	<u>\$66,089,630</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU IN SHREVEPORT

Schedule of Changes in Fund Balances
For the Year Ended June 30, 1999

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$18,642,808	\$2,582,900		
Tuition and fees - restricted			\$570,844	
State grants and contracts - restricted			1,639,130	
Federal grants and contracts - restricted			4,631,762	
Private gifts, grants, and contracts - restricted			1,346,760	
Investment income - restricted				
Sales and services			10,378	
Additions to plant facilities				
Retirement of indebtedness				
Other sources			176,226	
Total revenues and other additions	<u>18,642,808</u>	<u>2,582,900</u>	<u>8,375,100</u>	<u>NONE</u>
Expenditures and other deductions:				
Educational and general	18,642,808		8,359,755	
Auxiliary enterprises		2,343,697		
Indirect costs recovered			195,425	
Expended for plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Disposal of plant facilities				
Other				\$200
Total expenditures and other deductions	<u>18,642,808</u>	<u>2,343,697</u>	<u>8,555,180</u>	<u>200</u>
Transfers among funds - additions (deductions):				
Mandatory - principal and interest		(70,714)		
Nonmandatory - other		(63,676)	90,713	
Total transfers among funds	<u>NONE</u>	<u>(134,390)</u>	<u>90,713</u>	<u>NONE</u>
Net increase (decrease) for the year	NONE	104,813	(89,367)	(200)
Fund balances at beginning of year	<u>NONE</u>	<u>1,579,933</u>	<u>2,200,971</u>	<u>200</u>
Fund balances at end of year	<u><u>NONE</u></u>	<u><u>\$1,684,746</u></u>	<u><u>\$2,111,604</u></u>	<u><u>NONE</u></u>

ENDOWMENT FUNDS	PLANT FUNDS			TOTAL
	UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
				\$21,225,708
				570,844
				1,639,130
				4,631,762
				1,346,760
\$58,454	\$13,202			71,656
				10,378
			\$4,006,171	4,006,171
			57,143	57,143
				176,226
<u>58,454</u>	<u>13,202</u>	<u>NONE</u>	<u>4,063,314</u>	<u>33,735,778</u>
				27,002,563
				2,343,697
				195,425
	35,346			35,346
		\$57,143		57,143
		13,571		13,571
			390,246	390,246
68,157			1,526	69,883
<u>68,157</u>	<u>35,346</u>	<u>70,714</u>	<u>391,772</u>	<u>30,107,874</u>
		70,714		
(27,037)				
<u>(27,037)</u>	<u>NONE</u>	<u>70,714</u>	<u>NONE</u>	<u>NONE</u>
(36,740)	(22,144)	NONE	3,671,542	3,627,904
681,894	288,095	69,593	55,592,203	60,412,889
<u>\$645,154</u>	<u>\$265,951</u>	<u>\$69,593</u>	<u>\$59,263,745</u>	<u>\$64,040,793</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU IN SHREVEPORT
CURRENT FUNDS

Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1999

	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED
Revenues:			
Tuition and fees	\$7,852,375		\$682,735
State appropriations	10,508,264		
Federal grants and contracts			4,481,883
State grants and contracts			1,664,122
Private gifts, grants, and contracts			1,391,036
Sales and services of educational departments	43,199		3,360
Sales and services of auxiliary departments		\$2,582,900	
Investment income	140,108		
Other sources	98,862		136,619
Total revenues	<u>18,642,808</u>	<u>2,582,900</u>	<u>8,359,755</u>
Expenditures and transfers:			
Educational and general:			
Instruction	10,177,143		1,989,638
Research	56,900		272,903
Public service			2,567,375
Academic support	2,378,231		517,917
Student services	916,165		73,141
Institutional support	2,810,646		122,957
Operations and maintenance of plant	1,718,807		111,111
Scholarships and fellowships	584,916		2,704,713
Total educational and general expenditures	<u>18,642,808</u>	NONE	<u>8,359,755</u>
Mandatory transfers - principal and interest		70,714	
Nonmandatory transfers - other		63,676	(90,713)
Auxiliary enterprises expenditures		2,343,697	
Total expenditures and transfers	<u>18,642,808</u>	<u>2,478,087</u>	<u>8,269,042</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			15,345
Other			(195,425)
Net increase (decrease) in fund balances	<u>NONE</u>	<u>\$104,813</u>	<u>(\$89,367)</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU HEALTH SCIENCES CENTER**

Balance Sheet, All Funds, June 30, 1999

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
ASSETS				
Cash and cash equivalents	\$61,222,244	\$2,024,933	\$5,766,125	\$1,598,049
Investments		1,104,087	29,105,550	82,061
Accrued interest		15,785	315,792	1,173
Accounts receivable	146,652,317	1,142,604	80,599,348	
Notes receivable				11,426,376
Due from other campuses	76,053,001			
Due from other funds			90,067,249	
Deferred charges and prepaid expenses	1,392,311	230	222,277	
Inventories	30,351,175	2,899,836		
Institutional plant				
Other assets	928,967			
	<u>928,967</u>			
TOTAL ASSETS	<u>\$316,600,015</u>	<u>\$7,187,475</u>	<u>\$206,076,341</u>	<u>\$13,107,659</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$61,331,056	\$1,950,740	\$313,087	\$9,012
Accrued liabilities	22,049,079	242,285	7,975,536	
Due to state treasury	86,295,129			
Due to other funds	88,496,958	15,785		1,173
Due to other campuses	530,036			
Deposits held for others	77,932	200,391		3,146
Deferred revenues	20,289,202	24,773	13,048	
Notes payable				
Bonds payable				
Obligations under capital leases				
Other liabilities	17,396		336,512	
Total Liabilities	<u>279,086,788</u>	<u>2,433,974</u>	<u>8,638,183</u>	<u>13,331</u>
Fund Equity:				
Net investment in plant				
Fund balances:				
Reserved	30,351,175	402,235	7,093,356	
Current operations - unrestricted	7,162,052			
Current operations - restricted		4,351,266	190,344,802	
Noncurrent operations:				
Restricted				13,094,328
Endowment				
Total Fund Equity	<u>37,513,227</u>	<u>4,753,501</u>	<u>197,438,158</u>	<u>13,094,328</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$316,600,015</u>	<u>\$7,187,475</u>	<u>\$206,076,341</u>	<u>\$13,107,659</u>

ENDOWMENT FUNDS	PLANT FUNDS				AGENCY FUNDS	TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT		
\$1,113,202	\$3,300,091	\$1,790,439			\$128,320	\$76,943,403
21,023,319	5,739,263	658,972	\$357,000		418,649	58,488,901
49,471	82,054	9,421				473,696
14,896						228,409,165
						11,426,376
2,259,801						78,312,802
						90,067,249
						1,614,818
						33,251,011
				\$928,411,468		928,411,468
						928,967
<u>\$24,460,689</u>	<u>\$9,121,408</u>	<u>\$2,458,832</u>	<u>\$357,000</u>	<u>\$928,411,468</u>	<u>\$546,969</u>	<u>\$1,508,327,856</u>
	\$85,006				\$500	\$63,689,401
						30,266,900
\$1,181,778	362,134	\$9,421				86,295,129
						90,067,249
						530,036
					541,909	823,378
					4,560	20,331,583
				\$1,525,141		1,525,141
				400,000		400,000
				3,322,664		3,322,664
						353,908
<u>1,181,778</u>	<u>447,140</u>	<u>9,421</u>	<u>NONE</u>	<u>5,247,805</u>	<u>546,969</u>	<u>297,605,389</u>
				923,163,663		923,163,663
	545,695	5,976	\$357,000			38,755,437
						7,162,052
						194,696,068
	8,128,573	2,443,435				23,666,336
<u>23,278,911</u>	<u>8,674,268</u>	<u>2,449,411</u>	<u>357,000</u>	<u>923,163,663</u>	<u>NONE</u>	<u>23,278,911</u>
<u>23,278,911</u>	<u>8,674,268</u>	<u>2,449,411</u>	<u>357,000</u>	<u>923,163,663</u>	<u>NONE</u>	<u>1,210,722,467</u>
<u>\$24,460,689</u>	<u>\$9,121,408</u>	<u>\$2,458,832</u>	<u>\$357,000</u>	<u>\$928,411,468</u>	<u>\$546,969</u>	<u>\$1,508,327,856</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU HEALTH SCIENCES CENTER**

**Schedule of Changes in Fund Balances
For the Year Ended June 30, 1999**

	CURRENT FUNDS			STUDENT LOAN FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unrestricted current fund revenues	\$117,392,098	\$28,996,525		
Tuition and fees - restricted			\$753,779	
State grants and contracts - restricted			16,119,787	
Federal grants and contracts - restricted			31,047,444	\$144,615
Local grants and contracts - restricted			1,489,034	
Private gifts, grants, and contracts - restricted			72,607,379	25
Investment income - restricted			2,459,990	61,458
Sales and services			88,980,741	
State funded endowments				
Endowment income			657,296	
Hospital - restricted	829,570,565		187,877,693	
Interest on loans receivable				244,555
Additions to plant facilities				
Retirement of indebtedness				
Other sources			11,404,146	19,073
Total revenues and other additions	<u>946,962,663</u>	<u>28,996,525</u>	<u>413,397,289</u>	<u>469,726</u>
Expenditures and other deductions:				
Educational and general	117,256,786		218,820,957	
Hospital	769,177,591		194,286,351	11,917
Auxiliary enterprises		27,629,554		
Indirect costs recovered			10,218,407	
Loan cancellations and write-offs				765
Expended for plant facilities				
Retirement of indebtedness				
Interest on indebtedness				
Refunded to grantors				183,937
Disposal of plant facilities				
Interagency transfers	7,575,165		2,824,806	
Other		367,326		10,659
Total expenditures and other deductions	<u>894,009,542</u>	<u>27,996,880</u>	<u>426,150,521</u>	<u>207,278</u>
Transfers among funds - additions (deductions):				
Mandatory:				
Principal and interest		(242,459)		
Loan fund matching	(28,094)		(18,987)	47,081
Other	(23,416,805)		23,416,805	
Nonmandatory:				
Capital improvements	(4,266,621)	(279,328)	5,203,128	
Renewals and replacements		(138,055)		
Other		(1,750)	(4,830)	6,580
Total transfers among funds	<u>(27,711,520)</u>	<u>(661,592)</u>	<u>28,596,116</u>	<u>53,661</u>
Inventory decrease	<u>(625,530)</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
Net increase (decrease) for the year	24,616,071	338,053	15,842,884	316,109
Fund balances at beginning of year (restated)	<u>12,897,156</u>	<u>4,415,448</u>	<u>181,595,274</u>	<u>12,778,219</u>
Fund balances at end of year	<u>\$37,513,227</u>	<u>\$4,753,501</u>	<u>\$197,438,158</u>	<u>\$13,094,328</u>

ENDOWMENT FUNDS	PLANT FUNDS				TOTAL
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
					\$146,388,623
					753,779
					16,119,787
					31,192,059
					1,489,034
\$1,453,873	\$919,180	\$68,754	(\$11,397)		74,061,277
					3,497,985
					88,980,741
960,000					960,000
425,261					1,082,557
					1,017,448,258
					244,555
				\$63,423,148	63,423,148
				165,058	165,058
				1,326,529	12,749,748
<u>2,839,134</u>	<u>919,180</u>	<u>68,754</u>	<u>(11,397)</u>	<u>64,914,735</u>	<u>1,458,556,609</u>
					336,077,743
					963,475,859
					27,629,554
					10,218,407
					765
	3,611,342				3,611,342
			165,058		165,058
			57,401		57,401
					183,937
				10,237,200	10,237,200
	16,399,320				26,799,291
		39,465		2,178,273	2,595,723
<u>NONE</u>	<u>20,010,662</u>	<u>39,465</u>	<u>222,459</u>	<u>12,415,473</u>	<u>1,381,052,280</u>
			242,459		
	(615,458)	(41,721)			
		138,055			
<u>NONE</u>	<u>(615,458)</u>	<u>96,334</u>	<u>242,459</u>	<u>NONE</u>	<u>NONE</u>
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>(625,530)</u>
2,839,134	(19,706,940)	125,623	8,603	52,499,262	76,878,799
20,439,777	28,381,208	2,323,788	348,397	870,664,401	1,133,843,668
<u>\$23,278,911</u>	<u>\$8,674,268</u>	<u>\$2,449,411</u>	<u>\$357,000</u>	<u>\$923,163,663</u>	<u>\$1,210,722,467</u>

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
LSU HEALTH SCIENCES CENTER
CURRENT FUNDS

Schedule of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1999

	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED
Revenues:			
Tuition and fees	\$12,207,479		\$441,744
State appropriations	103,402,682		
Federal grants and contracts			24,605,787
State grants and contracts			11,804,367
Local grants and contracts			1,489,034
Private gifts, grants, and contracts			62,062,460
Hospital income	829,570,565		193,977,360
Sales and services of educational departments	1,200,208		108,852,719
Sales and services of auxiliary departments		\$28,996,525	
Investment income	302,727		2,862,773
Endowment income			513,376
Other sources	279,002		8,459,460
Total revenues	<u>946,962,663</u>	<u>28,996,525</u>	<u>415,069,080</u>
Expenditures and transfers:			
Educational and general:			
Instruction	69,716,139		36,198,651
Research	14,905,798		32,013,685
Public service	486,420		89,165,407
Academic support	9,763,901		27,564,638
Student services	1,646,221		1,015,867
Institutional support	10,678,690		25,009,173
Operations and maintenance of plant	8,575,836		6,594,250
Scholarships and fellowships	1,483,781		1,259,286
Total educational and general expenditures	<u>117,256,786</u>	NONE	<u>218,820,957</u>
Mandatory transfers for:			
Principal and interest		242,459	
Loan fund matching	28,094		18,987
Other	23,416,805		(23,416,805)
Nonmandatory transfers for:			
Capital improvements	4,266,621	279,328	(5,203,128)
Renewals and replacements		138,055	
Other		1,750	4,830
Auxiliary enterprises expenditures		27,629,554	
Hospital expenditures	<u>769,177,591</u>		<u>194,286,351</u>
Total expenditures and transfers	<u>914,145,897</u>	<u>28,291,146</u>	<u>384,511,192</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			(1,671,791)
Inventory decrease	(625,530)		
Others	<u>(7,575,165)</u>	<u>(367,326)</u>	<u>(13,043,213)</u>
Net increase in fund balances	<u>\$24,616,071</u>	<u>\$338,053</u>	<u>\$15,842,884</u>

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance with laws, regulations, contracts, and grants and on internal controls as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.



OFFICE OF
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STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

December 3, 1999

Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of the
General Purpose Financial Statements

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the Louisiana State University System, a component unit of the State of Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 3, 1999. We did not audit a portion of the Restricted Fund and Endowment Fund assets related to the university's Eminent Scholars Endowed Chairs Program and the Endowed Professorships Program, which are invested under contracts with the system's foundations. We also did not audit a portion of the Restricted Fund assets, revenues, and expenditures and the Net Investment in Plant Fund assets, revenues, and expenditures related to the operations of the LSU School of Medicine in New Orleans Faculty Group Practice doing business as LSU Healthcare Network. These amounts were audited by other auditors whose reports have been furnished to us. This report, insofar as it relates to those programs, is based solely upon the reports of the other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana State University System's general purpose financial statements are free of material misstatement, we and other auditors performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

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Inadequate Controls Over the Golf Course Payroll Function

Louisiana State University - Baton Rouge did not maintain adequate internal controls over its payroll function at the golf course. Good internal controls include an adequate segregation of duties and a review of transactions to ensure accurate, reliable data are maintained, and to ensure that errors and/or fraud are detected within a timely period. In addition, Louisiana Revised Statute 17:3311(A) and Civil Service Rule 15.2 require the employee and supervisor to certify the number of hours of attendance or absence from duty on the time and attendance records. The golf course incurred personal service expenditures of approximately \$439,000 for the year, which included student employees, classified employees, and unclassified employees. The following weaknesses were noted:

1. In a test of 17 pay periods for 35 student employees, the following exceptions were noted:
 - None of the student employee time sheets were signed by the students.
 - Timesheets reported total hours worked each day but did not record the time in or the time out.
 - A total of 207 hours were reported on the student time sheets that were not reported correctly in the payroll system.
 - There were 34 instances where student time sheets were prepared but the hours were not reported in the payroll system for that particular pay period. Of these 34 instances, eight were submitted with the regular payroll in the subsequent pay period and resulted in three students being paid overtime when the students were not entitled to overtime. The remaining 26 were submitted to the payroll system on supplemental time sheets that were from one to three pay periods later and reported hours covering more than one pay period. In addition, 9 of the 26 did not agree between the payroll system and the total hours reported on the individual students' time sheets.
 - Twenty-one students had worked more than 20 hours per week, which totaled 600 hours in excess of university policy. University policy recommends students not work more than 20 hours per week.

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2. In a test of 10 pay periods for five classified employees, the following exceptions were noted:
 - Time cards and a time clock were used by employees, but were not certified by either the employee or the supervisor. In addition, the time cards are discarded after three months in violation of the state public records law.
 - Employee time and attendance reports used to enter time into the payroll system were not certified by the employees.
3. In a test of all 12 monthly pay periods for five unclassified employees, the following exceptions were noted:
 - Approved payroll certifications could not be located for March and April.
 - Of the remaining ten months' certifications, none were approved by the supervisor.
4. In a test of 92 leave slips for classified and unclassified employees, the following exceptions were noted:
 - Supervisors did not approve 91 of the leave slips.
 - Employees did not sign 33 of the leave slips.
 - Approximately 404 hours of leave were reported on the fiscal year leave summary report, but no corresponding leave slips were found.
 - One hundred and sixty-one hours of leave were recorded on leave slips, but were not reported on the fiscal year leave summary report.
5. The same employee both entered and approved time into the payroll system for all three classifications of employees.

Management of the golf course has not placed sufficient emphasis on controls over time and attendance. As a result, errors and/or fraud may occur and not be detected timely, and noncompliance with state laws and regulations exists.

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LEGISLATIVE AUDITOR

LOUISIANA STATE UNIVERSITY SYSTEM

STATE OF LOUISIANA

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Management of Louisiana State University - Baton Rouge should require golf course management to implement procedures to ensure that (1) duties are properly segregated, (2) employees and supervisors certify the time and attendance reports and leave slips on a timely basis, (3) timekeepers maintain all supporting documentation, (4) time and attendance records are filled out correctly and submitted timely for processing in the appropriate pay period, and (5) students adhere to not working more than a 20-hour week. Management concurred with the finding and described a corrective action plan (see Appendix A, page 1).

Improper Acceptance of Travel Accommodations

Employees of Louisiana State University Health Sciences Center in Shreveport (LSUHSC-S) violated state law and university policy by improperly accepting travel accommodations from pharmaceutical companies. Louisiana Revised Statute 42:1115 states that no public servant shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person if such public servant knows or reasonably should know that such person has or is seeking to obtain business relationships with the public servant's agency or that such person has substantial economic interests that may be substantially affected by the performance or nonperformance of the public servant's official duty. LSUHSC-S Administrative Directive 2.8.6 - Code of Ethics for Louisiana State Employees addresses occasions where off-site training of employees is necessary and vendors agree to provide such off-site training including tuition, room and board, and transportation at their expense or at their partial expense. The directive states that such offerings must be made to management and accepted or rejected by management rather than by individual employees. This reduces the risk that unnecessary and/or extravagant accommodations, which could be considered a gift, could unduly influence the employees' treatment of the provider of the accommodations.

An LSUHSC-S internal audit of ten drug studies indicated that in five of the studies, LSUHSC-S employees accepted travel accommodations from the pharmaceutical companies sponsoring the studies. The travel accommodations were accepted by at least eight employees for the purpose of receiving training and the travel was at no cost to the employees or the university. The travel locations included international destinations, with one trip to Canada and another to Rome, Italy. University policy was violated because management's prior approval of the travel was not requested and documented by completion of the proper form. Acceptance was therefore made by the employee and not by management. Because purchases of pharmaceutical drugs represent a significant expenditure for LSUHSC-S (\$13 million in fiscal year ended June 30, 1999) and the performance of drug studies for the pharmaceutical companies represent a significant source of revenue (\$3 million in fiscal year ended June 30, 1998),

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LSUHSC-S employees' performance of their duties can have a substantial effect on the pharmaceutical companies' business interest.

LSUHSC-S should ensure that all employees comply with state law and university policy regarding the acceptance of off-site training provided by pharmaceutical companies to prevent employees from being unduly influenced. Management should also obtain an opinion from the Board of Ethics on the propriety of its policy that allows employees to accept off-site training from vendors as well as having the board review the circumstances included in this finding. Management partially concurred with the finding and implemented a plan of corrective action (see Appendix A, page 2).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana State University System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Louisiana State University System's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the following paragraphs.

Failure to Reconcile Bank Accounts

The University of New Orleans has not reconciled two bank accounts, the operating account and the payroll account, for a period of several months. Adequate internal controls require the timely reconciliation of bank balances to book balances to detect errors and/or fraud. As of July 1999, the last reconciliations completed for the university's operating and payroll accounts were for October 1998 and December 1998, respectively.

Management of the university attributes part of the failure to reconcile the bank accounts to the purchase of the university's fiscal agent bank by a larger bank. The bank failed to send an electronic listing of operating account checks cancelled for November 1998. In addition, the bank lost the operating account's actual cancelled checks for November and December of 1998. These problems were compounded by an approximate three-month absence of the university employee responsible for performing these bank

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reconciliations. As a result, errors and/or fraud could have occurred and would not have been detected in the period that bank reconciliations were not performed.

The university should ensure that bank reconciliations are completed timely throughout the year. Management concurred with the finding and outlined a corrective action plan (see Appendix A, page 4).

Inadequate Cash Controls at Fertility Clinic

The Fertility Clinic of the Department of Obstetrics and Gynecology at LSUHSC-S has inadequate controls over its cash receipts and deposits. In addition, the department has not complied with LSUHSC-S policy. A good internal control system requires the establishment and implementation of adequate policies and procedures that provide for the proper classification, recording, and reporting of the agency's receipts. LSUHSC-S Administrative Directive 1.1.4 - Generic Cash Policy provides guidance as to how cash should be collected, accounted for, and transported to the cashier for deposit. An internal audit issued on December 8, 1998, disclosed the following weaknesses, which have not been corrected by management: lack of segregation of duties, lack of sequentially numbered receipts, untimely bank deposits, keeping cash receipts in an unsecured location, and lack of trained backup personnel.

Management of the Department of Obstetrics and Gynecology has not placed adequate emphasis on controls over cash receipts and deposits, which total approximately \$168,000 for the period July 1, 1998, through April 30, 1999, in the Fertility Clinic. Also, the internal audit report disclosed that currency maintained overnight averaged approximately \$932 per night for September 1998. Failure of the department to establish detailed procedures has placed the assets of the LSUHSC-S at risk.

LSUHSC-S, Department of Obstetrics and Gynecology should develop and implement adequate controls over cash receipts and deposits following the recommendations from the internal auditor and directives from higher management. Management concurred with the finding and outlined a plan of corrective action (see Appendix A, page 6).

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions

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that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described previously are material weaknesses.

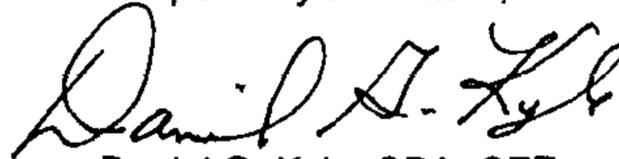
Other Reports

Our audit reports on hospitals within the LSU Health Sciences Center dated March 4, 1999; August 6, 1999; November 1, 1999; and November 8, 1999, for E. A. Conway Medical Center, Earl K. Long Medical Center, LSU Health Sciences Center - Health Care Services Division, and Medical Center of Louisiana at New Orleans, respectively, contained compliance and internal control findings related to these facilities. Management's responses are also included in those reports. Copies of those reports are available for public inspection at the Baton Rouge, New Orleans, and Shreveport offices of the Legislative Auditor, and those reports can also be found on the Internet at www.lla.state.la.us:80/f&c.shtml.

The various campuses of the Louisiana State University System have contracted with their foundations to invest the university's Eminent Scholars Endowed Chairs Program funds and the Endowed Professorships Program funds. Certain public accounting firms performed agreed-upon procedures with respect to the management agreements between the university and the foundations. Copies of those reports are available for public inspection at the Louisiana State University System, Office of Executive Vice President, 3810 West Lakeshore Drive, Post Office Box 17050-A, Baton Rouge, Louisiana 70893-5470, telephone (225) 388-6935.

This report is intended solely for the information and use of the Louisiana State University System and its management and is not intended to be, and should not be, used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

MGT:BJJ:PEP:dl

(LSU)

EXHIBIT A

Appendix A

Management's Corrective Action Plans and Responses to the Findings and Recommendations



November 1, 1999

Dr. Daniel Kyle, CPA
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle,

In conjunction with the audit of Louisiana State University and A&M College for the fiscal year ended June 30, 1999, I wish to provide the following response to your finding on Inadequate Controls Over the Golf Course Payroll Function.

LSU concurs with your finding and recommendations. The University has already conducted an internal audit focused on the specific concerns expressed in your finding. As a result of that review, we have added an administrative position and instituted the use of a time clock at the Golf Course. In addition, we are currently implementing other revised procedures to ensure the following results relative to the payroll function at the Golf Course:

- 1) Proper segregation of duties;
- 2) Timely certification of time and attendance reports and leave slips by employees and supervisors;
- 3) Appropriate maintaining of supporting documentation by timekeepers;
- 4) Accurate preparation of time and attendance records and timely submission of such records in the proper pay periods;
- 5) Adherence to University policies regarding limits on student work weeks.

The University's internal audit staff will return to the Golf Course prior to the end of the current fiscal year to ensure these new procedures are being followed and that the desired results are being obtained.

Please let me know if anything further is needed.

Sincerely,

Jerry J. Baudin
Vice Chancellor for Finance and
Administrative Services and Comptroller

xc: Chancellor Mark Emmert
Executive Vice President William Silvia

**LOUISIANA STATE UNIVERSITY
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Administration and Finance

November 4, 1999

Dr. Daniel G. Kyle
Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

We have reviewed the audit findings regarding the acceptance of travel accommodations by several LSUMC-S employees.

We concur in part with the findings. Some of our employees did accept travel accommodations from pharmaceutical companies that were sponsoring drug studies. The purpose of the travel was to receive training regarding the proper protocol that must be utilized for the studies. These trips were taken at no cost to the employee or the university. The university policy was violated because there were no prior approvals requested by the employee for the travel nor did the employee comply with LSUHSC-S Administrative Directive 2.8.6, "Code of Ethics for Louisiana State Employees".

The LSUHSC-S internal audit department completed the audit for outpatient clinical trials research special projects and issued their report August 4, 1999. This audit revealed the aforementioned violations. During the course of the audit, the employees and the clinical research investigators were made aware of the violations and were provided with the recommended corrective action. These findings were discussed at the exit conference with the Dean, the Associate Dean for Research, the Associate Dean for Clinical Affairs, and the chairman of the clinical research committee.

The clinical research investigator and employees involved with these violations have been counselled. They have been reacquainted with the requirements of the university travel guidelines as well as Administrative Directive 2.8.6.

Dr. Daniel G. Kyle
November 4, 1999
Page 2

The corrective action plan as outlined above has been in place for several months.

If you have any questions, please contact me.

Sincerely,

Harold White
Harold White
Vice Chancellor
for Business and Reimbursements

HW:aa

August 13, 1999

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Please find below the University of New Orleans' management response to the fiscal year 1998-99 audit finding concerning the timeliness of performing reconciliations of the operating and payroll bank accounts.

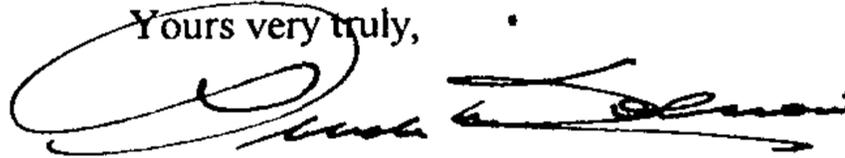
The University concurs with the finding that bank reconciliations should be completed in a timely manner in order to ensure that errors and/or other irregularities, if they exist, can be detected and appropriate corrective action taken. We have reconciled the payroll account through June 30, 1999 and expect to complete the reconciliation of the operating account by August 31st. Mr. James Schnieders, Director of Accounting Services, will be responsible to ensure that future bank reconciliations are performed timely throughout the year, i.e., by the 30th of the subsequent month. In addition, we will initiate the following:

1. Establish an entrance level position in the Office of Accounting Services responsible, in part, to perform those duties associated with the payroll reconciliation and, more importantly, lend daily back up support to the staff of senior accountants. We anticipate that this accountant will be appointed by November 15th.
2. Document and codify the operating procedure to be followed by employees in the general accounting area for the monthly reconciliation of bank accounts.
3. Implement a program of cross training for employees to provide for an uninterrupted flow of the daily work routine. This measure will guarantee that the reconciliation of bank balances shall be completed on schedule should circumstances occur which involve either prolonged employee illness or other absence from work.

4. Continue to emphasize to the University's depository institution the relevance of providing timely and accurate transfer of data critical to the monthly reconciliation process.

We believe that this plan will allow for proper coverage in the general accounting area at all times; provide for the rotation of job duties; and correct operational deficiencies.

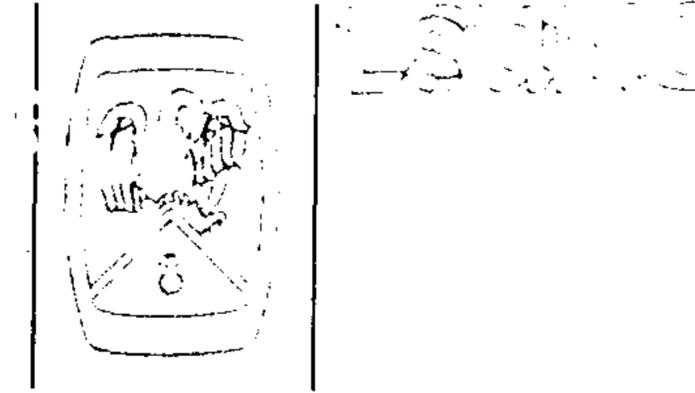
Yours very truly,

A handwritten signature in black ink, appearing to read 'Linda K. Robison', written over a horizontal line.

LINDA K. ROBISON, CPA
Vice Chancellor for Financial Services,
Comptroller and Chief Financial Officer

**SCHOOL OF
MEDICINE IN SHREVEPORT**

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Medical Center
1501 Kings Highway
Post Office Box 33932
Shreveport, LA 71130-3932
Telephone: (318) 675-5379
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Department of Obstetrics and Gynecology

July 12, 1999

Mr. Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
State of Louisiana
1600 Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9347

RE: Response to Legislative Auditors Findings

Dear Dr. Kyle:

The Legislative Auditors essentially have the same concerns as the Internal Audit by Mr. John Ricaud. We are making good progress in correcting these deficiencies and agree with the Legislative and Internal Auditors that these issues need to be resolved. We now have approval to hire an additional employee for the front office. This will allow segregation of posting and cash collections. Additionally, the second person will allow more timely bank deposits and have back-up in the front office. Sequential, "super bills" have been ordered and should be in place in the near future. The department appreciates the Legislative and Internal Auditors input, we hope to have a much more secure system in place by the early fall.

Sincerely,


Steve London, M.D.
Professor and Chairman
Department of Obstetrics and Gynecology

SL/d