



**UNIVERSITY OF LOUISIANA SYSTEM
and
UNIVERSITY OF NEW ORLEANS**

Financial Report

As of and for the Year Ended June 30, 2012





**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Basic Financial Statements
and Independent Auditor's Report**

As of and for the Year Ended June 30, 2012

UNIVERSITY OF LOUISIANA SYSTEM
A COMPONENT OF THE
STATE OF LOUISIANA



FINANCIAL STATEMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2012
ISSUED MARCH 6, 2013

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

February 1, 2013

Independent Auditor's Report

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

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the University of Louisiana System, a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the University of Louisiana System's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Black and Gold Facilities, Inc.; Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; Nicholls State University Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; and University of Louisiana at Monroe Facilities, Inc., which are nonprofit corporations included as blended component units in the basic financial statements representing approximately 28.7% of total assets, 50.6% of total liabilities, 2.8% of net assets, and 4.3% of total revenues. We also did not audit the financial statements of the University of Louisiana at Lafayette Foundation, Inc., the University of New Orleans Foundation, and the University of New Orleans Research and Technology Foundation, Inc., which are discretely presented component units included in the basic financial statements of the University of Louisiana System. The financial statements of the blended and discretely presented component units were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts reported for these component units, are based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free of material misstatement. The financial statements of the Black and Gold Facilities, Inc.; Nicholls State University Facilities Corporation; University Facilities, Inc.; and University of Louisiana at Monroe Facilities, Inc., which were audited by other auditors, were audited in accordance with auditing standards generally accepted in the United States of America but not in accordance with *Government Auditing Standards*. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the University of Louisiana System as of June 30, 2012, and the respective changes in its financial position and, where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1-B to the basic financial statements, the University of New Orleans was transferred from the Louisiana State University System to the University of Louisiana System, for the fiscal year ended June 30, 2012. In addition, the University of New Orleans Foundation and University of New Orleans Research and Technology Foundation, Inc., meet the requirements for inclusion in the University of Louisiana System's financial statements as discretely presented component units. As discussed in note 16 to the basic financial statements, the effect of including of the University of New Orleans is an increase of \$143,815,201 in beginning net assets for the University of Louisiana System, and the effect of including the University of New Orleans Foundation and University of New Orleans Research and Technology Foundation, Inc., is an increase of \$61,565,707 and \$73,820,736, respectively, in beginning net assets for the discretely presented component units. These changes affect the comparability of amounts reported for the year ended June 30, 2012, with amounts reported for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2013, on our consideration of the University of Louisiana System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 11 and the Schedule of Funding Progress for the Other Postemployment Benefits Plan on page 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University of Louisiana System's basic financial statements. The accompanying supplemental information schedules, including the Combining Schedule of Net Assets; the Combining Schedule of Revenues, Expenses, and Changes in Net Assets; and the Combining Schedule of Cash Flows, on pages 80 through 93, are presented for the purposes of

additional analysis and are not required parts of the basic financial statements. These schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. The schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described previously, and the reports of other auditors, the schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

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MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of the University of Louisiana System's (System) annual financial report presents a discussion and analysis of the System's financial performance during the fiscal year that ended June 30, 2012. Please read this section in conjunction with the System's financial statements, which follows this section. The System is comprised of the following entities:

- Grambling State University
- Louisiana Tech University
- McNeese State University
- Nicholls State University
- Northwestern State University
- Southeastern Louisiana University
- University of Louisiana at Lafayette
- University of Louisiana at Monroe
- University of New Orleans
- Board of Supervisors

FINANCIAL HIGHLIGHTS

Act 419 of 2011 transferred the University of New Orleans (UNO) to the System. This transfer required certain restatements of balances in the financial statements of the System making certain narratives and comparisons of individual financial highlights in the Management's Discussion and Analysis ineffective.

All June 30, 2011, amounts have been adjusted for the inclusion of UNO and other adjustments for the remaining System universities.

The System's net assets overall changed from \$1,099,785,919 (restated) to \$1,032,335,504 a 6.2% decrease from June 30, 2011, to June 30, 2012. The primary reason for this change is the increase in liabilities for Other Postemployment Benefits (OPEB) payable from the transfer of UNO to the System.

Enrollment changed from approximately 93,913 to approximately 92,986 from July 1, 2011, to June 30, 2012, an overall decrease of 0.99%.

The System's operating revenues increased by approximately 1.5% to \$687,668,315 from June 30, 2011, to June 30, 2012, primarily from increases in revenues from tuition and fees and auxiliary enterprises offset by decreases in grants and contracts. Operating expenses decreased by 3.0% to \$1,257,441,778 for the year ended June 30, 2012.

Nonoperating revenues (expenses) fluctuate depending upon levels of state operating appropriations, interest earnings/expense, and other nonoperating revenue. The change to \$464,338,694 in 2012 from \$652,996,153 in 2011 is primarily attributed to reductions in federal funds from the American Recovery and Investment Act (ARRA), state appropriations, Pell Grant receipts, and investment income offset by a decrease in nonoperating expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and the notes to the financial statements. The basic financial statements present information for the System as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (pages 12-13) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the System is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (pages 15-16) presents information showing how the System's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, transactions are included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 19-20) presents information showing how the System's cash changed as a result of current year operations. The Statement of Cash Flows is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by Governmental Accounting Standards Board Statement No. 34.

The System's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net

Assets. All assets and liabilities associated with the operation of the System are included in the Statement of Net Assets.

The System has three foundations that are discretely presented in its basic financial statements. The foundations reported are the (1) University of Louisiana at Lafayette Foundation, Inc.; (2) University of New Orleans Foundation; and (3) University of New Orleans Research and Technology Foundation, Inc. The financial data of each of these foundations are presented separately in the Statement of Financial Position (page 14) and the Statement of Activities (pages 17-18). Additional information about the foundations is contained in the notes to the financial statements.

FINANCIAL ANALYSIS

Net Assets

The System's total net assets at June 30, 2012, as restated, changed by approximately \$68 million, a 6.2% decrease over June 30, 2011 (see Table A-1). Total assets decreased 1.6% to \$2.2 billion and total liabilities increased 2.6% to \$1.2 billion.

Table A-1
University of Louisiana System
Statement of Net Assets
(in millions of dollars)

	2012	2011 (Restated)	Variance	Percent Variance
Current and other assets	\$877	\$989	(\$112)	(11.3%)
Capital assets	1,384	1,309	75	5.7%
Total assets	<u>2,261</u>	<u>2,298</u>	<u>(37)</u>	(1.6%)
Current liabilities	126	132	(6)	(4.5%)
Noncurrent liabilities	1,103	1,066	37	3.5%
Total liabilities	<u>1,229</u>	<u>1,198</u>	<u>31</u>	2.6%
Net assets:				
Invested in capital assets, net of debt	844	832	12	1.4%
Restricted	386	407	(21)	(5.2%)
Unrestricted	<u>(198)</u>	<u>(139)</u>	<u>(59)</u>	42.4%
Total net assets	<u>\$1,032</u>	<u>\$1,100</u>	<u>(\$68)</u>	(6.2%)

This schedule is prepared from the System's Statement of Net Assets as shown on pages 12-13, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Significant statement of net asset changes from 2011, in addition to the effects of the transfer of UNO to the System, include the following:

- Capital asset increases current year additions and improvements offset by current year depreciation.
- Noncurrent liabilities increased from an increase in the OPEB payable.
- Invested in capital assets, net of related debt, increased from current year capital asset additions offset by increases in long-term debt associated with the acquisition of capital assets and from reclassification adjustments between invested in capital assets and unrestricted net assets.
- Unrestricted net assets decreased from the increase in OPEB payable and from reductions in nonoperating revenues (e.g., state appropriations and ARRA) and capital appropriations.

Net assets invested in capital assets, net of related debt, consist of capital assets net of accumulated depreciation and reduced by the amount of outstanding indebtedness attributable to the acquisition, construction, or improvement of those assets. Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Changes in Net Assets

The change in net assets at June 30, 2012, is approximately \$68 million or 6.2% lower than at June 30, 2011. The changes in net assets are detailed in Table A-2; education and general expenses are detailed in Table A-3.

The System's total operating revenues increased by 1.5% to approximately \$688 million and total operating expenses decreased 3.0% to approximately \$1,257. These changes are the result of several factors, including the following:

- Increases in net tuition and fees
- Decreases in federal, state and local, and nongovernmental grants and contracts
- Decreases in net auxiliary enterprises

Table A-2
University of Louisiana System
Statement of Changes in Net Assets
(in millions of dollars)

	2012	2011 (Restated)	Variance	Percent Variance
Operating revenues:				
Student tuition and fees, net	\$366	\$333	\$33	9.9%
Auxiliary	142	133	9	6.8%
Other	180	212	(32)	(15.1%)
Total operating revenues	<u>688</u>	<u>678</u>	<u>10</u>	1.5%
Nonoperating revenues:				
State appropriations	329	372	(43)	(11.6%)
Gifts	11	11		0.0%
Other	124	271	(147)	(54.2%)
Total nonoperating revenues	<u>464</u>	<u>654</u>	<u>(190)</u>	(29.1%)
Total revenues	<u>1,152</u>	<u>1,332</u>	<u>(180)</u>	(13.5%)
Operating expenses:				
Education and general	1,088	1,149	(61)	(5.3%)
Other	169	147	22	15.0%
Total operating expenses	<u>1,257</u>	<u>1,296</u>	<u>(39)</u>	(3.0%)
Other nonoperating expenses, net	<u>7</u>	<u>5</u>	<u>2</u>	40.0%
Total expenses	<u>1,264</u>	<u>1,301</u>	<u>(37)</u>	(2.8%)
Income (loss) before other revenues	(112)	31	(143)	(461.3%)
Other revenues:				
Capital appropriations	35	66	(31)	(47.0%)
Capital grants and gifts	7	8	(1)	(12.5%)
Additions to permanent endowments	2	7	(5)	(71.4%)
Change in net assets	(68)	112	(180)	(160.7%)
Net assets, beginning of the year (restated)	<u>1,100</u>	<u>988</u>	<u>112</u>	11.3%
Total net assets	<u>\$1,032</u>	<u>\$1,100</u>	<u>(\$68)</u>	(6.2%)

Table A-3
University of Louisiana System
Education and General Expenses
(in millions of dollars)

	2012	2011 (Restated)	Variance	Percent Variance
Instruction	\$390	\$406	(\$16)	(3.9%)
Research	105	114	(9)	(7.9%)
Public service	35	36	(1)	(2.8%)
Academic support	89	87	2	2.3%
Student services	77	81	(4)	(4.9%)
Institutional support	123	127	(4)	(3.1%)
Operations and plant maintenance	103	133	(30)	(22.6%)
Depreciation	71	70	1	1.4%
Scholarships and fellowships	95	95		0.0%
Total	\$1,088	\$1,149	(\$61)	(5.3%)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2012 and 2011, the System's cost of capital assets totaled approximately \$2.6 billion and \$2.4 billion, respectively. Net of accumulated depreciation, the System's capital assets at June 30, 2012, total approximately \$1.4 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$75 million or 5.7% over June 30, 2011. The increases were primarily in construction of buildings financed through long-term obligations, purchases of equipment, and current year depreciation.

Debt Administration

The System had outstanding bonds totaling \$634,775,000, exclusive of bond discounts and premiums at June 30, 2012, compared to \$632,275,000 at June 30, 2011.

Bond activity during the fiscal year ended June 30, 2012, follows:

- Cowboy Facilities, Inc., a blended component unit of McNeese State University issued bonds totaling \$18,655,000 to refund the Series 2001 student lease revenue bonds. In addition, Cowboy Facilities, Inc., issued university student parking bonds totaling \$13,850,000.

- Northwestern State University issued bonds totaling \$4,500,000 to refund the Series 1999 wellness, recreation, and activity center bonds.
- Southeastern Louisiana University issued bonds totaling \$3,650,000 to refund the Series 1998 student recreation and activity center revenue bonds.
- Principal payments totaled \$11,485,000.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The following currently known facts, decisions, or conditions are expected to have a significant effect on financial position or results of operations:

- Changes in current enrollment
- Changes in tuition and fees
- Changes in state appropriations
- Changes in federal grant programs
- Significant new or additional capital appropriations

CONTACTING UNIVERSITY OF LOUISIANA SYSTEM'S FINANCIAL MANAGEMENT

This financial report is designed to provide our legislature, state officials, the Louisiana Legislative Auditor's Office, patrons, and other interested parties with a general overview of the System's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Vice President for Business and Finance at (225) 342-6950.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Net Assets
June 30, 2012**

ASSETS

Current assets:

Cash and cash equivalents (note 2)	\$239,608,604
Investments (note 3)	50,898,380
Receivables, net (note 4)	62,517,806
Due from state treasury	16,452,334
Due from federal government (note 4)	14,857,723
Inventories	6,543,720
Deferred charges and prepaid expenses	5,889,383
Notes receivable, net	4,164,122
Other current assets	3,631,275
Total current assets	<u>404,563,347</u>

Noncurrent assets:

Restricted:

Cash and cash equivalents (notes 2 and 3)	160,707,060
Investments (note 3)	256,300,038
Receivables, net (note 4)	4,419,702
Notes receivable, net	29,403,509
Other	89,486
Investments	22,496
Notes receivable	5,235
Capital assets (net) (note 5)	1,383,857,441
Other noncurrent assets	21,690,718
Total noncurrent assets	<u>1,856,495,685</u>
Total assets	<u>2,261,059,032</u>

LIABILITIES

Current liabilities:

Accounts payable and accruals (note 6)	53,060,636
Deferred revenues	38,115,858
Compensated absences payable (notes 10 and 12)	4,686,249
Capital lease obligations (notes 11 and 12)	1,671,380

(Continued)

The accompanying notes are an integral part of this statement.

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Net Assets, June 2012

LIABILITIES (CONT.)

Current liabilities: (Cont.)

Amounts held in custody for others	\$5,569,467
Claims and litigation payable	852,840
Notes payable (note 12)	338,975
Contracts payable	95,938
Reimbursement contracts payable (note 12)	30,000
Bonds payable (note 12)	12,347,759
Other current liabilities	9,152,226
Total current liabilities	<u>125,921,328</u>

Noncurrent liabilities:

Compensated absences payable (notes 10 and 12)	40,353,371
Capital lease obligations (notes 11 and 12)	44,372,374
Notes payable (note 12)	3,140,910
Reimbursement contracts payable (note 12)	35,000
Other postemployment benefits payable (note 9)	396,299,879
Bonds payable (note 12)	618,477,504
Other noncurrent liabilities	123,162
Total noncurrent liabilities	<u>1,102,802,200</u>
Total liabilities	<u>1,228,723,528</u>

NET ASSETS

Invested in capital assets, net of related debt	844,043,760
Restricted:	
Nonexpendable (note 17)	174,720,275
Expendable (note 17)	211,950,994
Unrestricted	<u>(198,379,525)</u>
Total net assets	<u><u>\$1,032,335,504</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**COMPONENT UNITS
Statement of Financial Position, June 30, 2012**

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	University of New Orleans Research and Technology Foundation, Inc.*	Total Foundations
ASSETS				
Cash and cash equivalents (note 2)	\$8,225,101	\$8,935,107	\$7,770,012	\$24,930,220
Investments (note 3)	121,570,297	56,099,249	4,507,719	182,177,265
Receivables		728,628	4,278,643	5,007,271
Pledges receivable	2,758,180	1,118,428		3,876,608
Capitalized lease receivable			35,411,788	35,411,788
Fixed assets, net (note 5)	11,603,567	12,936,022	72,090,093	96,629,682
Other assets	596,768	208,426	954,560	1,759,754
Total assets	\$144,753,913	\$80,025,860	\$125,012,815	\$349,792,588
LIABILITIES				
Accounts payable	\$97,541	\$1,960,746	\$1,417,584	\$3,475,871
Grants payable to university	1,350			1,350
Interest payable			766,211	766,211
Compensated absences payable		160,654		160,654
Amounts held in custody for others (note 12)	26,981,574	17,336,720	65,912	44,384,206
Bonds payable (note 12)	1,500,000	851,000	39,161,865	41,512,865
Notes payable (note 12)	483,479		6,490,369	6,973,848
Capital lease obligations (note 12)		524,833		524,833
Other liabilities	92,190	260,489	5,267,700	5,620,379
Total liabilities	29,156,134	21,094,442	53,169,641	103,420,217
NET ASSETS				
Unrestricted	3,333,676	13,493,419	71,843,174	88,670,269
Temporarily restricted	45,477,735	16,045,736		61,523,471
Permanently restricted	66,786,368	29,392,263		96,178,631
Total net assets	115,597,779	58,931,418	71,843,174	246,372,371
Total liabilities and net assets	\$144,753,913	\$80,025,860	\$125,012,815	\$349,792,588

* As of December 31, 2011

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Revenues, Expenses, and
Changes in Net Assets
For the Fiscal Year Ended June 30, 2012**

OPERATING REVENUES

Student tuition and fees (net of scholarship allowances of \$123,431,164)	\$366,395,178
Federal grants and contracts	72,683,075
State and local grants and contracts	45,630,366
Nongovernmental grants and contracts	25,408,602
Sales and services of educational departments	3,678,669
Auxiliary enterprise revenues (net of scholarship allowances of \$14,407,141 including revenues used as security for revenue bonds)	141,591,865
Other operating revenues	32,280,560
Total operating revenues	<u>687,668,315</u>

OPERATING EXPENSES

Educational and general:	
Instruction	390,204,963
Research	105,185,243
Public service	34,801,959
Academic support	88,993,664
Student services	76,737,253
Institutional support	122,651,871
Operations and maintenance of plant	102,592,579
Depreciation	71,237,166
Scholarships and fellowships	95,465,481
Auxiliary enterprises	164,439,000
Other operating expenses	5,132,599
Total operating expenses	<u>1,257,441,778</u>

OPERATING LOSS (569,773,463)

(Continued)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Revenues, Expenses, and
Changes in Net Assets, June 2012**

NONOPERATING REVENUES (Expenses)	
State appropriations	\$328,636,365
Gifts	11,340,583
Federal nonoperating revenue	133,089,178
Federal - American Recovery and Reinvestment Act	2,631,184
Investment income, net	5,049,369
Interest expense	(20,784,144)
Payments to or on behalf of the university	4,500
Other nonoperating expenses, net	4,371,659
Net nonoperating revenues	<u>464,338,694</u>
LOSS BEFORE OTHER REVENUES AND EXPENSES	(105,434,769)
Capital appropriations	35,352,503
Capital grants and gifts	7,496,631
Additions to permanent endowments	1,760,000
Other expenses, net	(2,049,831)
Extraordinary item - loss on impairment (note 24)	<u>(4,574,949)</u>
CHANGE IN NET ASSETS	(67,450,415)
NET ASSETS - BEGINNING OF YEAR, Restated (note 16)	<u>1,099,785,919</u>
NET ASSETS - END OF YEAR	<u><u>\$1,032,335,504</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

COMPONENT UNITS

Statement of Activities

For the Year Ended June 30, 2012

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	University of New Orleans Research and Technology Foundation, Inc.*	Total Foundations
Changes in unrestricted net assets:				
Contributions and contributed services	\$240,352	\$89,436		\$329,788
Grants		67,831	\$2,030,996	2,098,827
Interest and dividends	5,704			5,704
Realized gain (loss) on investments	(1,428)	(552,119)	31,514	(522,033)
Other income	576,728	1,308,283	3,751,432	5,636,443
Net assets released from restrictions:				
Satisfaction of purpose restrictions	6,911,863	2,349,334		9,261,197
Transfers between net asset classifications	(1,081,349)			(1,081,349)
Total unrestricted revenues and other support	<u>6,651,870</u>	<u>3,262,765</u>	<u>5,813,942</u>	<u>15,728,577</u>
Expenses - amounts paid to benefit				
University of Louisiana System for:				
Projects specified by donors	5,759,733			5,759,733
Fundraising	369,065			369,065
Grants and contracts			1,119,741	1,119,741
Program operations/services		1,795,606	2,466,555	4,262,161
Property operations		294,716	1,836,861	2,131,577
Total program expenses	<u>6,128,798</u>	<u>2,090,322</u>	<u>5,423,157</u>	<u>13,642,277</u>
Supporting services:				
Salaries and benefits	127,985	699,320		827,305
Insurance	72,368			72,368
Office operations	120,474	30,131		150,605
Travel	8,803	13,577		22,380
Professional services	155,192	258,169		413,361
Dues and subscriptions	1,576	22,301		23,877
Meetings and development	1,659	6,934		8,593
Investment management fee	260,303			260,303
Interest	89,283			89,283

(Continued)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
COMPONENT UNITS
Statement of Activities, June 30, 2012**

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	University of New Orleans Research and Technology Foundation, Inc.*	Total Foundations
Supporting services: (Cont.)				
Depreciation and amortization	\$282,369	\$261,821		\$544,190
Other	13,851	10,421	\$2,368,347	2,392,619
Total supporting services	<u>1,133,863</u>	<u>1,302,674</u>	<u>2,368,347</u>	<u>4,804,884</u>
Total expenses	<u>7,262,661</u>	<u>3,392,996</u>	<u>7,791,504</u>	<u>18,447,161</u>
Decrease in unrestricted net assets	<u>(610,791)</u>	<u>(130,231)</u>	<u>(1,977,562)</u>	<u>(2,718,584)</u>
Changes in temporarily restricted net assets:				
Contributions	6,774,427	838,419		7,612,846
Investment earnings (loss)	217,750	(1,177,223)		(959,473)
Other	453,748	70,103		523,851
Total temporarily restricted revenues	<u>7,445,925</u>	<u>(268,701)</u>	NONE	<u>7,177,224</u>
Net assets released from restrictions:				
Satisfaction of purpose restrictions	(150,665)	(2,349,334)		(2,499,999)
Transfers between net asset classifications	<u>(6,911,863)</u>	<u>(500)</u>		<u>(6,912,363)</u>
Increase in temporarily restricted net assets	<u>383,397</u>	<u>(2,618,535)</u>	NONE	<u>(2,235,138)</u>
Changes in permanently restricted net assets:				
Contributions	3,666,569	106,947		3,773,516
Investment earnings		3,930		3,930
Service fees		3,100		3,100
Other income	9,995			9,995
Net assets released from restrictions:				
Transfers between net asset classifications	<u>1,232,014</u>	<u>500</u>		<u>1,232,514</u>
Increase in permanently restricted net assets	<u>4,908,578</u>	<u>114,477</u>	NONE	<u>5,023,055</u>
Increase (decrease) in net assets	4,681,184	(2,634,289)	(1,977,562)	69,333
Net assets at beginning of year, restated (note 16)	<u>110,916,595</u>	<u>61,565,707</u>	<u>73,820,736</u>	<u>246,303,038</u>
Net assets at end of year	<u><u>\$115,597,779</u></u>	<u><u>\$58,931,418</u></u>	<u><u>\$71,843,174</u></u>	<u><u>\$246,372,371</u></u>

*For the year ended December 31, 2011

(Concluded)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES:

Tuition and fees	\$380,655,715
Grants and contracts	146,735,891
Sales and services of educational departments	3,149,394
Auxiliary enterprise receipts	142,167,932
Payments for employee compensation	(545,566,722)
Payments for benefits	(190,703,095)
Payments for utilities	(36,096,575)
Payments for supplies and services	(269,670,019)
Payments for scholarships and fellowships	(113,922,636)
Loans issued to students and employees	(7,461,577)
Collection of loans to students and employees	8,598,625
Other receipts	24,956,695
Net cash used by operating activities	<u>(457,156,372)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State appropriations	355,557,631
Gifts and grants for other than capital purposes	14,874,127
Pell Grant receipts	132,610,367
Private gifts for endowment purposes	1,560,000
Taylor Opportunity Program for Students receipts	83,457,143
Taylor Opportunity Program for Students disbursements	(83,331,319)
Federal Emergency Management Agency receipts	615,030
Federal Emergency Management Agency disbursements	(656,239)
American Recovery and Reinvestment Act receipts	3,005,314
Direct lending receipts	298,906,838
Direct lending disbursements	(301,600,067)
Federal Family Education Loan program receipts	1,030,071
Federal Family Education Loan program disbursements	(1,028,261)
Other receipts	(1,631,035)
Net cash provided by noncapital financing sources	<u>503,369,600</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:

Proceeds from capital debt	44,479,657
Capital appropriations received	93,797
Capital grants and gifts received	698,246
Purchases of capital assets	(105,718,903)
Principal paid on capital debt and leases	(44,363,997)
Interest paid on capital debt and leases	(20,654,930)
Deposit with trustees	12,276,823
Other uses	(229,926)
Net cash used by capital financing activities	<u>(113,419,233)</u>

(Continued)

The accompanying notes are an integral part of this statement.

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows, 2012

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	\$63,339,527
Interest received on investments	5,704,631
Purchase of investments	(22,988,268)
Net cash provided by investing activities	<u>46,055,890</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (21,150,115)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR,
Restated for transfer of UNO to the System 421,465,779

CASH AND CASH EQUIVALENTS AT END OF YEAR \$400,315,664

**RECONCILIATION OF OPERATING LOSS TO
NET CASH USED BY OPERATING ACTIVITIES:**

Operating loss	(\$569,773,463)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	71,237,166
Amortization of bond issuance costs	499,326
Changes in assets and liabilities:	
Decrease in accounts receivable, net	10,433,555
Decrease in inventories	153,682
Decrease in deferred charges and prepaid expenses	435,250
Decrease in notes receivable, net	755,010
(Increase) in other assets	(1,654,250)
(Decrease) in accounts payable and accrued liabilities	(1,706,271)
(Decrease) in deferred revenue	(4,338,397)
Increase in amounts held in custody for others	657,102
Increase in compensated absences	250,755
Increase in other postemployment benefits payable	38,530,133
(Decrease) in other liabilities	<u>(2,635,970)</u>
Net cash used by operating activities	<u><u>(\$457,156,372)</u></u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS
TO THE STATEMENT OF NET ASSETS:**

Cash and cash equivalents classified as current assets	\$239,608,604
Cash and cash equivalents classified as noncurrent assets	<u>160,707,060</u>
Total cash and cash equivalents	<u><u>\$400,315,664</u></u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Capital appropriations	\$36,427,954
Decrease in fair market value of assets	(1,115,628)
Private gifts for endowment purposes	200,000
Capital gifts and grants	8,026,501
Capital assets acquired through capital leases	84,113
Disposition of capital assets	(5,406,436)
Other	(1,159,996)

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The University of Louisiana System (System) is a publicly supported institution of higher education. The System is a component unit of the State of Louisiana, within the executive branch of government. The universities that comprise the System are under the management and supervision of the University of Louisiana System Board of Supervisors; however, the annual budget of the System and changes to the degree programs, departments of instruction, et cetera, of the individual institutions require the approval of the Board of Regents for Higher Education. The board of supervisors is comprised of 15 members appointed for staggered six-year terms 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 universities within the System. As state universities, operations of the universities' instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature. The chief executive officer of the System is the president.

The System is comprised of nine universities in nine cities, which include Grambling State University at Grambling, Louisiana Tech University at Ruston, McNeese State University at Lake Charles, Nicholls State University at Thibodaux, Northwestern State University at Natchitoches, Southeastern Louisiana University at Hammond, University of Louisiana at Lafayette, University of Louisiana at Monroe, and the University of New Orleans. The universities had approximately 92,986 students enrolled during the fall semester of the 2011/2012 academic year and employed approximately 10,363 employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying financial statements have been prepared in accordance with such principles.

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The System 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) the majority of the members of the governing board are appointed by the governor; (2) the state has control and exercises authority over budget matters;

(3) the state issues bonds to finance certain construction; and (4) the universities within the System primarily serve state residents. The accompanying financial statements present information only as to the transactions of the programs of the System as authorized by Louisiana statutes and administrative regulations.

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

Act 419 of the 2011 Regular Session of the Louisiana Legislature transferred the University of New Orleans and its assets, funds, obligations, liabilities, programs, and functions from the Louisiana State University System to the University of Louisiana System for the year ended June 30, 2012.

Blended Component Units

The following are Louisiana nonprofit corporations that are considered blended component units of seven of the universities included in the System:

- Black and Gold Facilities, Inc., at Grambling State University
- Innovative Student Facilities, Inc., at Louisiana Tech University
- Cowboy Facilities, Inc., at McNeese State University
- NSU Facilities Corporation at Nicholls State University
- University Facilities, Inc., at Southeastern Louisiana University
- Ragin' Cajun Facilities, Inc., at the University of Louisiana at Lafayette
- University of Louisiana at Monroe Facilities, Inc., at the University of Louisiana at Monroe

These component units are included in the reporting entity because they are fiscally dependent on the universities. The purpose of these organizations is to promote, assist, and benefit the mission of the universities through the acquisition, construction, development, management, leasing or otherwise assisting in the acquisition, construction, development, management, or leasing of student housing or other facilities on behalf of the universities. Although these facility corporations are legally separate, they are reported as a part of the System because the majority of their revenue comes from the leasing of facilities to the university. To obtain the corporations' latest audit reports, write to:

- Black and Gold Facilities, Inc., c/o Mr. Leon Sanders, Grambling State University, P.O. Box 605, Grambling, Louisiana 71245
- Innovative Student Facilities, Inc., c/o Mr. Joseph Thomas, Louisiana Tech University, P.O. Box 3178, Ruston, Louisiana 71209
- Cowboy Facilities, Inc., c/o Mr. Eddie Meche, McNeese State University, 4205 Ryan Street, Lake Charles, Louisiana 70609
- NSU Facilities Corporation, c/o Mr. Mike Naquin, Nicholls State University, P.O. Box 2003, Thibodaux, Louisiana 70310
- University Facilities, Inc., c/o Mr. Sam Domiano, Southeastern Louisiana University, SLU Box 10709, Hammond, Louisiana 70402
- Ragin' Cajun Facilities, Inc., c/o Mrs. Debbie Calais, University of Louisiana at Lafayette, P.O. Box 42651, Lafayette, Louisiana 70504
- University of Louisiana at Monroe Facilities, Inc., c/o Dr. William Graves, University of Louisiana at Monroe, 700 University Avenue, Monroe, Louisiana 71209

Discretely Presented Component Units

The following legally separate, tax-exempt organizations are reported within the System as discrete component units:

- University of Louisiana at Lafayette Foundation, Inc. (ULL Foundation)
- University of New Orleans Foundation (UNO Foundation)
- University of New Orleans Research and Technology Foundation, Inc.

These foundations act primarily as fund-raising organizations to supplement the resources that are available to their respective universities in support of their programs. Although the universities do not control the timing or amount of receipts from their respective foundations, the majority of resources or income that the foundations hold and invest are restricted to the activities of the university by the donors. Because these restricted resources held by the foundations can only be used by or for the benefit of the universities, the foundations are considered component units of their respective universities and are discretely presented in the financial statements.

During the year ended June 30, 2012, the ULL Foundation made distributions of \$5,759,733 to or on behalf of the university for unrestricted purposes.

To obtain the foundations' latest audit reports, write to:

- University of Louisiana at Lafayette Foundation, Inc., c/o Mrs. Debbie Calais, University of Louisiana at Lafayette, P.O. Box 42651, Lafayette, Louisiana 70504
- University of New Orleans Foundation, c/o Ms. Linda Robison, University of New Orleans, 2000 Lakeshore Drive, New Orleans, Louisiana 70148
- University of New Orleans Research and Technology Foundation, Inc., c/o Ms. Linda Robison, University of New Orleans, 2000 Lakeshore Drive, New Orleans, Louisiana 70148

The blended and discretely presented component units are private nonprofit organizations that report under Financial Accounting Standards Board (FASB) standards, including FASB Accounting Standards Codification (ASC) §958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria, presentation, and disclosure requirements are different from GASB revenue recognition criteria and presentation features. With the exception of presentation adjustments, no modifications have been made to these component units' financial information in the System's report for these differences. Accordingly, the financial data of the discretely presented component units are shown on a statement of financial position and a statement of activities.

Every three years, in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, the System evaluates whether discretely presented component units reported in prior financial statements continue to meet the Division of Administration, Office of Statewide Reporting and Accounting Policy's (OSRAP) guidelines requiring their presentation in the System's financial statements. The University of Louisiana at Lafayette Foundation continues to meet the criteria for presentation in the System's financial statements.

With the transfer of the University of New Orleans to the System, the System determined the University of New Orleans Foundation and the University of New Orleans Research and Technology Foundation, Inc., meet the OSRAP guidelines requiring their presentation in the System's financial statements; therefore, the foundations have been included in the System's financial statements for the year ended June 30, 2012.

C. BASIS OF ACCOUNTING

For financial reporting purposes, the System is considered a special-purpose government engaged only in business-type activities. All activities of the System are accounted for within a single proprietary (enterprise) fund. Accordingly, the System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-system transactions have been eliminated.

Discrete Component Unit

The component units follow the provisions of FASB ASC §958 *Not-for-Profit Entities*, which establishes external financial reporting for not-for-profit organizations, and includes the financial statements and the classifications of resources into three separate classes of net assets as follows:

- Unrestricted - net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted - net assets whose use by the component units are limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the foundations pursuant to those stipulations.
- Permanently Restricted - net assets whose use by the component units is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions by the component unit.

The System has the option to apply all FASB pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The System has elected to not apply FASB pronouncements issued after the applicable date. However, in the current fiscal year, the System has included seven nongovernmental, blended component units that follow FASB ASC §958.

D. BUDGET PRACTICES

The State of Louisiana's appropriation is an annual lapsing appropriation 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 branches 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; (3) summer school tuition and fees and summer school faculty salaries and related benefits for June are not prorated but are recognized in the succeeding year; and (4) inventories are recorded as expenditures at the time of purchase.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes cash on hand (petty cash), demand deposits, and interest-bearing demand deposits. Cash equivalents include certificates of deposit and all highly liquid investments with a maturity of three months or less when purchased. Under state law, the 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 System may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash equivalents reported on the Statement of Net Assets include all negotiable certificates of deposit, regardless of maturity.

In accordance with Louisiana Revised Statute (R.S.) 49:327, the System is authorized to invest funds in direct U.S. Treasury obligations, U.S. government agency obligations, and money market funds. 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. Investments are maintained in investment accounts in external foundations as authorized by policies and procedures established by the Board of Regents and are reported at fair value in accordance with GASB Statement No. 31. Changes in the carrying value of investments, resulting from unrealized gains and losses, are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Assets. For purposes of the Statement of Cash Flows, the System considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

F. INVENTORIES

Inventories are valued at the lower of cost or market. The System uses periodic and perpetual inventory systems and values its various other inventories using the first-in, first-out and weighted-average valuation methods. Adjustments are made at fiscal year-end to account for inventories using the consumption method.

G. NONCURRENT RESTRICTED ASSETS

Cash, investments, receivables, and other assets that are externally restricted for grants, endowments, debt service payments, maintenance of sinking or reserve funds or to purchase or construct capital assets are classified as noncurrent restricted assets in the Statement of Net Assets.

H. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the System's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed \$100,000. Any infrastructure exceeding \$3 million must be capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, three to 10 years for most movable property, three years for software with an acquisition cost of \$1,000,000 or more, and three to 10 years for internally generated software with development costs of \$1,000,000 or more.

I. DEFERRED REVENUES

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but are related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

J. COMPENSATED ABSENCES

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, nine-month faculty members do not accrue annual leave but are granted faculty leave during holiday periods when students are not in classes. Employees who are considered having nonexempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned.

Upon separation of employment, both classified and nonclassified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic and nonclassified personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System, upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave, which would otherwise have been used to compute years of service for retirement. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

Upon termination or transfer, a classified employee will be paid for any one and one-half hour compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the classified employee's hourly rate of pay at termination or transfer.

K. NONCURRENT LIABILITIES

Noncurrent liabilities include principal amounts of revenue bonds payable, reimbursement contracts payable, notes payable, and capital lease obligations with contractual maturities greater than one year and estimated amounts for accrued compensated absences, other postemployment benefits, and other liabilities that will not be paid within the next fiscal year.

L. NET ASSETS

The System's net assets are classified as follows:

(1) Invested in Capital Assets, Net of Related Debt

This represents the System's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisition, construction, or improvement of those capital assets.

(2) Restricted Net Assets - Expendable

Restricted expendable net assets include resources that the System is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

(3) Restricted Net Assets - Nonexpendable

Restricted nonexpendable net assets consist of endowment and similar type funds that donors or other outside sources 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, which may either be expended or added to principal.

(4) Unrestricted Net Assets

Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the System and may be used at the discretion of the governing board to meet current expenses and for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the System's policy is to first apply the expense toward unrestricted resources, and then toward restricted resources.

M. CLASSIFICATION OF REVENUES AND EXPENSES

The System has classified its revenues as either operating or nonoperating according to the following criteria:

- (a) Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances; and (3) most federal, state, and local grants and contracts and federal appropriations.
- (b) Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as gifts and contributions, state appropriations, and investment income.
- (c) Operating expenses generally include transactions resulting from providing goods or services, such as (1) payment to vendors for goods or services; (2) payments to employees for services; and (3) payments for employee benefits.
- (d) Nonoperating expenses include transactions resulting from financing activities, capital acquisitions, and investing activities.

N. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge for services (tuition and fees) provided by the System and the amount that is paid by students and/or third parties making payments on the students' behalf.

O. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2012, the System has cash and cash equivalents (book balances) of \$400,315,664 as follows:

Petty cash	\$491,257
Demand deposits	303,482,348
Certificates of deposit	54,180,579
Time deposits	5,813
Money market funds	4,666,250
Short-term investments	1,725,085
Cash held in trustee accounts	34,893,183
Cash held in state treasury	871,149
	<hr/>
Total	<u><u>\$400,315,664</u></u>

Custodial credit risk is the risk that in the event of a bank failure, the System's deposits may not be returned to it. Under state law, the System's deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair 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 System or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

As of June 30, 2012, \$64,272 of the System's bank balance of \$412,358,886 was uninsured and uncollateralized and, therefore, exposed to custodial credit risk.

Cash and cash equivalents of the component units totaling \$24,930,220, as shown on the Statement of Financial Position, are reported under FASB ASC §958, which does not require the disclosures of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

3. INVESTMENTS

At June 30, 2012, the System has investments totaling \$308,945,999, which includes \$1,725,085 of short-term investments reported on the Statement of Net Assets as restricted cash equivalents. Each university within the System follows state law (R.S. 49:327) as applicable to institutions of higher education in establishing investment policy. State law authorizes the System universities to invest funds in direct U.S. Treasury obligations, U.S. government agency obligations, direct security repurchase agreements, reverse direct repurchase agreements, investment grade commercial paper, investment grade corporate notes and bonds, and money market funds. A summary of the System's investments follows:

<u>Type of Investment</u>	<u>Percentage of Investments</u>	<u>Credit Quality Rating</u>	<u>Fair Value</u>
U.S. government securities:			
U.S. Treasury Notes ⁴	0.33%		\$1,008,530
Federal Home Loan Mortgage Corporation ¹	0.12%	AA+	355,894
Federal National Mortgage Association ¹	0.06%	AA+	190,373
Federal Home Loan Bank ¹	0.05%	AA+	166,107
Federal Farm Credit Bank ²	0.11%	AA+	350,417
Mutual funds:			
Money market mutual funds	0.23%		723,953
Vanguard Inflation - Protected Securities Fund ¹	0.29%	Aaa	899,182
Vanguard Federal Money Market Fund ¹	0.56%	Aaa	1,732,365
Vanguard Prime Money Market Fund	0.36%		1,107,276
Vanguard Mid-Cap Index Fund ⁴	0.07%		216,035
Vanguard Total Bond Market Index Fund ²	0.69%	Aa1/Aa2	2,120,791
Vanguard REIT Index Fund ⁴	0.07%		215,308
Vanguard Wellington Fund ¹	0.96%	Aa3	2,963,895
Vanguard Small-Cap Index Fund ⁴	0.07%		229,884
Vanguard Total International Stock Fund ⁴	0.05%		164,183
Other money market funds ⁴	0.62%		1,905,069
Common and preferred stock ³	2.41%		7,457,724
Corporate bonds and bond funds	0.23%	various	725,527
Mutual funds ⁴	5.26%		16,261,332
Louisiana Asset Management Pool ²	0.56%	AAAm	1,725,085
Investments held by foundations (component units) ³	52.58%		162,449,135
Fixed income - asset-backed securities	0.01%		40,693
Fixed income - municipal securities	0.70%		2,177,639
Other	0.23%		696,899
Held by blended component units: ³			
Black and Gold Facilities, Inc.	6.56%		20,281,592
NSU Facilities Corporation (Nicholls)	3.49%		10,777,289
Ragin' Cajun Facilities, Inc.	8.01%		24,752,446
University Facilities, Inc.	15.29%		47,251,376
	<u>100.00%</u>		<u>\$308,945,999</u>

¹Credit quality ratings obtained from Moody's Investor Service.

²Credit quality ratings obtained from Standard and Poor's.

³Credit quality ratings not required for these investments.

⁴Credit quality ratings not available.

⁵Credit quality ratings obtained from Morning Star.

Type of Investment	Investment Maturities in Years					Over 20 Years
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	11-20 Years	
U.S. government securities:						
U.S. Treasury Notes	\$1,008,530	\$133,385	\$592,741	\$208,010	\$74,394	
Federal Home Loan Mortgage Corporation	355,894		355,894			
Federal National Mortgage Association	190,373		137,688	50,883	1,802	
Federal Home Loan Bank	166,107			166,107		
Federal Farm Credit Bank	350,417		50,299	151,505	148,613	
Mutual funds:						
Money market mutual funds	723,953					
Vanguard Inflation - Protected Securities Fund	899,182			899,182		
Vanguard Federal Money Market Fund	1,732,365	1,732,365				
Vanguard Prime Money Market Fund	1,107,276	1,107,276				
Vanguard Mid-Cap Index Fund	216,035	216,035				
Vanguard Total Bond Market Index Fund	2,120,791			2,120,791		
Vanguard REIT Index Fund	215,308	215,308				
Vanguard Wellington Fund	2,963,895			2,963,895		
Vanguard Small Cap-Index Fund	229,884	229,884				
Vanguard Total International Stock Fund	164,183	164,183				
Other money market funds	1,905,069					
Common and preferred stock	7,457,724					
Corporate bonds and bond funds	725,527	25,707	102,354	578,728	18,738	
Mutual funds	16,261,332					
Louisiana Asset Management Pool	1,725,085					
Fixed income - asset-backed securities	40,693					\$40,693
Fixed income - municipal securities	2,177,639	11,505	810,780		1,325,365	29,989
Other	696,899					
Investments held by foundations:						
Common and preferred stock	27,136,661					
U.S. Treasury Notes	7,604,339		1,687,054	4,966,922	618,458	331,905
Federal Home Loan Mortgage Corporation	6,274,121	601,011	1,411,330	1,139,690	1,632,347	1,489,744
Federal National Mortgage Association	4,258,657	183,064	524,294	1,150,879	1,066,420	1,248,700
Government National Mortgage Association	1,031,437		11,241		326,327	693,869
Federal Home Loan Bank	355,152		272,139		83,013	
Federal Farm Credit Bank	1,930,645		54,250	975,541	900,854	
Mutual funds	99,139,116	10,787,736				
Money market accounts	1,965,527	1,075,015				
Equity funds						
Corporate bonds/obligations	8,298,651	465,791	2,990,044	3,500,876	705,821	636,119
Certificates of deposit	60,000	60,000				
Fixed income - asset-backed securities	20,659					20,659
Fixed income - municipal securities	2,786,977			1,242,784	1,544,193	
Other	1,587,193			270	17,111	
Held by blended component units:						
Other - Black and Gold Facilities, Inc.	20,281,592					
Other - NSU Facilities Corporation (Nicholls)	10,777,289					
Other - Ragin' Cajun Facilities, Inc.	24,752,446					
Other - University Facilities, Inc.	47,251,376					
Total	<u>\$308,945,999</u>	<u>\$17,008,265</u>	<u>\$9,000,108</u>	<u>\$20,116,063</u>	<u>\$8,463,456</u>	<u>\$4,491,678</u>

Investments held by private foundations in external investment pools are managed in accordance with the terms outlined in management agreements executed between the System universities and their respective foundations. The System universities are voluntary participants. This investment totaling \$162,449,135 has no credit quality rating. The foundations hold and manage funds received by the university as state matching funds for the Endowed Chairs and Endowed Professorship programs. Of the \$162,449,135 reported as investments held by foundations, the amounts held by its discretely presented component units total \$86,349,379.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the System's investments to U.S. Treasury obligations, U.S. government agency obligations, direct security repurchase agreements, reverse direct repurchase agreements, investment grade commercial paper, investment grade corporate notes and bonds, and money market funds. Individual System universities do not have policies to further limit credit risk.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For U.S. Treasury obligations and U.S. government agency obligations, the System universities' investment policies generally require that issuers must provide the universities with safekeeping receipts, collateral agreements, and custodial agreements.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. State law requires that at no time shall the funds invested in U.S. government agency obligations exceed 60% of all monies invested with maturities of 30 days or longer. In addition, state law limits the investment in commercial paper and corporate notes and bonds to 20% of all investments. Individual System universities do not have policies to further limit concentration of credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State law as applicable to institutions of higher education does not address interest rate risk. In addition, individual System universities do not have policies to limit interest rate risk.

INVESTMENTS - COMPONENT UNITS

The component units' investments totaling \$182,177,265, as shown on the Statement of Financial Position, are reported under FASB ASC §958, which does not require the disclosures of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. The fair values of investments held by the component units at June 30, 2012, follow:

<u>Type of Investment</u>	University of Louisiana at Lafayette Foundation	University of New Orleans Foundation	University of New Orleans Research and Technology Foundation, Inc.	Total Investments
Certificates of deposit	\$4,053,953		\$1,315,917	\$5,369,870
U.S. Treasury and agency bonds	8,145,526			8,145,526
Municipal and other government agency bonds	97,423			97,423
Fixed income		\$10,908,521		10,908,521
Asset-backed securities	8,045,219			8,045,219
Commerical bonds	3,365,567			3,365,567
Stocks and equities	7,311,227	9,347,972		16,659,199
International stocks		2,096,276		2,096,276
Mutual and exchange traded funds	70,944,142	32,101,013		103,045,155
Real estate investment trusts		1,645,467		1,645,467
Hedge funds and alternative investments	19,607,240			19,607,240
Other			3,191,802	3,191,802
	<u>\$121,570,297</u>	<u>\$56,099,249</u>	<u>\$4,507,719</u>	<u>\$182,177,265</u>
Total	<u>\$121,570,297</u>	<u>\$56,099,249</u>	<u>\$4,507,719</u>	<u>\$182,177,265</u>

4. RECEIVABLES

Receivables are shown on the Statement of Net Assets, net of an allowance for doubtful accounts, at June 30, 2012. These receivables are composed of the following:

<u>Type</u>	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Restricted Noncurrent Portion
Student tuition and fees	\$31,648,173	(\$10,381,982)	\$21,266,191	\$606,717
Auxiliary enterprises	9,674,062	(2,362,363)	7,311,699	139,474
Contributions and gifts	1,971,088		1,971,088	
Federal, state, and private grants and contracts	32,998,178	(111,961)	32,886,217	
Insurance recoveries	6,188,155		6,188,155	
American Recovery and Reinvestment Act	67,532		67,532	
Other	12,806,533	(702,184)	12,104,349	3,673,511
	<u>\$95,353,721</u>	<u>(\$13,558,490)</u>	<u>\$81,795,231</u>	<u>\$4,419,702</u>
Total	<u>\$95,353,721</u>	<u>(\$13,558,490)</u>	<u>\$81,795,231</u>	<u>\$4,419,702</u>

5. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2012, follows:

University of Louisiana System

	Balance July 1, 2011	Prior Period Adjustment	Restated Balance July 1, 2011	Additions	Transfers	Retirements	Balance June 30, 2012
Capital assets not being depreciated:							
Land	\$47,615,039	\$42,974,000	\$90,589,039	\$175,000	\$2,100,000	(\$650,078)	\$92,213,961
Land improvements	6,894,366		6,894,366				6,894,366
Capitalized collections	314,621		314,621				314,621
Livestock	51,850		51,850	6,600		(5,800)	52,650
Software development in progress	956,341		956,341	2,257,607			3,213,948
Construction-in-progress	144,514,387	5,704,674	150,219,061	123,297,744	(177,548,792)	(593,101)	95,374,912
Total assets not being depreciated	200,346,604	48,678,674	249,025,278	125,736,951	(175,448,792)	(1,248,979)	198,064,458
Capital assets being depreciated:							
Infrastructure	14,622,424	11,383,287	26,005,711	129,417	3,046,531		29,181,659
Land improvements	33,915,851	20,734,322	54,650,173	2,244,300	3,567,091		60,461,564
Buildings	1,418,957,104	262,092,717	1,681,049,821	6,919,976	167,241,864	(8,294,398)	1,846,917,263
Equipment (including library books)	320,532,979	114,989,454	435,522,433	17,889,416	1,593,306	(11,616,963)	443,388,192
Software (internally generated and purchased)	2,458,405		2,458,405				2,458,405
Total capital assets being depreciated	1,790,486,763	409,199,780	2,199,686,543	27,183,109	175,448,792	(19,911,361)	2,382,407,083
Less accumulated depreciation:							
Infrastructure	(3,621,263)	(3,855,189)	(7,476,452)	(710,227)			(8,186,679)
Land improvements	(15,612,307)	(13,427,027)	(29,039,334)	(2,260,107)			(31,299,441)
Buildings	(604,510,202)	(148,803,591)	(753,313,793)	(43,686,750)		2,245,473	(794,755,070)
Equipment	(262,817,335)	(83,071,813)	(345,889,148)	(24,580,082)		10,554,725	(359,914,505)
Software (internally generated and purchased)	(2,458,405)		(2,458,405)				(2,458,405)
Total accumulated depreciation	(889,019,512)	(249,157,620)	(1,138,177,132)	(71,237,166)	NONE	12,800,198	(1,196,614,100)
Total capital assets, net	\$1,101,813,855	\$208,720,834	\$1,310,534,689	\$81,682,894	NONE	(\$8,360,142)	\$1,383,857,441

The prior period adjustments represent the effects of the transfer of the University of New Orleans to the University of Louisiana System and of corrections of errors in recorded capital assets from prior years as shown in note 16.

Component Unit

	Balance July 1, 2011	Prior Period Adjustment	Restated Balance July 1, 2011	Additions	Transfers	Retirements	Balance June 30, 2012
Capital assets not being depreciated:							
Real estate	\$804,541	\$1,853,994	\$2,658,535	\$22,600			\$2,681,135
Art and collectibles	2,685,823		2,685,823	138,775			2,824,598
Construction-in-progress		1,982,954	1,982,954	175,343	(\$68,727)		2,089,570
Total assets not being depreciated	3,490,364	3,836,948	7,327,312	336,718	(68,727)	NONE	7,595,303
Capital assets being depreciated:							
Buildings	10,023,266	108,176,662	118,199,928	208,514			118,408,442
Vehicles, furniture, and equipment	526,451	18,278,243	18,804,694	2,078			18,806,772
Total assets being depreciated	10,549,717	126,454,905	137,004,622	210,592	NONE	NONE	137,215,214
Less accumulated depreciation	(2,459,999)	(43,633,652)	(46,093,651)	(2,087,184)	NONE	NONE	(48,180,835)
Total capital assets, net	\$11,580,082	\$86,658,201	\$98,238,283	(\$1,539,874)	(\$68,727)	NONE	\$96,629,682

The capital asset disclosure for the discretely presented component units has been adjusted to reflect the classifications of the assets as presented in the audited financial statements of the discretely presented component units. Their financial statements have been prepared in accordance with FASB ASC §958. The disclosure requirements of FASB ASC §958 differ from those required for financial statements prepared in accordance with GASB requirements.

The prior period adjustments represent the effects of the inclusion of the University of New Orleans Foundation and the University of New Orleans Research and Technology Foundation, Inc.

Southeastern Louisiana University is the only university within the System that capitalizes its collections, which include various works of art and historical items, including sculptures, statues, portraits, murals, book collections, war artifacts, and maps.

Although not capitalized, the University of Louisiana at Lafayette maintains the Louisiana Room, the Rare Book Room, and the University Archives and Acadiana Manuscripts Collection, the Creole and Cajun Music Collection, the University Records Management Program, and the Microforms Room. In addition, the University of Louisiana at Monroe maintains the Thomas Gilhula War Collection, the Friends of the Library of Louisiana Collection of parish histories, the James A. Noe Collection, the Otto E. Pressman Collection, an African Artifacts collection, a geosciences collection, an herbarium collection, and various artifacts in the Natural History Museum.

The System universities generally do not capitalize collections of works of art or historical treasures either because they do not have any or because they meet the following criteria for exclusion from capitalization in accordance with the requirements of GASB Statement No. 34:

(1) held for public exhibition, education, or research in furtherance of public service rather than financial gain; (2) protected, kept unencumbered, cared for, or preserved; and (3) subject to an organizational policy that requires the proceeds from sales of the items to be used to acquire other items for the collection.

6. PAYABLES

The following is a summary of payables and accrued expenses at June 30, 2012:

<u>Account Name</u>	
Vendor payables	\$20,033,973
Accrued salaries and payroll deductions	26,581,844
Accrued interest	2,238,425
Other	<u>4,206,394</u>
Total payables	<u><u>\$53,060,636</u></u>

7. PENSION PLANS

Plan Description. Substantially all employees of the System are members of three statewide, public employee retirement systems. Academic employees are generally members of the Teachers' Retirement System of Louisiana (TRSL), classified/unclassified state employees are members of the Louisiana State Employees' Retirement System (LASERS), and the Louisiana School Employees' Retirement System (LSERS) includes noninstructional personnel of the Louisiana Public School System. TRSL and LSERS are cost-sharing, multiple-employer defined benefit pension plans, and LASERS is considered a single-employer defined benefit pension plan because the material portion of its activity is with one employer--the State of Louisiana. All three plans are administered by separate boards of trustees. These plans provide retirement, disability, and survivors' benefits to plan members and beneficiaries. The State of Louisiana guarantees benefits granted by the retirement systems by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in the retirement systems; employee benefits vest with TRSL after five years of service and with LASERS and LSERS 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 retirement systems issue annual publicly available financial reports that include financial statements and required supplementary information for the retirement 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; the Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (225) 922-0600; and/or the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804-4516.

Funding Policy. The contribution requirements of plan members and the System 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 8.0% (TRSL) and 7.5% (LASERS and LSERS) of covered salaries. Act 75 of the 2005 Regular Legislative Session now requires that employees hired on or after July 1, 2006, contribute 8.0% to LASERS. The state is required to contribute 23.7% of covered salaries to TRSL, 25.6% of covered salaries to LASERS, and 28.6% of covered salaries to LSERS for fiscal year 2012. The State of Louisiana, through the annual appropriation to the System, funds the System's employer contribution. The System's employer contributions to TRSL for the years ended June 30, 2012, 2011, and 2010 were \$41,590,024; \$30,640,774; and \$24,531,226, respectively, to LASERS for the years ended June 30, 2012, 2011, and 2010 were \$24,227,400; \$19,868,818; and \$17,792,849, respectively, and to LSERS for the years ended June 30, 2012, 2011, and 2010 were \$72,436; \$32,830; and \$26,802, respectively, equal to the required contributions for each year.

8. 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 the TRSL for five 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 optional retirement plan rather than the TRSL and purchase retirement and death benefits through contracts provided by designated companies.

Total contributions by the System are 23.7% of the covered payroll for fiscal year 2012. The participant's contribution (8.0%), 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 TRSL 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 TRSL 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 TRSL. 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 \$45,308,478 and \$15,302,655, respectively, for the year ended June 30, 2012.

9. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The System provides certain continuing health care and life insurance benefits for its retired employees. Substantially, all System employees become eligible for these benefits if they reach normal retirement age while working for the System.

The System offers its employees the opportunity to participate in one of two medical coverage plans. One plan is from the state's Office of Group Benefits (OGB), which offers a life insurance plan, and the other plan is with the Louisiana State University (LSU) System Health Plan, which originally began as a pilot program within OGB. The LSU System Health Plan is offered only to employees at the University of New Orleans. GASB Statement No. 45 promulgates the accounting and financial reporting requirement by employers that offer other postemployment benefits (OPEB) besides pensions. Both of the medical coverage plans and the life insurance plan available would be subject to the provisions of this statement. Information about these two plans is presented below.

Plan Descriptions

State OGB Plan

Employees of the System voluntarily participate in the State of Louisiana's health insurance plan. OGB provides medical and life insurance benefits to eligible retirees and their beneficiaries. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in the applicable retirement system, and they must be covered by the active medical plan immediately prior to retirement. The postemployment benefits plan is a cost-sharing, multiple-employer defined benefit plan but is classified as an agent multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provide the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report; however, the entity is included in the Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

LSU System Health Plan

The System offers eligible UNO employees and UNO retirees and their beneficiaries the opportunity to participate in comprehensive health and preventive care coverage under the LSU Health System Plan, which is administered by the LSU System, that gives members a unique, consumer-driven health care approach to pay routine health expenses and provides coverage for major health care expenses. Within the Health Plan, members have a choice of selecting Option 1 or Option 2. The LSU System Health Plan is defined as a single-employer defined benefit health care plan that is not administered as a trust or equivalent arrangement.

The LSU System selects claim and pharmaceutical administrators to administer the program through a formal request for proposals process.

The Health Plan does not issue a publicly available financial report, but it is included in the LSU System's audited financial statements.

Funding Policy

State OGB Plan

The contribution requirements of plan members and the System are established and may be amended by R.S. 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree health care based on a service schedule. Contribution amounts vary depending on what health care provider is selected from the plan and if the member has Medicare coverage. OGB offers four standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Health Maintenance Organization (HMO) Plan, the Medical Home HMO Plan, and the Regional HMO Plan. OGB also offers the Consumer Driven Health Plan with a Health Savings Account option (CDHP-HSA) to active employees. Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare Advantage plans: three HMO plans and two PPO plans, which are based on a calendar year. The three HMO plans are Humana Regional HMO Plan, Peoples Health Regional HMO POS Plan, and Vantage HMO-POS Plan. The two PPO plans are Humana PPO Plan and United Healthcare PPO Plan.

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Total annual per capita medical contribution rates for 2011-2012 are shown in the Premium Rates table that follows.

Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

<u>Service</u>	<u>Employer Contribution Percentage</u>	<u>Employee Contribution Percentage</u>
Under 10 years	19%	81%
10 - 14 years	38%	62%
15 - 19 years	56%	44%
20+ years	75%	25%

LSU System Health Plan

While actuarially determined, the plan rates must be approved by OGB under R.S 42:851(B). Plan rates are in effect for one year and members have the opportunity to switch providers during the open enrollment period.

The plan is financed on a pay-as-you-go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits. This expense includes all expected claims and related expenses and is offset by retiree contributions.

Effective January 1, 2012, the LSU Health Plan changed from a fiscal year plan to a calendar year plan. On this date, the rates increased 5% for all levels of coverage in both Option 1 and Option 2. Effective January 1, 2012, the OGB Plan changed from a fiscal year plan to a calendar year plan. On this date, the rates increased 5% for the PPO, HMO, and CDHP plans; 7% for the MHHP Plan; and 0% for the fully insured HMO. The following table shows the rates in effect at June 30, 2012.

	LSU System Health Plan		State OGB Plans				
	Option 1	Option 2	PPO	HMO	Regional Home Health Plan	Medical Home HMO Plan	CDHP Plan
<u>Active</u>							
Single	\$584.16	\$505.10	\$619.28	\$585.08	\$553.28	\$609.08	\$480.72
With Spouse	1,042.22	901.12	1,315.36	1,242.52	1,158.32	1,293.72	1,021.04
With Children	716.74	640.44	755.28	713.52	671.72	743.08	586.48
Family	1,245.98	1,090.06	1,387.28	1,310.40	1,220.76	1,364.36	1,076.76
<u>Retired No Medicare and Re-employed Retiree</u>							
Single	\$1,109.24	\$1,013.88	\$1,152.12	\$1,091.92	\$1,016.20	\$1,132.88	N/A
With Spouse	1,958.72	1,790.26	2,034.44	1,928.04	1,783.24	2,000.84	N/A
With Children	1,235.56	1,124.36	1,283.32	1,216.32	1,130.32	1,262.00	N/A
Family	1,949.28	1,776.78	2,024.26	1,918.80	1,774.64	1,991.08	N/A
<u>*Retired with 1 Medicare</u>							
Single	\$340.00	\$293.96	\$374.64	\$361.24	\$340.68	\$368.48	N/A
With Spouse	1,174.22	1,015.28	1,384.28	1,320.20	1,218.08	1,361.28	N/A
With Children	645.84	581.26	648.48	621.40	578.60	637.72	N/A
Family	1,666.06	1,456.58	1,844.44	1,757.28	1,618.00	1,813.84	N/A
<u>*Retired with 2 Medicare</u>							
With Spouse	\$593.32	\$513.02	\$673.44	\$647.52	\$600.12	\$662.08	N/A
Family	805.64	704.38	833.84	801.72	739.52	819.84	N/A

*All members who retire on or after July 1, 1997, must have Medicare Parts A and B to qualify for the reduced premium rates.

<u>Medicare Supplemental Rates</u>	Calendar Year 2012		Calendar Year 2011	
	Retired with		Retired with	
	1 Medicare	2 Medicare	1 Medicare	2 Medicare
Humana HMO	\$156.00	\$312.00	\$145.00	\$290.00
Humana PPO	150.00	300.00	149.00	298.00
People's Health HMO	167.00	334.00	115.00	230.00
Vantage HMO	279.01	558.20	258.00	516.00
United Healthcare PPO	213.77	427.54	198.50	397.00

OGB also provides eligible retirees and their spouses Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life, and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total

premium is approximately \$1 per thousand dollars of coverage of which the employer pays fifty cents for retirees and twelve cents for spouses. The monthly premium is reduced to less than \$1 per thousand for retired employees age 70 and over. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death and disability coverage ceasing at age 70 for retirees.

Annual Other Postemployment Benefit Cost and Liability. The System's annual required contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period of 30 years. A 30-year, open amortization period has been used. The total ARC for fiscal year 2012 is \$64,822,442.

The following schedule presents the System's OPEB obligation for fiscal year 2012:

	State OGB Plan	LSU System Health Plan	Total
Beginning net OPEB obligations at July 1, 2011 (restated)	\$351,548,029	\$6,221,717	\$357,769,746
Annual required contribution	62,095,900	2,726,542	64,822,442
Interest on net OPEB obligation	14,061,900	311,086	14,372,986
ARC adjustment	(13,433,300)	(249,316)	(13,682,616)
OPEB cost	62,724,500	2,788,312	65,512,812
Contributions made - current year retiree premiums	(26,163,823)	(818,856)	(26,982,679)
Increase in net OPEB obligation	36,560,677	1,969,456	38,530,133
Ending net OPEB obligation at June 30, 2012	\$388,108,706	\$8,191,173	\$396,299,879

The System's annual OPEB cost contributed to the plan using the pay-as-you-go method and the net OPEB obligation for the fiscal year ended June 30, 2012, and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$86,984,400	24.2%	\$261,952,789
June 30, 2011	74,691,400	28.7%	315,195,625
June 30, 2012*	65,512,812	41.2%	396,299,879

* The fiscal year 2012 amounts include the costs and obligations related to employees of the University of New Orleans, which transferred to the University of Louisiana System in fiscal year 2012.

Funded Status and Funding Progress. During fiscal year 2012, neither the System nor the State of Louisiana made contributions to its postemployment benefits plan trust. A trust was established during fiscal year 2008, but was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the System's entire actuarial accrued liability of \$794,558,166 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2011, was as follows:

	State OGB Plan	LSU System Health Plan	Total
Actuarial accrued liability (AAL)	\$766,073,400	\$28,484,766	\$794,558,166
Actuarial value of plan assets	NONE	NONE	NONE
UAAL	<u>\$766,073,400</u>	<u>\$28,484,766</u>	<u>\$794,558,166</u>
Funded ratio (actuarial value of plan assets/AAL)	0%	0%	0%
Covered payroll	\$316,334,152	\$21,608,354	\$337,942,506
UAAL as percentage of covered payroll	242%	132%	235%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the AAL consistent with the long-term perspective of the calculations.

The RP 2000 Mortality Table was used in making actuarial assumptions. Retirement rate assumptions differ by employment group and date of plan participation. The state's UAAL is being amortized as a level percentage of projected payroll over an open amortization period of 30 years. Annual per capita medical claims costs were updated to reflect an additional year of actual experience.

The OGB Plan AAL decreased from the last actuarial valuation. Contributing to the decrease were (1) the implementation of the Medicare Prescription Employee Group Waiver plan; (2) claims for the year ended June 30, 2011, were less than expected; and (3) changes in retirement eligibility provisions.

The LSU Health System Plan AAL increased since the last actuarial evaluation because of (1) additional benefit accrual by plan participants; (2) interest cost on the obligations; and (3) payment of benefits to retired participants.

A summary of the actuarial assumptions is presented as follows:

	<u>State OGB Plan</u>	<u>LSU System Health Plan</u>
Actuarial valuation date	July 1, 2011	July 1, 2011
Actuarial cost method	Projected Unit Cost	Projected Unit Cost
Amortization method	Level % of payroll	Level % of payroll
Amortization period	30 years, open	30 years, open
Asset valuation method	None	None
Actuarial assumptions:		
Discount rate	4%	4.25%
Projected salary increases	3%	4%
Health care inflation rate	7.5%-8.6%	9%
Health care inflation rate - ultimate	5%	5%

10. COMPENSATED ABSENCES

At June 30, 2012, employees of the System have accumulated and vested annual, sick, and compensatory leave of \$25,461,656; \$18,587,905; and \$990,059, respectively. These balances were computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements.

11. LEASE OBLIGATIONS

Operating Leases

For the year ended June 30, 2012, the total rental expense for all operating leases is \$1,552,015. The following is a schedule by years of future minimum annual rental payments required under operating leases:

<u>Fiscal Year Ending June 30</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total Minimum Payments Required</u>
2013	\$1,098,837	\$27,572	\$13,145	\$167,977	\$1,307,531
2014	364,274	26,133	4,893	166,208	561,508
2015	354,374	10,308	4,977	164,351	534,010
2016	354,374	10,308	5,061	166,686	536,429
2017	239,708	10,308	5,147	171,020	426,183
2018-2022	1,159,490	51,540	27,079	569,904	1,808,013
2023-2027	1,159,490	51,540	29,461	400,000	1,640,491
2028-2032	10		32,051	400,000	432,061
2033-2037	10		34,870	400,000	434,880
2038-2042	10		37,936	400,000	437,946
Thereafter			177,181	480,000	657,181
Total	<u>\$4,730,577</u>	<u>\$187,709</u>	<u>\$371,801</u>	<u>\$3,486,146</u>	<u>\$8,776,233</u>

Capital Leases

The System records items under capital leases as assets and obligations in the accompanying financial statements. The System's capital leases at June 30, 2012, consist of various leases as follows:

<u>Nature of Lease</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Gross amount of leased assets (historical cost)	\$41,058,464	\$14,014,050	\$55,072,514
Remaining interest to end of lease	33,367,361	1,432,462	34,799,823
Remaining principal to end of lease	39,705,000	6,338,754	46,043,754

On August 8, 2006, the University of New Orleans (UNO) Research and Technology Foundation, Inc. (Foundation), entered into a ground lease with UNO to finance, plan, construct, and equip a student residence facility (Ponchartrain Hall). The Foundation subsequently entered into a facility lease with UNO when Ponchartrain Hall was completed. UNO's payments under the lease support the Foundation's payments on the Foundation's Louisiana Public Facilities Corporation Revenue Bonds, Series 2006 (note 12). In accordance with FASB Accounting Standards Codification §840, the lease meets the requirements for classification as a capital lease.

The Foundation has recognized a lease receivable in accordance with the FASB standards and UNO has recognized a capital lease obligation. The Foundation recognized a capital lease receivable totaling \$35,411,788 in its financial statements for the year ended December 31, 2011. UNO has recognized a capital lease obligation in its financial statements for the year ended June 30, 2012, and has included the gross amount of the leased assets, remaining interest to the end of the lease, and remaining principal to the end of the lease totaling \$35,535,000; \$32,813,900; and \$34,735,000, respectively. The UNO lease amounts are included in the above table and in the following capital lease amortization schedule.

The System's component unit foundations' capital leases at June 30, 2012, consist of:

<u>Nature of Lease</u>	<u>Equipment</u>
Gross amount of leased assets (historical cost)	\$963,388
Remaining interest to end of lease	100,677
Remaining principal to end of lease	524,833

The following is a schedule of future minimum lease payments under these capital leases, together with the present value of minimum lease payments at June 30, 2012:

<u>Fiscal Year Ending June 30</u>	<u>System</u>	<u>Component Units</u>
2013	\$4,083,478	\$78,449
2014	4,079,348	78,449
2015	4,115,139	78,449
2016	4,169,881	78,449
2017	4,211,963	78,449
2018-2022	17,695,720	233,265
2023-2027	14,476,125	
2028-2032	15,535,350	
2033-2037	12,476,575	
Total minimum lease payments	<u>80,843,579</u>	<u>625,510</u>
Less - amount representing executory costs	NONE	NONE
Net minimum lease payments	<u>80,843,579</u>	<u>625,510</u>
Less - amount representing interest	<u>34,799,825</u>	<u>100,677</u>
Present value of net minimum lease payments	<u><u>\$46,043,754</u></u>	<u><u>\$524,833</u></u>

Lessor - Operating Lease

The System's leasing operations consist primarily of leasing property for providing food services to students; bookstore operations; and office space for postal services, banking services, and vending operations.

The following schedule provides an analysis of the System's investment in property on operating leases and property held for lease by major classes as of June 30, 2012:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Amount</u>
Office space	\$17,355,353	(\$11,107,228)	\$6,248,125
Buildings	8,555,465	(2,946,350)	5,609,115
Land	3,457,081		3,457,081
Other	161,821	(117,962)	43,859
Total	<u>\$29,529,720</u>	<u>(\$14,171,540)</u>	<u>\$15,358,180</u>

The following is a schedule by years of minimum future rentals on noncancelable operating leases as of June 30, 2012:

<u>Fiscal Year Ending June 30</u>	<u>Office Space</u>	<u>Buildings</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2013	\$2,858,441	\$170,000	\$2,221	\$533,378	\$3,564,040
2014	2,361,701	170,000	2,221	489,527	3,023,449
2015	2,390,084	170,000	2,221	420,000	2,982,305
2016	2,075,000	170,000	2,221	420,000	2,667,221
2017	2,325,000	170,000	2,221	420,000	2,917,221
2018-2022	9,514,583	850,000	11,105	210,000	10,585,688
2023-2027	1,750,000	340,000	11,105		2,101,105
2028-2032			11,105		11,105
Thereafter			7,255		7,255
Total minimum future rentals	<u>\$23,274,809</u>	<u>\$2,040,000</u>	<u>\$51,675</u>	<u>\$2,492,905</u>	<u>\$27,859,389</u>

Minimum future rentals do not include contingent rentals that may be received as stipulated in the lease contracts. These contingent rental payments occur as a result of sales volume or customer usage of services provided. Contingent rentals received from operating leases of office space and buildings for the year ended June 30, 2012, were \$753,596 and \$300,000, respectively.

12. LONG-TERM LIABILITIES

The following is a summary of bond and other long-term debt transactions of the System for the year ended June 30, 2012:

University of Louisiana System

	Balance June 30, 2011	Adjustments	Balance June 30, 2011 Restated	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
Bonds and notes payable:							
Bonds payable	\$606,175,642	\$22,870,000	\$629,045,642	\$35,009,657	(\$33,230,036)	\$630,825,263	\$12,347,759
Notes payable	3,965,180		3,965,180		(485,295)	3,479,885	338,975
Total bonds and notes payable	<u>610,140,822</u>	<u>22,870,000</u>	<u>633,010,822</u>	<u>35,009,657</u>	<u>(33,715,331)</u>	<u>634,305,148</u>	<u>12,686,734</u>
Other liabilities:							
Accrued compensated absences payable (note 10)	36,284,180	8,504,685	44,788,865	10,129,065	(9,878,310)	45,039,620	4,686,249
Capital lease obligations (note 11)	12,296	46,887,357	46,899,653	5,105,918	(5,961,818)	46,043,753	1,671,380
Reimbursement contracts payable	95,000		95,000		(30,000)	65,000	30,000
OPEB payable (note 9)	315,195,625	42,574,121	357,769,746	65,512,812	(26,982,679)	396,299,879	
Total other liabilities	<u>351,587,101</u>	<u>97,966,163</u>	<u>449,553,264</u>	<u>80,747,795</u>	<u>(42,852,807)</u>	<u>487,448,252</u>	<u>6,387,629</u>
Total	<u>\$961,727,923</u>	<u>\$120,836,163</u>	<u>\$1,082,564,086</u>	<u>\$115,757,452</u>	<u>(\$76,568,138)</u>	<u>\$1,121,753,400</u>	<u>\$19,074,363</u>

Component Units

	Balance June 30, 2011	Adjustments	Balance June 30, 2011 Restated	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
Bonds and notes payable:							
Bonds payable	\$1,500,000	\$40,181,596	\$41,681,596		(\$168,731)	\$41,512,865	\$428,000
Notes payable	497,452	6,580,708	7,078,160		(104,312)	6,973,848	271,243
Total bonds and notes payable	<u>1,997,452</u>	<u>46,762,304</u>	<u>48,759,756</u>	<u>NONE</u>	<u>(273,043)</u>	<u>48,486,713</u>	<u>699,243</u>
Other liabilities:							
Accrued compensated absences payable (note 10)		162,190	162,190		(1,536)	160,654	
Capital lease obligations (note 11)		549,529	549,529		(24,696)	524,833	51,116
Amounts held in custody for others	27,234,149	16,296,482	43,530,631	\$1,106,150	(252,575)	44,384,206	
Total other liabilities	<u>27,234,149</u>	<u>17,008,201</u>	<u>44,242,350</u>	<u>1,106,150</u>	<u>(278,807)</u>	<u>45,069,693</u>	<u>51,116</u>
Total	<u>\$29,231,601</u>	<u>\$63,770,505</u>	<u>\$93,002,106</u>	<u>\$1,106,150</u>	<u>(\$551,850)</u>	<u>\$93,556,406</u>	<u>\$750,359</u>

Details of all debt outstanding at June 30, 2012, are as follows:

Bonds Payable - University of Louisiana System

Issue	Date of Issue	Original Issue	Principal Outstanding June 30, 2011	Issued (Redeemed)	Principal Outstanding June 30, 2012	Maturities	Interest Rates	Interest Outstanding June 30, 2012
Grambling State University								
Black & Gold Facilities, Inc. (blended component unit):								
Louisiana Public Facilities Authority - Student Housing Revenue Bonds:								
Series 2006 A	October 24, 2006	\$55,705,000	\$55,705,000		\$55,705,000	2039	3.79%-4.38%	\$43,218,750
Series 2006 B	October 24, 2006	3,595,000	1,865,000	(\$1,000,000)	865,000	2013	5.32%-5.41%	23,571
Series 2006 C	December 28, 2006	5,700,000	5,420,000	(90,000)	5,330,000	2038	5.15%-5.8%	5,058,525
Series 2007 A	December 5, 2007	39,330,000	39,330,000		39,330,000	2040	4%-5%	35,492,663
Series 2007 B	December 5, 2007	2,595,000	2,320,000	(355,000)	1,965,000	2016	5.72%	217,789
Louisiana Tech University								
Academic Facilities Extension Use Fee Revenue Bonds - Series 1972 B								
	July 1, 1972	4,750,000	705,000	(705,000)				
Revenue Bonds - Power Plant 2002 Series								
	July 1, 2002	5,920,000	4,120,000	(300,000)	3,820,000	2022	4.0%-4.9%	1,088,230
Innovative Student Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority: Student Housing and Related Facilities - 2003 Series								
	July 1, 2003	21,840,000	20,335,000	(390,000)	19,945,000	2034	3.25%-4.5%	11,671,063
Student Housing and Recreational Facilities - 2007 Series								
	September 26, 2007	51,670,000	50,630,000	(610,000)	50,020,000	2030	4.0%-4.5%	36,873,450
McNeese State University								
Parking Lot - Series 1997								
	February 12, 1997	1,500,000	150,000	(150,000)				
Field House - Series 2009								
	August 6, 2009	6,000,000	5,795,000	(210,000)	5,585,000	2029	3.93%	2,201,291
Cowboy Facilities, Inc. (blended component unit):								
Calcasieu Parish Trust Authority: University Student Lease Revenue Bonds - Series 2001								
	May 31, 2001	21,120,000	18,070,000	(18,070,000)				
University Scoreboard Project Bonds - Series 2005								
	April 1, 2005	1,900,000	905,000	(205,000)	700,000	2015	6.50%	92,950
University Student Lease Revenue Bonds - Series 2011								
	December 7, 2011	18,655,000		18,155,000	18,155,000	2033	2.0%-5.0%	10,139,763
Louisiana Local Government Environmental Facilities and Community Development Authority: University Student Parking Bonds - Series 2011								
	December 28, 2011	13,850,000		13,850,000	13,850,000	2042	2.0%-5.0%	12,454,651
Nicholls State University								
NSU Facilities Corporation (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority: Streets and Parking Revenue Bonds - Series 2006 A								
	May 1, 2006	3,320,000	2,725,000	(130,000)	2,595,000	2026	4.76%	1,030,100
Cafeteria & Student Union Revenue Bonds - Series 2006 B								
	May 1, 2006	5,000,000	4,475,000	(115,000)	4,360,000	2031	6.69%	3,494,949
Student Revenue Housing - Series 2007A								
	August 23, 2007	17,680,000	16,385,000	(720,000)	15,665,000	2024	4.38%	4,965,538
Student Revenue Housing - Series 2007B								
	August 23, 2007	32,380,000	32,380,000		32,380,000	2039	4.49%	26,986,580
Student Self-Assessed Fees - Series 2010								
	December 1, 2010	10,860,000	10,860,000		10,860,000	2041	4.90%	9,749,531
Northwestern State University								
Wellness, Recreation, and Activity Center Bonds - Series 1999								
	April 1, 1999	6,850,000	4,500,000	(4,500,000)				
Wellness, Recreation, and Activity Center Bonds - Series 2011								
	October 25, 2011	4,500,000		4,230,000	4,230,000	2024	3.80%	1,115,870

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding June 30, 2011</u>	<u>Issued (Redeemed)</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Interest Outstanding June 30, 2012</u>
Southeastern Louisiana University								
Student Recreation and Activity Center Revenue Bonds - Series 1998	June 30, 1998	\$7,690,000	\$4,100,000	(\$4,100,000)				
Student Recreation and Activity Center Revenue Bonds - Series 2011	December 7, 2011	3,650,000		3,330,000	\$3,330,000	2020	2.0%-3.375%	\$470,192
University Facilities, Inc. (blended component unit):								
Student Housing, Intermodal Parking and Stadium - Series 2004	August 13, 2004	76,910,000	72,295,000	(1,500,000)	70,795,000	2035	3.5%-5.0%	45,592,597
Intermodal Parking - Series 2007(A)	March 14, 2007	5,545,000	4,930,000	(160,000)	4,770,000	2031	4.2%-4.25%	2,248,622
Intermodal Parking - Series 2007(B)	March 14, 2007	2,490,000	330,000		330,000	2037	4.375%	326,594
Student Union - Series 2010	November 3, 2010	31,255,000	31,255,000	(440,000)	30,815,000	2041	3.38%-4.75%	25,278,795
University of Louisiana at Lafayette								
Ragin' Cajun Facilities, Inc. (blended component unit) - Lafayette Public Trust Financing Authority:								
Student Housing and Child Care Facilities - Series 2002	October 1, 2002	19,065,000	16,800,000	(425,000)	16,375,000	2033	4.0%-5.0%	9,874,469
Student Housing - Series 2009	April 14, 2009	12,500,000	12,500,000	(60,000)	12,440,000	2039	3.5%-6.0%	12,395,124
Student Union and University Facilities Project - Series 2010	November 15, 2010	22,200,000	22,200,000	(350,000)	21,850,000	2040	2.0%-5.0%	17,843,788
Housing and Parking Project - Series 2010	December 1, 2010	100,050,000	100,050,000		100,050,000	2041	2.0%-5.5%	101,509,864
University of Louisiana at Monroe								
ULM Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Housing, Infirmary, and Student Center: Revenue Bonds Series 2004 A & A-T	June 30, 2004	35,210,000	33,365,000		33,365,000	2034	Variable	8,787,544
Revenue Bonds Series 2004 C & C-T	December 8, 2004	33,680,000	32,055,000	(510,000)	31,545,000	2035	Variable	8,400,902
Intermodal Transit Facility and Parking - Revenue Bonds Series 2006	November 7, 2006	1,500,000	990,000	(145,000)	845,000	2016	5.06%	110,686
Clarke Williams Student Center Renovation Project - Series 2007	October 25, 2007	2,045,000	1,860,000	(70,000)	1,790,000	2027	5.40%	878,850
University of New Orleans								
Housing Revenue Bonds of 1998	August 15, 1998	15,915,000	12,950,000	(395,000)	12,555,000	2031	3.9%-5%	6,869,098
Revenue Bonds of 2004 - Series A	June 17, 2004	9,440,000	3,180,000	(1,020,000)	2,160,000	2014	3%-4.125%	133,150
Revenue Bonds of 2004 - Series B	October 19, 2004	8,480,000	6,740,000	(340,000)	6,400,000	2026	3%-4.67%	2,253,788
Total		722,345,000	632,275,000	2,500,000	634,775,000			\$448,849,327
Premiums/discounts, net		(5,390,405)	(3,229,358)	(720,379)	(3,949,737)			
Total		<u>\$716,954,595</u>	<u>\$629,045,642</u>	<u>\$1,779,621</u>	<u>\$630,825,263</u>			

On December 28, 2011, Cowboy Facilities, Inc., entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for the construction of a new parking garage. The project is being financed with the issuance of Revenue Bonds, Series 2011 totaling \$13,850,000.

Component Units

Issue	Date of Issue	Original Issue	Outstanding June 30, 2011	Issued (Redeemed)	Outstanding June 30, 2012	Maturities	Interest Rates	Interest Outstanding June 30, 2012
University of Louisiana at Lafayette Foundation, Inc. Lafayette Economic Development Authority	February 1, 2002	\$8,500,000	\$1,500,000		\$1,500,000	2015-2017	4.50%	\$373,500
University of New Orleans Foundation** Film Studio Bond Debt - NIMS Center	August 1, 2001	2,000,000	996,000	(\$145,000)	851,000	2016	5.30%	46,371
University of New Orleans Research and Technology Foundation** LPFA Revenue Bonds, Series 2006 (includes unamortized premium)	August 6, 2006	<u>39,900,442</u>	<u>39,185,596</u>	<u>(23,731)</u>	<u>39,161,865</u>	2037	3.75%-5.25%	<u>33,884,933</u>
Total		<u>\$50,400,442</u>	<u>\$41,681,596</u>	<u>(\$168,731)</u>	<u>\$41,512,865</u>			<u>\$34,304,804</u>

** Fiscal year ended December 31, 2011

Reimbursement Contracts Payable - University of Louisiana System

Issue	Date of Issue	Original Issue	Outstanding June 30, 2011	Issued (Redeemed)	Outstanding June 30, 2012	Maturities	Interest Rates	Interest Outstanding June 30, 2012
Northwestern State University General Obligation Bonds - Series 1993-B	February 1, 1993	<u>\$460,000</u>	<u>\$95,000</u>	<u>(\$30,000)</u>	<u>\$65,000</u>	2014	5.625%	<u>\$3,797</u>

The annual requirements to amortize all System bonds and reimbursement contracts outstanding at June 30, 2012, are as follows:

	Principal	Interest	Total
2013	\$12,410,000	\$28,609,665	\$41,019,665
2014	15,075,000	27,308,075	42,383,075
2015	15,205,000	26,735,931	41,940,931
2016	16,160,000	26,149,418	42,309,418
2017	17,050,000	25,514,825	42,564,825
2018-2022	96,670,000	116,394,568	213,064,568
2023-2027	116,005,000	93,196,282	209,201,282
2028-2032	139,440,000	64,632,062	204,072,062
2033-2037	132,810,000	32,862,028	165,672,028
2038-2042	<u>74,015,000</u>	<u>7,450,270</u>	<u>81,465,270</u>
Sub-total	634,840,000	448,853,124	1,083,693,124
Unamortized Discount/Premium	<u>(3,949,737)</u>	NONE	<u>(3,949,737)</u>
Total	<u>\$630,890,263</u>	<u>\$448,853,124</u>	<u>\$1,079,743,387</u>

The annual requirements to amortize all component unit bonds outstanding at June 30, 2012, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$929,000	\$3,003,156	\$3,932,156
2014	575,000	1,996,963	2,571,963
2015	659,000	1,973,155	2,632,155
2016	1,438,000	1,949,609	3,387,609
2017	1,425,000	1,891,074	3,316,074
2018-2022	4,405,000	8,774,580	13,179,580
2023-2027	7,105,000	7,371,127	14,476,127
2028-2032	10,375,000	5,160,351	15,535,351
2033-2037	13,415,000	2,184,789	15,599,789
Sub-total	<u>40,326,000</u>	<u>34,304,804</u>	<u>74,630,804</u>
Unamortized Discount/Premium	<u>1,186,865</u>	<u>NONE</u>	<u>1,186,865</u>
Total	<u><u>\$41,512,865</u></u>	<u><u>\$34,304,804</u></u>	<u><u>\$75,817,669</u></u>

The following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2012:

<u>Bond Issue</u>	<u>Reserves Available</u>	<u>Reserve Requirement</u>	<u>Excess/ (Deficiency)</u>
Grambling State University			
U.S. Department of Education Note	\$528,000	\$528,000	NONE
Revenue Bonds - Debt Service	7,593,369	7,500,890	\$92,479
Revenue Bonds - Maintenance	6,554,596	5,370,766	1,183,830
Louisiana Tech University			
Innovative Student Facilities, Inc., Revenue Bonds 2003	1,485,475	1,485,475	NONE
Innovative Student Facilities, Inc., Revenue Bonds 2007	3,416,811	3,416,725	86
McNeese State University			
Cowboy Facilities, Inc., Student Lease Revenue Bonds 2001	1,356,535	1,356,513	22
McNeese State University Field House Project, Series 2009	442,621	437,286	5,335
Cowboy Facilities, Inc., Student Lease Revenue Bonds 2011	879,260	879,256	4
Nicholls State University			
NSU Facilities, Inc., Revenue Bonds 2006, Series A and B	677,170	677,170	NONE
NSU Facilities, Inc., Revenue Bonds 2007, Series A and B	3,275,945	3,275,945	NONE
NSU Facilities, Inc., Revenue Bonds, Series 2010	689,750	689,750	NONE
Northwestern State University			
Reimbursement Contracts Payable - General Obligation Bonds, 1993-B	38,250	38,250	NONE
Southeastern Louisiana University			
University Facilities, Inc., (UFI) Revenue Bonds 2004	5,265,872	5,265,837	35
University Facilities, Inc., (UFI) Revenue Bonds 2007	482,989	482,969	20
University Facilities, Inc., (UFI) Revenue Bonds 2010A	1,579,096	1,578,569	527
University Facilities, Inc., (UFI) Revenue Bonds 2010B	358,649	358,540	109
University of Louisiana at Lafayette			
Ragin' Cajun Facilities, Inc., Student Housing and Child Care Facilities Revenue Bonds 2002	1,289,767	1,242,745	47,022
Ragin' Cajun Facilities, Inc., Project Series 2009	975,115	975,300	(185)
Ragin' Cajun Facilities, Inc., Student Union/University Facilities Project Series 2010	1,380,142	1,379,681	461
Ragin' Cajun Facilities, Inc., Housing and Parking Project Series 2010	6,847,913	6,845,625	2,288
University of Louisiana at Monroe			
ULM Facilities, Inc., Student Housing and Student Center Revenue Bonds 2004 A & B	2,630,403	2,616,279	14,124
ULM Facilities, Inc., Student Housing and Student Center Revenue Bonds 2004 C & C-T	2,054,961	2,044,761	10,200
ULM Facilities, Inc., Intermodal Transit Facility and Parking Project Revenue Bonds 2006	150,002	150,000	2
Total	<u>\$49,952,691</u>	<u>\$48,596,332</u>	<u>\$1,356,359</u>

As permitted by the Bond Resolution for the Revenue Refunding Bonds, Series 2004, Louisiana Tech University obtained a surety bond of \$722,500 issued by an insurance company as a substitute for the reserve requirement for the bonds. The surety bond meets the definition as a “Reserve Fund Investment” and guarantees payment of principal and interest on the bonds when they are due in the event of nonpayment.

Notes Payable - University of Louisiana System

Note	Date of Issue	Original Issue	Outstanding June 30, 2011	Issued (Redeemed)	Outstanding June 30, 2012	Maturities	Interest Rates	Interest Outstanding June 30, 2012
Grambling State University U.S. Department of Education	May 1, 1993	\$3,500,000	\$1,841,497	(\$123,428)	\$1,718,069	2023	3.0%	\$326,102
Nicholls State University Bus	September 11, 2007	219,016	58,133	(46,317)	11,816	2013	3.25%	64
University of Louisiana at Monroe Regions Bank - field turf Regions Bank - scoreboard	April 17, 2007 September 20, 2004	577,150 2,000,000	115,550 1,950,000	(115,550) (200,000)	<u>1,750,000</u>	2012 2016	6.0% 4.6%	<u>244,906</u>
Total		<u>\$6,296,166</u>	<u>\$3,965,180</u>	<u>(\$485,295)</u>	<u>\$3,479,885</u>			<u>\$571,072</u>

The System’s component unit foundations had the following outstanding note payable at June 30, 2012.

Note	Date of Issue	Original Issue	Outstanding June 30, 2011	Issued (Redeemed)	Outstanding June 30, 2012	Maturities	Interest Rates	Interest Outstanding June 30, 2012
University of Louisiana at Lafayette Foundation, Inc. U.S. Department of Education	June 9, 2011	\$500,000	\$497,452	(\$13,973)	\$483,479	2016	4.75%	\$83,790
University of New Orleans R & T Foundation* LPFA note, net of unamortized discount Whitney Bank FNBC (formerly Dryades Bank)	October 19, 1999 October 19, 1999 December 23, 2009	1,500,000 7,350,000 1,136,019	1,238,403 4,694,120 648,185	31,496 (94,687) (27,148)	1,269,899 4,599,433 621,037	2014 2016 2014	0.00% 6.50% 3.75%	<u>1,185,695</u> <u>61,423</u>
Total		<u>\$10,486,019</u>	<u>\$7,078,160</u>	<u>(\$104,312)</u>	<u>\$6,973,848</u>			<u>\$1,330,908</u>

*As of December 31, 2011

The annual requirements to amortize all notes outstanding for the System at June 30, 2011, including interest of \$571,072, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$338,975	\$128,782	\$467,757
2014	331,002	115,548	446,550
2015	334,961	102,262	437,223
2016	1,289,041	77,232	1,366,273
2017	143,243	34,511	177,754
2018-2022	783,837	104,933	888,770
2023-2027	258,826	7,804	266,630
Total	<u>\$3,479,885</u>	<u>\$571,072</u>	<u>\$4,050,957</u>

The annual requirements to amortize notes outstanding for the component unit foundations at June 30, 2012, including interest of \$1,330,908, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$542,681	\$647,461	\$1,190,142
2014	2,022,024	309,185	2,331,209
2015	261,361	274,639	536,000
2016	4,147,782	99,623	4,247,405
Total	<u>\$6,973,848</u>	<u>\$1,330,908</u>	<u>\$8,304,756</u>

13. REFUNDING OF BONDS AND CAPITAL LEASE

McNeese State University

In December 2011, Cowboy Facilities, Inc., issued \$18,655,000 of nontaxable University Student Lease Revenue Refunding Bonds Series 2011. The purpose of this issue was to refund the University Student Lease Series 2001 bonds. Proceeds totaling \$18,345,014 were deposited in a bond redemption account to pay the principal, redemption premium, and interest. The refunding reduced the total debt service payments by \$1,240,000 and resulted in an economic gain of \$752,180.

Northwestern State University

On October 25, 2011, the Board of Supervisors for the University of Louisiana System issued \$4,500,000 of Revenue Refunding Bonds - Wellness, Recreation and Activity Center, Series 2011. The purpose of the issue was to refund portions of Northwestern State University Wellness, Recreation, and Activity Center Revenue Bonds, Series 1999. Unspent proceeds from the 1999 series bonds totaling \$35,833 were combined with the 2011 series bond proceeds totaling \$4,500,000 and deposited and held in an escrow fund created pursuant to an escrow

deposit agreement dated October 25, 2011, between the Board of Supervisors for the University of Louisiana System and the escrow trustee. The amount in the escrow account, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. Northwestern State University transferred an additional \$85,000 to the costs of issuance fund. The refunding reduced the total debt service payments by \$454,756 and resulted in an economic gain of \$240,145 (net present value). Of the debt considered legally or in-substance defeased, \$4,245,000 is outstanding as of June 30, 2012.

Southeastern Louisiana University

On December 7, 2011, Southeastern Louisiana University issued \$3,650,000 of nontaxable Board of Supervisors for the University of Louisiana System Revenue Refunding Bonds (Southeastern Louisiana University Student Recreation and Activity Center Project, Series 2011). The purpose of the issue was to refund the Southeastern Louisiana University Student Recreation and Activity Center Project, Series 1998 revenue bonds totaling \$4,100,000 and pay bond issuance costs. The refunding reduced the total debt service payments by \$1,023,177. No economic gain or loss resulted from the refunding. Of the debt considered legally defeased, none is outstanding as of June 30, 2012.

On June 28, 2012, Southeastern Louisiana University signed a refinancing agreement of the \$7,450,000 Certificates of Participation pursuant to a lease agreement between the Board of Supervisors for the University of Louisiana System and SEMPRA Energy Services Company. Prior to the refinancing, the capital lease obligation was \$4,715,000. After the refinancing, the capital lease obligation was \$4,970,000; however, the total debt reduction after refinancing was \$370,643 and the annual debt service payments were reduced by approximately \$65,000 annually throughout the remaining life of the lease. In addition, the balance in the debt service reserve fund, totaling \$612,276, was returned to the university. Of the debt considered defeased in substance, \$4,715,000 is outstanding as of June 30, 2012, and will be paid in full in December 2012.

14. INTEREST RATE SWAP AGREEMENTS

The NSU Facilities Corporation (Nicholls) and University of Louisiana Monroe Facilities, Inc., are reported under FASB accounting standards, the requirements of which differ from the requirements of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* and GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*.

NSU Facilities Corporation (Nicholls)

The Louisiana Local Government Environmental Facilities and Community Development Authority (Authority) issued its \$32,380,000 Revenue Bonds (Nicholls State University Student Housing/NSU Facilities Corporation Project) Series 2007B Bonds (Bonds), the proceeds of which were loaned to the NSU Facilities Corporation (Corporation). The Bonds were issued as variable rate securities and bear interest at the variable rate in effect from time to time. On December 16, 2010, the Bonds were converted to a different variable rate mode, from auction

rate to a variable rate demand bond secured by the existing AGC bond insurance with liquidity provided by a Regions Bank stand-by bond purchase agreement confirmed by a Federal Home Loan Bank-Atlanta letter of credit.

Objective of the interest rate swap: On August 15, 2007, to hedge interest rate exposure on the bonds at the request of the Corporation, the Authority entered into an interest rate swap (Swap) with Morgan Keegan Financial Products, Inc. (Provider). The Swap was amended on June 20, 2008, as more fully described in the Master Agreement, Schedule of the Master Agreement, Replacement Transaction Agreement, and Confirmation dated August 15, 2007 (Swap Documents). The Corporation is liable to the Authority to make swap payments and bond payments pursuant to the terms of the bond documents. Capitalized terms used herein but not defined shall have the meaning set forth in the Swap Documents.

Terms: Under the terms of the Swap since July 1, 2010, the Authority pays a fixed rate of 4.122%, and the Provider pays a rate equal to 70% of the London Interbank Offered Rate (LIBOR) beginning July 1, 2010, through June 1, 2039, as more fully described in the Swap Documents.

Fair Value: The fair value of the swap agreement as of June 30, 2012, which is not reported in the financial statements, was \$13,202,000 in favor of the Provider. The fair value was provided by Sisung Securities Corporation.

Credit Risk: Credit risk is the risk that the counterparty will not fulfill its obligations. At June 30, 2012, the Authority is not exposed to credit risk because the swap has a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the Authority would be exposed to credit risk in the amount of the swap's fair value.

Basis Risk: Basis risk is the risk that arises when variable rates on a swap and the associated debt are based on different indexes. The interest rates for the Swap are based on LIBOR, and the interest rates for the bonds are based on the Securities Industry and Financial Markets Association Swap Index (SIFMA); therefore, the Authority is subject to basis risk.

Termination Risk: The Authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap agreement may be terminated if either party fails to make payment, when due, under the swap agreement; breaches the agreement; made or repeated or deemed to have made or repeated a misrepresentation; bankrupts; or merges without assumption or commits an illegality. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

Rollover Risk: Rollover risk is the risk that the swap does not extend to the maturity of the associated debt. The Authority is not exposed to rollover risk because the swap terminates in conjunction with the maturity of the associated bond. The swap terminates on June 1, 2039, and the bonds mature on June 1, 2039.

Interest Rate Risk: Interest rate risk is the risk that the interest rate will change over some interval while the bonds are outstanding. The Authority has entered into this fixed rate swap agreement to mitigate interest rate risk associated with the underlying variable rate bonds.

University of Louisiana Monroe Facilities, Inc. (ULM Facilities)

On October 31, 2007, the Louisiana Local Government Environmental Facilities and Community Development Authority (Authority) and Regions Bank entered into two interest rate swap agreements (Swap Agreements) on its Series 2004A and Series 2004C bonds. During the year ended June 30, 2010, the Authority and Regions Bank terminated the existing Swap Agreements and entered into four new Swap Agreements. The Swap Agreements are fixed rate swaps that are used to mitigate or eliminate the interest rate exposure of the variable rate bonds. The intention of the Swap Agreements is to effectively change the ULM Facilities variable interest rate on the bonds to a synthetic fixed rate. The Swap Agreements terminate on November 1, 2012.

The notional amount, the fixed rate, and the floating rate option of each Swap Agreement are as follows:

<u>Bond</u>	<u>Notional Amount</u>	<u>Fixed Rate</u>	<u>Floating Rate Option</u>
Series 2004A Bonds	\$30,000,000	3.3440%	59.80% of LIBOR
Series 2004A-T Bonds	1,065,000	3.9150%	LIBOR
Series 2004C Bonds	30,000,000	3.2440%	59.80% of LIBOR
Series 2004C-T Bonds	2,240,000	4.1600%	LIBOR

Generally accepted accounting principles require derivative instruments, such as interest rate swap agreements, to be recognized at fair value as either assets or liabilities in the Statement of Financial Position. Accordingly, the negative \$841,445 total value of the Swap Agreements at June 30, 2012, is reported as a liability in the statement of net assets. This reflects a \$1,946,570 decrease in the liability (i.e., increase in value of the swap) since the prior fiscal year. The increase in value is reported in the Statement of Revenues, Expenses, and Changes in Net Assets. The fair values at June 30, 2012 and 2011 use significant unobservable inputs (Level 3) based on the expected cash flows over the life of the trade as calculated by Regions Bank. The expected cash flows are determined by evaluating transactions with a pricing model using the closing midmarket market rate/price environment of June 30, 2012 and June 30, 2011, as applicable. There have been no changes in valuation techniques and related inputs.

15. REVENUE USED AS SECURITY FOR REVENUE BONDS

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. Pledged revenues must be disclosed for each period in which the secured debt remains outstanding and for each secured debt issued.

Louisiana Tech University**Revenue Bonds Series 2002**

Revenue pledged for this bond includes all auxiliary fund revenues. The original issue of the bonds was \$5,920,000 and these bonds were issued for the installation of a turbine generation system. The debt secured by the pledge is \$3,820,000. The approximate remaining amount of the pledge is \$4,908,230. The term of commitment is July 1, 2002, through April 1, 2022. For the year ended June 30, 2012, the requirements for principal and interest were \$300,000 and \$192,583, respectively. The amount of pledged revenues recognized for fiscal year 2012 was \$6,932,632.

McNeese State University

The pledged revenues for the Board of Supervisors for the University of Louisiana System Revenue Bonds (McNeese State University Field House Project) Revenue Bonds Series 2009 include (1) a university student self-assessed fee in the amount of \$10 per semester obligated and dedicated to the Field House Project and the maintenance and operations; (2) the entirety of the university's portion of the monies in the Calcasieu Parish Higher Education Improvement Fund from the 1% hotel motel occupancy tax; (3) revenues received by the university's athletic department budget from a \$2 increase in ticket sales that began with the 2008 football season, the total dedication not to exceed \$100,000 annually from the university's budget; and (4) all funds and accounts held pursuant to the Bond Resolution, except any fund created to hold monies pending rebate to the United States for payment of costs of issuance of bonds. Pledged revenues shall not include funds appropriated to the board or the university by the legislature of the state from time to time. The bonds were originally issued for \$6,000,000. As of June 30, 2012, the principal and interest outstanding totaled \$5,585,000 and \$2,201,291, respectively. The revenues are pledged for the period July 2009 through June 2030.

The debt secured by the revenues pledged was for renovation and expansion of the university's athletic field house including adding a second floor to the facility, funding a debt service reserve fund, funding a maintenance reserve fund and paying the costs of issuance of the bonds.

For the year ending June 30, 2012, the requirements for principal and interest were \$210,000 and \$223,617, respectively. Pledged revenues recognized for the period were \$1,148,910.

Northwestern State University

Specific pledged revenue is student self-assessed fees approved for the project by the students of the Northwestern State University in the amount of \$75 per semester. The debt secured by the pledged revenue was \$6,850,000, the original bond issue. The approximate remaining amount of the pledge is \$5,345,870 at June 30, 2012, representing \$4,230,000 in principal and \$1,115,870 in interest. The term of commitment was 25 years beginning in October 1999 and ending in April 2024. The general purpose for the debt secured by the pledge was the planning, acquisition, construction, and equipping of the university's Student Wellness, Recreation, and Activity Center. The dedicated revenues are pledged 100% annually up to the current amount

due for principal and interest. For the year ended June 30, 2012, the requirements for principal and interest were \$270,000 and \$233,089, respectively. The amount of pledged revenues recognized for fiscal year 2011 was \$1,436,347.

Southeastern Louisiana University

Board of Supervisors for the University of Louisiana System Revenue Refunding Bonds (Southeastern Louisiana University Student Recreation and Activity Center Project) Series 2011

Revenue pledged for this bond includes all revenue related to the Student Recreation and Activity Center, including student fees, membership fees, and other miscellaneous revenue related to the Recreation Center. The bond was originally issued for \$3,650,000. As of June 30, 2012, principal and interest outstanding was \$3,330,000 and \$470,192, respectively. The revenue was pledged for the purpose of this bond for the period July 1995 through June 2020.

The debt secured by the revenue pledged was for the purpose of providing funds to refund the \$4,100,000 outstanding Board of Trustees for State Colleges and Universities, State of Louisiana Revenue Bonds (Southeastern Louisiana University Student Recreation and Activity Center Project), Series 1998; to fund a debt service reserve fund, if necessary; and to pay the costs of issuance of the bonds. Pledged revenue related to this bond includes (1) all revenue derived by the university from the levy and collection of the pledged student fee; any other student fees levied and collected to pay for the Recreation Center pledged to the payment of bonds from time to time; and membership fees imposed by the university from time to time on Recreation Center users other than Southeastern Louisiana University students. The pledged student fee is equal to \$25 per student per regular semester and \$12.50 per student per summer semester.

For the year ending June 30, 2012, principal and interest requirements were \$320,000 and \$48,759, respectively. Pledged revenues recognized for the period were \$1,435,800.

16. RESTATEMENT OF BEGINNING NET ASSETS

The beginning net assets as reflected on Statement C have been restated to reflect the following changes:

	<u>University</u>	<u>Component Units</u>
Net assets at June 30, 2011	\$957,777,621	\$110,916,595
Transfer of UNO to System	143,815,201	
Inclusion of UNO Foundation		61,565,707
Inclusion of UNO R & T Foundation		73,820,736
Capital asset adjustments:		
Southeastern Louisiana University	1,061,779	
University of Louisiana at Lafayette	511,676	
University of Louisiana at Monroe	(3,158)	
University of New Orleans	494,167	
Compensated absences:		
Louisiana Tech University	(61,485)	
Southeastern Louisiana University	(1,210,527)	
Revenues:		
University of Louisiana at Lafayette	403,732	
University of Louisiana at Monroe	64,041	
Nicholls State University:		
Invested in capital assets, net of related debt	11,586,938	
Restricted expendable net assets	811,920	
Unrestricted net assets	(12,398,858)	
Southeastern Louisiana University:		
Reclassification of capital lease	(3,149,567)	
University of Louisiana at Monroe:		
Accounts receivable	(900)	
Expenses	(96,038)	
Other	179,377	
Net assets at June 30, 2011, restated	<u><u>\$1,099,785,919</u></u>	<u><u>\$246,303,038</u></u>

17. RESTRICTED NET ASSETS

The System has the following restricted expendable net assets at June 30, 2012:

<u>Account Title</u>	<u>Amount</u>
Student fees	\$41,571,590
Grants and contracts	10,234,061
Gifts - restricted by donors	1,345,246
Endowment	41,217,186
Auxiliary enterprises	13,343,617
Student loan fund	40,311,788
Capital construction/plant projects	32,007,904
Debt service/retirement of indebtedness	20,232,369
WRAC Fund	1,801,082
Scholarships	1,388,903
Other	8,497,248
	<u> </u>
Total expendable	<u><u>\$211,950,994</u></u>

The System's restricted nonexpendable net assets of \$174,720,275 as of June 30, 2012, were comprised entirely of endowment funds.

Of the total net assets reported on Statement A for the year ended June 30, 2012, \$29,132,698 was restricted by enabling legislation.

RESTRICTED NET ASSETS - COMPONENT UNITS

Restricted net assets for the component units within the System are as follows:

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation
Temporarily restricted:		
Donor-restricted endowment funds	\$31,917,796	\$7,692,931
Chair and professorship endowment funds	13,559,939	
Other programs		8,352,805
	<u>\$45,477,735</u>	<u>\$16,045,736</u>
Total temporarily restricted net assets		
Permanently restricted:		
Donor-restricted endowment funds	\$34,194,810	\$29,392,263
Chair and professorship endowment funds	32,591,558	
	<u>\$66,786,368</u>	<u>\$29,392,263</u>
Total permanently restricted net assets		

18. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies such as guaranty of mortgage loans on sorority and fraternity houses are considered state liabilities and paid upon appropriation by the legislature and not the university. Therefore, the System, through its respective universities' legal advisors, estimates that potential claims not covered by insurance would not materially affect the financial statements. In addition, the System had not incurred any claims and/or litigation cost in the current year. Other losses of the System arising from judgments, claims, and similar contingencies are paid 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 appropriation from the state's General Fund. The Office of Risk Management insures all of these lawsuits.

19. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

On-behalf payments for salaries and fringe benefits are direct payments made by one entity to a third-party recipient for the employees of another legally separate entity. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends. For example, a nongovernmental fund-raising foundation affiliated with a governmental university may supplement salaries of certain university employees. Those payments constitute on-behalf payments for purposes of reporting by the System.

The amount of on-behalf payments for salaries and fringe benefits included in the accompanying financial statements for the fiscal year ended June 30, 2012, was \$1,748,377.

20. DONOR RESTRICTED ENDOWMENTS

If a donor has not provided specific instructions, state law permits the University of Louisiana System Board of Supervisors to authorize expenditure of the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established.

At June 30, 2012, net appreciation of donor restricted endowments is equal to \$36,212,299, which is available to be spent for restricted purposes. The System limits endowment spending to the income earned in a given year for purposes specified by donors. The donated portion of the endowments is reported in restricted net assets - nonexpendable in the Statement of Net Assets; the endowment income is reported in restricted net assets - expendable.

21. FOUNDATIONS

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

- Grambling University Athletic Foundation
- Grambling Black & Gold Foundation
- Louisiana Tech University Foundation
- Louisiana Tech University Alumni Association
- McNeese State University Foundation
- McNeese State University Alumni Association
- Nicholls State University Foundation
- Nicholls Alumni Federation
- PRO NSU
- Northwestern State University Foundation
- Lion Athletic Association
- Southeastern Louisiana University Foundation
- Southeastern Louisiana University Alumni Association
- The University of Louisiana at Lafayette Alumni Association
- The University of Louisiana at Monroe Foundation
- The University of Louisiana at Monroe Athletic Scholarship Foundation
- The University of Louisiana at Monroe Alumni Association
- University of New Orleans Alumni Association

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

Certain universities of the System have contracted with their respective foundations to invest the universities' Endowed Chair/Professorship Program endowment funds in accordance with the Board of Regents for Higher Education's investment policies. The Endowed Chair endowment funds are established for \$1,000,000 each, with \$600,000 of private contributions and \$400,000 of state matching portion allocated by the Board of Regents for Higher Education. The Endowed Professorship Program endowment funds are established for \$100,000 each, with \$60,000 of private contributions and \$40,000 of state matching portion allocated by the Board of Regents

for Higher Education. At June 30, 2012, the foundations held in custody \$162,449,135 of Endowed Chair and Endowed Professorship Program funds. Amounts invested by private foundations for the System are included as investments held by private foundations in external investment pools in the disclosures in note 3.

22. DEFERRED COMPENSATION PLAN

Certain employees of the System participate in the Louisiana Public Employees' Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available on the Internet at www.la.gov.

23. ALTERNATIVE FINANCING AGREEMENTS

Grambling State University (Grambling)

On October 1, 2006, Black and Gold Facilities, Inc., entered into a loan agreement with the Louisiana Public Facilities Authority (LPFA) to obtain financing for the demolition of existing residential facilities; the acquisition of existing apartments and related parking facilities; and the planning, designing, constructing, furnishing, and equipping of residence facilities for use by Grambling. The project also includes the conversion of an existing bookstore to a student food-service and conference facility. Financing for the project is through the issuance of \$65,000,000 of LPFA Revenue Bonds, Series 2006 A, B, and C.

Pursuant to the terms of the ground lease agreement, the corporation will lease land from the Board of Supervisors of the University of Louisiana System upon which the new student housing will be built and food service facilities that will be renovated. The corporation will contract with Ambling, Inc., to manage the residential facilities and with Aramark to manage the food services upon completion. The board's right to obtain title to the facilities is set forth in the facilities lease agreement. The rental income derived from the facilities lease will be used to pay the bonds.

On December 5, 2007, Black and Gold Facilities, Inc., entered into a loan agreement with the LPFA to obtain financing for the acquisition, design, development, equipping, renovation, reconstruction and/or construction of new residence hall facilities, related parking facilities, related sewer and water lines, and the demolition of existing facilities. Financing for the project is through the issuance of \$41,925,000 of LPFA Revenue Bonds, Series 2007 A and B.

Pursuant to the terms of the ground lease agreement, the corporation will lease land from the Board of Supervisors of the University of Louisiana System upon which the new residence halls will be built. The board's right to obtain title to the facilities is set forth in the facilities lease agreement. The rental income derived from the facilities lease will be used to pay the bonds.

Louisiana Tech University (Tech)

On July 1, 2003, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$21,840,000 for the Innovative Student Facilities Inc., a nonprofit corporation, for constructing student housing and related facilities for the Board of Supervisors of the University of Louisiana System.

Pursuant to the terms of the ground lease agreement, the corporation will lease land from the board upon which the facilities will be built. The new facilities will be leased by the corporation to the board in accordance with the provisions of an agreement to lease (facilities lease). In accordance with the facilities lease, the corporation will construct student housing facilities and lease back the facilities to the board for use by students, faculty, and staff of Tech. The rental income derived from the facilities lease will be used to pay the bonds.

On September 26, 2007, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$51,670,000 for the Innovative Student Facilities Inc., a nonprofit corporation, for acquiring land to be purchased by the Board of Supervisors for the University of Louisiana System and financing the development, design, construction, renovation, and equipping of certain student housing and recreational facilities, including all furnishings, fixtures, and equipment necessary for the completion of the projects.

Pursuant to the terms of the ground lease agreement, the corporation will lease land from the board upon which the facilities will be built. The new facilities will be leased by the corporation to the board in accordance with the provisions of an agreement to lease (facilities lease). In accordance with the facilities lease, the corporation will construct student housing facilities and lease back the facilities to the board for use by students, faculty, and staff of Tech. The rental income derived from the facilities lease will be used to pay the bonds.

McNeese State University (McNeese)

On May 31, 2001, Cowboy Facilities, Inc., entered into a loan agreement with the Calcasieu Parish Public Trust Authority to obtain financing for constructing student housing facilities on the McNeese campus. Financing for the project is through the issuance of \$21,120,000 of University Student Lease Revenue Bonds, Series 2001. On December 7, 2011, the Calcasieu Parish Trust Authority issued \$18,655,000 of nontaxable University Student Lease Revenue Refunding Bonds Series 2011. The purpose of this issue was to refund the University Student Lease Series 2001 Bond.

Pursuant to the terms of the ground lease agreement, the corporation leases land from the Board of Supervisors of the University of Louisiana System upon which the new public parking facilities have been built. The new parking is leased by the corporation to the board in accordance with the provisions of the lease agreement. The board's right to obtain title to the facilities is set forth in the facilities lease agreement. The rental income derived from the facilities lease will be used to pay the bonds.

On April 1, 2005, Cowboy Facilities, Inc., entered into a loan agreement with the Calcasieu Parish Public Trust Authority to obtain financing for purchasing scoreboards on the McNeese campus. Financing for the project is through the issuance of \$1,900,000 of Revenue Bonds, Series 2005.

Pursuant to the terms of the ground lease agreement, the corporation leases the facilities from the Board of Supervisors of the University of Louisiana System upon which the scoreboards are installed. The property is leased by the corporation to the board in accordance with the provisions of the lease agreement. The board's right to obtain title to the scoreboards is set forth in the facilities lease agreement. The rental income derived from the facilities lease will be used to pay the bonds.

On December 7, 2011, Cowboy Facilities, Inc., entered into a loan agreement with the Calcasieu Parish Public Trust Authority to obtain financing for the construction of student housing on the McNeese campus. Financing of the project is through the issuance of \$18,655,000 of Revenue Bonds, Series 2011.

Pursuant to the terms of the ground lease agreement, the corporation leases the facilities from the Board of Supervisors of the University of Louisiana System upon which the scoreboards are installed. The property is leased by the corporation to the board in accordance with the provisions of the lease agreement. The board's right to obtain title to the scoreboards is set forth in the facilities lease agreement. The income derived from the facilities lease will be used to pay the bonds.

On December 28, 2011, Cowboy Facilities, Inc., entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for the construction of a new parking garage. Financing of the project is through the issuance of \$13,850,000 of Revenue Bonds, Series 2011.

In April 2011, McNeese students approved a \$75 per semester self-assessed fee. The self-assessed fee will generate sufficient income to pay the annual principal and interest payments.

Nicholls State University (Nicholls)

On May 1, 2006, NSU Facilities Corporation entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for street and parking lot improvements along with renovations to the cafeteria on the Nicholls campus. Financing for the project is through the issuance of \$8,320,000 of Series 2006 A tax exempt bonds and Series B taxable bonds.

Pursuant to the terms of a ground lease agreement, the corporation leases land from the Board of Supervisors of the University of Louisiana System on which the improvements to the streets, parking lots, and facilities will take place. In return, the university leases the facilities from the corporation for use by university students, faculty, and staff and others. The university has agreed to make lease payments to the corporation in amounts sufficient to allow the corporation to pay the debt service and related bond expenses.

On August 23, 2007, NSU Facilities Corporation entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for the demolition of four existing housing facilities; the renovation of existing facilities; and the development and construction of new student housing, including parking improvements; and the construction of a convenience store. Financing for the project is through the issuance of \$50,060,000 of tax-exempt Series 2007 A and B bonds.

Pursuant to the terms of the ground lease agreement, the corporation leases land from the Board of Supervisors of the University of Louisiana System on which the additional facilities will be located, the existing facilities are located, and certain other land. In return, the university leases the facilities from the corporation for use by university students, faculty, and staff. Proceeds of the rental payments will be used to pay the debt service and related bond expenses.

On December 1, 2010, NSU Facilities Corporation entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for the construction of a student recreation center. Financing for the project is through the issuance of \$10,860,000 of Series 2010 tax exempt bonds.

Pursuant to the terms of a ground lease agreement, the corporation leases land from the Board of Supervisors of the University of Louisiana System on which the construction will take place. In return, the university leases the facilities from the corporation for use by university students, faculty, and staff and other persons who are participants in any other activities related to the mission of the university. The university has agreed to make lease payments to the corporation in amounts sufficient to allow the corporation to pay the debt service and related bond expenses.

Southeastern Louisiana University (SLU)

On August 13, 2004, University Facilities, Inc. (UFI), entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for the acquisition, construction, renovation, and furnishing of student housing and demolishing existing housing; to provide working capital; to fund interest on the Series 2004 bonds; and to repay certain indebtedness of the corporation. Financing for the project is through the issuance of \$76,910,000 of Revenue Bonds, Series 2004(A), Series 2004(B), and Series 2004(C).

Pursuant to the terms of the ground lease agreement, the corporation leases land from the Board of Supervisors of the University of Louisiana System upon which the new facilities will be built. The new facilities are leased by the corporation to the board in accordance with the provisions of the lease agreement. The board's right to obtain title to the facilities is set forth in the facilities lease agreement. The rental income derived from the facilities lease will be used to pay the bonds.

On March 14, 2007, UFI entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing of \$8,035,000 for a new intermodal transit facility to be located on the SLU campus. This project is

a continuation of the improvements and construction on the SLU campus that were financed with Revenue Bonds, Series 2004.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land from the board. The new parking facility will be leased back to and operated by the board in accordance with the provisions of an agreement to lease with option to purchase by and between the board and UFI. Revenues from auxiliary operations and student fees will be used to pay the bonds.

On November 3, 2010, UFI entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing of \$31,255,000 for demolishing certain existing facilities and renovating, developing, and constructing the Student Union, the Center for Student Excellence, Student Health Center, Food Services Areas, the Bookstore and other related facilities on the campus of Southeastern Louisiana University.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land from the board. The student union and related facilities will be leased back to and operated by the board in accordance with the provisions of an agreement to lease with option to purchase by and between the board and UFI. Revenues derived from the facilities lease will be used to pay the bonds.

University of Louisiana at Lafayette (ULL)

On October 1, 2002, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling \$19,065,000 for the Ragin' Cajun Facilities, Inc., for constructing a student apartment complex, food service facility, and child care facility including parking and other infrastructure on land owned by the Board of Supervisors of the University of Louisiana System on behalf of ULL.

Pursuant to the terms of the ground lease agreements, the corporation leases the land from the board. The new facilities are leased by the corporation to the board in accordance with the provisions of an agreement to lease (facilities lease). In accordance with the facilities lease, the corporation has constructed and equipped student housing facilities and leased the facilities back to the board for use by students, faculty, and staff of ULL. The rental income derived from the facilities lease will be used to pay the bonds.

On April 14, 2009, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling \$12,500,000 for the Ragin' Cajun Facilities, Inc., for demolishing certain facilities and the development, design, construction, and equipping of a student parking complex, including parking and other infrastructure at ULL.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new student parking complex will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease (facilities lease). The income derived from parking fees will be used to pay the bonds.

On November 15, 2010, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling \$22,200,000 for the Ragin' Cajun Facilities, Inc., for demolishing certain facilities and the development, design, expansion, and renovation of the existing ULL student union.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new student union will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease (facilities lease). The income derived from rental revenues will be used to pay the bonds.

On December 1, 2010, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling \$100,050,000 for the Ragin' Cajun Facilities, Inc., for demolishing certain facilities and the development, design, construction, and equipping of student housing facilities and certain other facilities at ULL.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new student housing facilities will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease (facilities lease). The income derived from rental income will be used to pay the bonds.

University of Louisiana at Monroe (ULM)

On June 30, 2004, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$35,210,000 for the University of Louisiana Monroe Facilities, Inc., for paying prior debt and constructing student housing, a student union, a student health center, and other facilities for the Board of Supervisors of the University of Louisiana System.

Pursuant to the terms of the ground lease agreement, the corporation leases the land from the board. The new facilities are leased by the corporation to the board in accordance with the provisions of an agreement to lease (facilities lease). In accordance with the facilities lease, the corporation constructed student housing facilities, a student health center, and other student facilities and leased the facilities back to the board for use by students, faculty, and staff of ULM. The rental income derived from the facilities lease will be used to pay the bonds.

On December 8, 2004, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$33,680,000 for the University of Louisiana Monroe Facilities, Inc., for demolishing existing dormitories on the campus; to design, develop, and construct new student housing and a student union; and to refurbish existing on-campus student housing.

Pursuant to the terms of the ground lease agreement, the corporation leased the land from the board. The new facilities are leased by the corporation to the board in accordance with the provisions of an agreement to lease (facilities lease). In accordance with the facilities lease, the corporation constructed student housing facilities and leased the facilities back to the board for use by students, faculty, and staff of ULM. The rental income derived from the facilities lease will be used to pay the bonds.

On November 7, 2006, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$1,500,000 for the University of Louisiana Monroe Facilities, Inc. Bond proceeds will be used for constructing and equipping an intermodal transit facility and improving existing parking lots or constructing new parking lots for students, faculty, staff, and the public on the ULM campus.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new facilities/parking lots will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease with option to purchase (facilities lease). The income derived from parking fees will be used to pay the bonds.

On October 25, 2007, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$2,045,000 for the University of Louisiana Monroe Facilities, Inc., for demolishing and renovating certain existing buildings and developing, constructing, and equipping a student learning enhancement facility and related facilities.

Pursuant to the terms of the loan and assignment agreement, the corporation transferred, assigned, and pledged to the Authority all right, title, and interest of the corporation in, to, and under the agreement to lease with option to purchase, and all rents, issues, receipts, and profits derived related to the learning center.

24. IMPAIRMENT OF CAPITAL ASSETS

GASB Statement No. 42 established accounting and financial reporting standards for impairment of capital assets. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. The Division of Administration, Office of Statewide Reporting and Accounting Policy, provides guidance on impairment test criteria by stating that the greater of the capitalization threshold, \$100,000 or 20% of the capitalized cost of the building impaired by physical damage be used as the test of whether the magnitude in the decline was significant. As of June 30, 2012, the System reported two buildings that were permanently impaired. Grambling State University reported one building impaired and reported an impairment loss totaling \$4,574,949. The university determined the impairment, caused by structural deficiencies and physical damage that reduced the building's useful life by 75%, met the definition of an extraordinary item. ULM reported one building impaired from fire damage with no carrying value.

The carrying amount of impaired capital assets that are idle at year-end is disclosed, regardless of whether the impairment is considered permanent or temporary. At June 30, 2012, McNeese reported one building, with no remaining life and no carrying value that was temporarily impaired.

25. INSURANCE RECOVERIES

The total amount of insurance recoveries received during fiscal year 2012 included \$699,641 for wind damage and \$12,519 for collision damage, for a total of \$712,160. This amount was recorded as other nonoperating revenue.

**26. COOPERATIVE ENDEAVOR AGREEMENTS -
UNIVERSITY OF NEW ORLEANS (UNO) RESEARCH
AND TECHNOLOGY FOUNDATION****University of New Orleans/Avondale Maritime
Technology Center of Excellence**General

On May 16, 1997, the State of Louisiana (the State), the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College acting on behalf of UNO (the University), the UNO Research and Technology Foundation, Inc. (the Foundation), and Avondale Industries, Inc., entered into a Cooperative Endeavor Agreement (the Agreement) for an initial term of 15 years and from one-to-seven additional five-year periods.

The Agreement and related amendments provided for the use of annually appropriated state funds and the corporate guarantee by Avondale of certain financial obligations incurred by the Foundation for the purpose of enhancing or maintaining the economic well-being of the State. As a material inducement to the State to enter into the Agreement, Avondale represented that it was awarded a contract for the construction of certain U.S. Department of Navy vessels that will provide a substantial economic benefit to the State. The Foundation and Avondale represented that the economic benefit occurring as a result of the payment or performance of the State's obligation will equal or exceed the value of the State's obligations.

Obligations

Avondale donated certain property to UNO, which is leased to the Foundation pursuant to the terms of a Ground Lease. A ship design facility including a laboratory and support area (the Facility) for the UNO School of Naval Architecture and Marine Engineering has been built on such property by the Foundation and is subleased to Avondale. Also, the Foundation has equipped the facility and leased such equipment to Avondale.

Furthermore, Avondale agrees that it will provide support to the UNO School of Naval Architecture and Marine Engineering by providing the University a Right of Use of space constituting 21,000 square feet in the facility subleased by Avondale from the Foundation.

In the event the costs of the project required to be expended by the Foundation in constructing the facility and acquiring the equipment exceed the amounts paid by the State, Avondale will pay to the Foundation the amounts required for the Foundation to fulfill the obligations to construct and equip the facility.

National Center for Advanced Manufacturing/NASA Facilities Modifications and Equipment Acquisitions

General

Effective July 15, 2007, the State, the University, the Foundation, and NASA entered into a Cooperative Endeavor Agreement for an initial term of 10 years with options for four additional five-year periods.

The Agreement provides for the use of a state appropriation to fund an approximate \$20 million expansion of the University's National Center for Advanced Manufacturing (NCAM), located in NASA's Michoud Assembly Facility in New Orleans (MAF), to include the purchase of new equipment by the State and the completion of facilities modifications made by the Foundation to MAF to accommodate installation and operation of new equipment.

The NCAM collaboration was established to strengthen the competitiveness of the United States of America in aerospace and other commercial markets that require large structure manufacturing. NASA intends to implement programs at MAF that will result in the growth of jobs at MAF and the growth in the local and State economy resulting in an economic benefit exceeding the value of the State's obligations. The expanded use of MAF by NASA, its contractors, the University and the Foundation will further research and development initiatives, educational opportunities and production work on NASA's planned Orion Crew Exploration Vehicle, Ares Crew Launch Vehicle, and related projects (Orion projects).

Obligations

NASA provides physical and operational access to MAF for use by NCAM and others and will provide routine maintenance and repair of the MAF building and new equipment as necessary. NASA agrees to use reasonable efforts to perform substantial work at MAF on the Orion Project. In the event the costs of the project exceed the State appropriation, NASA agrees to use its reasonable efforts to obtain other funds as required to complete the project.

The University will accept title to the new equipment purchased by the State and seek cooperative opportunities with NASA and the private sector and coordinate education, research, skills training, and related activities for academic entities desiring to use NCAM and the new equipment.

The Foundation arranged for the design and construction of the MAF facilities modifications to support the installation of the new equipment. As of October 2011, NASA assumed management and leasing responsibilities for the use of the NCAM equipment.

National Center for Advanced Manufacturing/NASA Supplemental Equipment and Facilities Modifications

General

The State, the University, the Foundation, and NASA entered into a Supplemental Cooperative Endeavor Agreement/Space Act Agreement (the Supplemental Agreement) effective October 1, 2008, for an initial period of 10 years with four options to renew for periods of five years each.

Expanding on the Cooperative Endeavor Agreement of July 15, 2007, the Supplemental Agreement further enhances the capabilities of the University's NCAM located in the NASA's MAF in New Orleans. This Supplemental Agreement provides for the use of additional State appropriations to fund approximately \$42 million of supplemental equipment, additional changes to MAF/NCAM facilities, and installation of the supplement equipment. The facilities modifications and supplemental equipment installation are projected to cost approximately \$10 million.

The Supplemental Agreement augments the previous agreement, significantly broadening the use of MAF research, development, and production work on the Ares Launch Systems, Orion Crew Exploration Vehicle and related R&D projects (Orion Project) and collaborative R&D initiatives at NCAM.

Obligations

Access to MAF will be provided by NASA for construction of the facilities modifications, installation, use, and operation of the supplemental equipment by NCAM and other users. NASA will provide routine maintenance of the supplemental equipment and repair the facilities as necessary. NASA agrees to use its reasonable efforts to perform substantial work at MAF on the Orion Project. As required to achieve the functional use of the facilities modifications and supplemental equipment, NASA agrees to use its reasonable efforts to obtain other funds to complete the project in the event the State appropriations are insufficient.

The State will purchase the supplemental equipment and transfer such title to the University. The University will seek cooperative opportunities with NASA and the private sector regarding the University's instruction, research, and public service missions as well as coordinate education, research, skills training, and related activities for academic entities desiring to use NCAM and the supplemental equipment.

The Foundation will arrange for the design and construction of the MAF facilities modifications to support the installation of the supplemental equipment. On behalf of the University, the Foundation will manage use of the supplemental equipment and will enter into agreements with other entities as necessary for the use of NCAM and the supplemental equipment.

National Center for Advanced Manufacturing/MAF Research and Development Administration Building

General

On December 18, 2007, the State, the Foundation, and NASA entered into another Cooperative Endeavor Agreement for a period of 30 years.

The Agreement provides for the use of State funds to pay approximately \$40 million of project costs associated with the planning, design, construction, and equipping of a new NASA Research and Development Administration Building to be built at MAF. The building will be used collaboratively by the Foundation and NASA for research and development administration, production work on the Orion Project, education, training, and related matters for NASA, its contractors, the University, other federal and state agencies, other higher educational institutions, and private industry. The additional investment from this agreement will retain critical research and engineering skills and capacity in Louisiana necessary to support NASA's mission, attract high technology companies, and provide educational and training opportunities generally improving the State's economy and recover of the New Orleans Metropolitan area from Hurricane Katrina.

At December 31, 2011, the agreement for this project was on hold until further notice.

Obligations

The Foundation will use the funds provided by the State for the planning, design, acquisition, construction, and equipping of the building. NASA will operate and maintain the building and use approximately 70% of the square footage for its programs. The Foundation will manage the use by the University and commercial entities of the remaining square footage of the building. Commercial users will pay their pro-rata share of the building maintenance and operating costs to NASA. The Foundation will retain title to the building, furniture, fixtures, and equipment during the term of the agreement.

27. SUBSEQUENT EVENTS

In July 2012, the University of Louisiana at Lafayette sold/exchanged a parcel of land with a recorded value of \$11,800 for another parcel of land owned by the Lafayette City-Parish Government, valued at \$808,000, and for cash totaling \$5,803,000.

Act 236 of the 2012 Legislative Session, effective August 1, 2012, assigned the property previously known as Ruston State School to Grambling State University. The approximate value of the 62 buildings that make up this facility, net of depreciation, is \$400,000. Grambling expended approximately \$625,000 between August 1, 2012 and October 11, 2012 to ready the property to house students and secure the premises. At present, the university has named the facility "West Campus" and is housing 54 students. These students began moving in August 17, 2012.

Effective August 2, 2012, UNO and the Louisiana State University Agriculture and Mechanical College entered into a cooperative endeavor agreement with various parties including the State of Louisiana and NASA for continuation of the operation of NCAM for a period of five years. Upon the effective date of this agreement, the original memorandum of understanding and associated agreements between the parties were superseded.

In August 2012, UNO issued \$9,700,000 of Board of Supervisors for the University of Louisiana System Revenue Refunding Bonds (University of New Orleans Wellness Center Project) Series 2012. The proceeds of the Series 2012 Bonds will be used for the purpose of providing for a current refunding of a portion of UNO's outstanding Revenue Bonds, Series 1998.

In October 2012, the University of Louisiana at Lafayette issued \$14,740,000 to refund its Student Housing and Child Care Facilities Bonds, Series 2002. Principal outstanding on the Series 2002 bonds totaled \$16,375,000 at June 30, 2012.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress for the Other Postemployment Benefits Plan

The schedule of funding progress is required supplementary information that presents certain specific data regarding the funding progress for the Other Postemployment Benefits Plan, including the unfunded actuarial accrued liability.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Schedule of Funding Progress for the
Other Postemployment Benefits Plan
Fiscal Year Ended June 30, 2012**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2009	NONE	\$1,046,763,700	\$1,046,763,700	0.0%	\$328,881,302	318%
July 1, 2010	NONE	908,192,900	908,192,900	0.0%	308,315,460	295%
July 1, 2011*	NONE	794,558,166	794,558,166	0.0%	337,942,506	235%

*Amounts reported in the funding progress for fiscal year 2012 include employees of University of New Orleans as the university was transferred to the University of Louisiana System.

SCHEDULES

Combining Schedule of Net Assets, by University

Schedule 2 presents the current and long-term portions of assets and liabilities and net assets for each university.

Combining Schedule of Revenues, Expenses, and Changes in Net Assets, by University

Schedule 3 presents information showing how the assets of each university changed as a result of current year operations.

Combining Schedule of Cash Flows, by University

Schedule 4 presents information showing how each university's cash changed as a result of current year operations.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Assets, by University
June 30, 2012**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY
ASSETS				
Current assets:				
Cash and cash equivalents	\$10,750,991	\$21,878,481	\$29,009,481	\$10,740,598
Investments	6,133,627			5,199,982
Receivables (net)	2,900,526	4,254,150	9,643,941	3,454,509
Due from state treasury	2,262,587	425,890	1,661,553	890,219
Due from federal government	404,158	3,633,008	742,681	669,282
Inventories	156,044	509,113	1,676,671	92,693
Deferred charges and prepaid expenses	212,002	2,033,770	210,794	678,347
Notes receivable (net)		783,466	352,707	
Other current assets		175,213		
Total current assets	<u>22,819,935</u>	<u>33,693,091</u>	<u>43,297,828</u>	<u>21,725,630</u>
Noncurrent assets:				
Restricted:				
Cash and cash equivalents	2,838,970	16,711,391	18,918,828	5,230,828
Investments	20,681,966	37,243,809	15,516,751	19,520,772
Receivables (net)	3,673,511			
Notes receivable (net)	479	5,604,403	1,879,188	
Other				
Investments				
Notes receivable (net)				5,235
Capital assets (net)	148,168,132	196,733,755	85,731,226	108,138,932
Other noncurrent assets	4,683,135	3,191,776	982,432	2,878,456
Total noncurrent assets	<u>180,046,193</u>	<u>259,485,134</u>	<u>123,028,425</u>	<u>135,774,223</u>
Total assets	<u>202,866,128</u>	<u>293,178,225</u>	<u>166,326,253</u>	<u>157,499,853</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accruals	4,548,411	4,853,151	4,352,266	4,383,261
Deferred revenues	1,203,482	6,825,771	2,433,345	2,298,915
Compensated absences payable	358,271	385,152	171,969	301,954
Capital lease obligations		5,290		
Amounts held in custody for others	721,451	803,745	408,548	332,247
Claims and litigation payable	852,840			
Notes payable	127,159			11,816
Contracts payable				
Reimbursement contracts payable				
Bonds payable	1,590,000	1,387,759	1,185,000	1,250,000
Other current liabilities	3,441,051	1,184,227		278,778
Total current liabilities	<u>12,842,665</u>	<u>15,445,095</u>	<u>8,551,128</u>	<u>8,856,971</u>

(Continued)

Schedule 2

NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
\$31,169,481	\$32,237,645 39,564,771	\$57,886,059	\$28,386,316	\$16,628,774	\$920,778	\$239,608,604 50,898,380
5,266,400	5,545,863	15,304,385	6,444,182	9,703,850		62,517,806
1,578,440	2,495,782	2,904,219	1,121,060	3,112,584		16,452,334
2,615,481	1,279,265		1,199,188	4,314,660		14,857,723
381,089	964,500	1,817,675	183,000	762,935		6,543,720
275,619	259,150	1,304,595	349,594	565,512		5,889,383
30,636	335,391	1,427,884	761,061	472,977		4,164,122
100,631	3,145,407	207,358			2,666	3,631,275
41,417,777	85,827,774	80,852,175	38,444,401	35,561,292	923,444	404,563,347
2,880,233	22,618,691	73,428,686	15,323,372	2,756,061		160,707,060
10,145,981	19,152,453	94,258,931	22,199,876	17,579,499		256,300,038
29,447			716,744			4,419,702
2,032,160	1,951,749	9,339,724 89,486	4,312,680	4,283,126		29,403,509 89,486
				22,496		22,496
						5,235
67,852,193	159,265,778 3,727,304	288,619,757 4,651,606	126,271,245 1,576,009	203,076,423		1,383,857,441 21,690,718
82,940,014	206,715,975	470,388,190	170,399,926	227,717,605	NONE	1,856,495,685
124,357,791	292,543,749	551,240,365	208,844,327	263,278,897	923,444	2,261,059,032
3,103,061	6,999,261	11,218,850	6,515,299	6,965,824	121,252	53,060,636
2,902,994	5,432,354	9,099,463	3,538,476	4,381,058		38,115,858
539,633	536,022	647,670	911,349	754,651	79,578	4,686,249
	460,000	51,805	9,334	1,144,951		1,671,380
33,184	295,883	1,463,985	309,248	354,193	846,983	5,569,467 852,840
			200,000			338,975
			95,938			95,938
30,000						30,000
285,000	2,830,000	945,000	1,055,000	1,820,000		12,347,759
	4,108	2,129,263	2,111,170		3,629	9,152,226
6,893,872	16,557,628	25,556,036	14,745,814	15,420,677	1,051,442	125,921,328

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Net Assets, by University
June 30, 2012**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY
LIABILITIES (CONT.)				
Noncurrent liabilities:				
Compensated absences payable	\$3,233,540	\$3,759,306	\$3,046,363	\$3,035,809
Capital lease obligations		19,303		
Notes payable	1,590,910			
Reimbursement contracts payable				
Other postemployment benefits payable	25,260,789	41,528,933	31,694,947	31,460,083
Bonds payable	102,082,551	71,643,500	36,019,281	64,610,000
Other noncurrent liabilities				
Total noncurrent liabilities	<u>132,167,790</u>	<u>116,951,042</u>	<u>70,760,591</u>	<u>99,105,892</u>
Total liabilities	<u>145,010,455</u>	<u>132,396,137</u>	<u>79,311,719</u>	<u>107,962,863</u>
NET ASSETS				
Invested in capital assets, net of related debt	67,742,239	127,208,568	65,108,285	41,439,870
Restricted for:				
Nonexpendable	10,669,180	30,121,927	11,700,000	15,250,419
Expendable	6,514,066	24,319,072	19,491,803	20,365,353
Unrestricted	<u>(27,069,812)</u>	<u>(20,867,479)</u>	<u>(9,285,554)</u>	<u>(27,518,652)</u>
Total net assets	<u>\$57,855,673</u>	<u>\$160,782,088</u>	<u>\$87,014,534</u>	<u>\$49,536,990</u>

(Concluded)

Schedule 2

NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
\$1,896,547	\$6,402,193 4,510,000	\$9,166,086	\$3,412,229 28,083 1,550,000	\$6,219,625 39,814,988	\$181,673	\$40,353,371 44,372,374 3,140,910 35,000
35,000					817,621	396,299,879
36,154,682	62,960,923	76,040,491	42,340,740	48,040,670		618,477,504
3,945,000	107,219,109	147,173,063	66,490,000	19,295,000		123,162
24,759				98,403		
<u>42,055,988</u>	<u>181,092,225</u>	<u>232,379,640</u>	<u>113,821,052</u>	<u>113,468,686</u>	<u>999,294</u>	<u>1,102,802,200</u>
<u>48,949,860</u>	<u>197,649,853</u>	<u>257,935,676</u>	<u>128,566,866</u>	<u>128,889,363</u>	<u>2,050,736</u>	<u>1,228,723,528</u>
63,557,193	94,554,440	185,353,350	56,938,828	142,140,987		844,043,760
10,933,447	10,015,615	45,915,000	20,387,286	19,727,401		174,720,275
9,792,012	37,202,565	56,441,870	18,543,350	19,280,903		211,950,994
(8,874,721)	(46,878,724)	5,594,469	(15,592,003)	(46,759,757)	(1,127,292)	(198,379,525)
<u>\$75,407,931</u>	<u>\$94,893,896</u>	<u>\$293,304,689</u>	<u>\$80,277,461</u>	<u>\$134,389,534</u>	<u>(\$1,127,292)</u>	<u>\$1,032,335,504</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Revenues, Expenses,
and Changes in Net Assets, by University
For the Fiscal Year Ended June 30, 2012**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowances of \$123,431,164)	\$18,010,282	\$47,192,123	\$27,811,204	\$25,172,273
Federal grants and contracts	8,544,839	11,549,018	1,878,678	1,738,021
State and local grants and contracts	576,242	3,727,596	2,093,219	2,883,088
Nongovernmental grants and contracts	39,222	473,174	811,973	215,149
Sales and services of educational departments	313,298	529,229	151,211	175,378
Auxiliary enterprise revenues (net of scholarship allowances of \$14,407,141, including revenues used as security for revenue bonds)	14,705,016	21,807,986	12,290,218	14,644,751
Other operating revenues	11,240,735	1,004,448	3,647,439	249,074
Total operating revenues	<u>53,429,634</u>	<u>86,283,574</u>	<u>48,683,942</u>	<u>45,077,734</u>
OPERATING EXPENSES				
Educational and general:				
Instruction	25,361,472	43,681,834	31,511,662	29,745,662
Research	412,145	21,876,812	3,196,332	2,524,210
Public service	59,774	359,115	1,522,383	2,401,424
Academic support	6,427,596	10,906,720	7,621,396	7,149,724
Student services	5,671,071	5,223,492	5,868,699	7,024,426
Institutional support	13,757,430	9,615,158	8,489,852	7,388,496
Operations and maintenance of plant	7,267,062	10,409,339	8,804,698	6,735,272
Depreciation	6,814,116	8,487,827	4,839,975	5,625,171
Scholarships and fellowships	8,751,249	8,104,792	9,843,671	4,799,174
Auxiliary enterprises	16,419,879	31,280,011	15,067,129	14,479,252
Other operating expenses	3,600,402	422,502	246,233	100,635
Total operating expenses	<u>94,542,196</u>	<u>150,367,602</u>	<u>97,012,030</u>	<u>87,973,446</u>
OPERATING LOSS	<u>(41,112,562)</u>	<u>(64,084,028)</u>	<u>(48,328,088)</u>	<u>(42,895,712)</u>
NONOPERATING REVENUES (Expenses)				
State appropriations	18,558,919	41,116,436	26,866,473	21,914,026
Gifts	337,923	4,941,246	1,474,754	585,367
Federal nonoperating revenues	17,460,741	9,181,617	13,004,784	10,013,121
American Recovery and Reinvestment Act revenues		1,378,722		309,210
Investment income (loss)	685,631	(564,090)	119,205	844,910
Interest expense	(5,109,912)	(1,187,268)	(1,376,429)	(2,870,316)
Payments to or on behalf of the university				4,500
Other nonoperating revenues (expenses)		1,227,429	(773,204)	823,369
Net nonoperating revenues	<u>31,933,302</u>	<u>56,094,092</u>	<u>39,315,583</u>	<u>31,624,187</u>

(Continued)

Schedule 3

NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
\$37,736,610	\$52,141,487	\$66,042,771	\$36,417,836	\$55,870,592		\$366,395,178
1,807,836	6,064,463	20,154,989	7,273,248	13,671,983		72,683,075
4,591,944	4,326,468	5,875,818	10,404,293	11,151,698		45,630,366
761,446	232,365	15,358,563	989,024	6,527,686		25,408,602
1,367,541	425,802	83,535	499,413	133,262		3,678,669
4,024,852	18,122,036	26,786,115	16,695,111	12,515,780		141,591,865
3,091,489	2,401,257	4,640,728	431,468	5,571,256	\$2,666	32,280,560
53,381,718	83,713,878	138,942,519	72,710,393	105,442,257	2,666	687,668,315
37,241,962	62,580,333	66,455,381	40,185,570	53,441,087		390,204,963
1,682,872	1,694,327	46,334,306	5,526,589	21,937,650		105,185,243
1,833,874	3,111,649	4,975,278	10,577,387	9,961,075		34,801,959
7,371,205	12,947,703	17,671,228	7,276,109	11,621,983		88,993,664
8,160,881	10,024,055	17,555,906	9,418,113	7,790,610		76,737,253
9,295,669	13,587,375	24,586,887	12,939,984	19,350,940	3,640,080	122,651,871
10,417,852	13,953,481	16,206,233	10,896,369	17,902,273		102,592,579
4,766,372	7,370,622	12,490,886	6,884,061	13,954,553	3,583	71,237,166
14,871,306	20,463,154	7,066,361	9,928,212	11,637,562		95,465,481
10,122,520	13,584,846	34,190,787	16,838,038	12,456,538		164,439,000
337,877	288,442	399,274	(262,766)			5,132,599
106,102,390	159,605,987	247,932,527	130,207,666	180,054,271	3,643,663	1,257,441,778
(52,720,672)	(75,892,109)	(108,990,008)	(57,497,273)	(74,612,014)	(3,640,997)	(569,773,463)
29,981,147	46,407,987	62,969,092	35,000,838	44,334,821	1,486,626	328,636,365
	609,003	2,659,322	248,253	484,715		11,340,583
15,200,515	20,331,889	23,542,043	13,263,387	11,091,081		133,089,178
	53,466		595,270	294,516		2,631,184
230,705	541,743	787,158	2,049,463	308,644	46,000	5,049,369
(227,589)	(3,449,054)	(2,032,565)	(3,490,001)	(1,041,010)		(20,784,144)
						4,500
(76,936)	(813,732)	3,319,850	(1,374,117)	(41,209)	2,080,209	4,371,659
45,107,842	63,681,302	91,244,900	46,293,093	55,431,558	3,612,835	464,338,694

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Revenues, Expenses,
and Changes in Net Assets, by University
For the Fiscal Year Ended June 30, 2012**

	<u>GRAMBLING STATE UNIVERSITY</u>	<u>LOUISIANA TECH UNIVERSITY</u>	<u>MCNEESE STATE UNIVERSITY</u>	<u>NICHOLLS STATE UNIVERSITY</u>
LOSS BEFORE OTHER REVENUES AND EXPENSES	(\$9,179,260)	(\$7,989,936)	(\$9,012,505)	(\$11,271,525)
Capital appropriations	212,079	11,755,641	4,307,080	421,993
Capital grants and gifts			5,302,518	(605,916)
Additions to permanent endowments		200,000		200,000
Other		(1,916,391)		
Extraordinary item - loss on impairment of capital asset	(4,574,949)			
CHANGE IN NET ASSETS	(13,542,130)	2,049,314	597,093	(11,255,448)
NET ASSETS - BEGINNING OF YEAR (Restated)	<u>71,397,803</u>	<u>158,732,774</u>	<u>86,417,441</u>	<u>60,792,438</u>
NET ASSETS - END OF YEAR	<u>\$57,855,673</u>	<u>\$160,782,088</u>	<u>\$87,014,534</u>	<u>\$49,536,990</u>

(Concluded)

Schedule 3

<u>NORTHWESTERN STATE UNIVERSITY</u>	<u>SOUTHEASTERN LOUISIANA UNIVERSITY</u>	<u>UNIVERSITY OF LOUISIANA AT LAFAYETTE</u>	<u>UNIVERSITY OF LOUISIANA AT MONROE</u>	<u>UNIVERSITY OF NEW ORLEANS</u>	<u>BOARD</u>	<u>TOTAL SYSTEM</u>
(\$7,612,830)	(\$12,210,807)	(\$17,745,108)	(\$11,204,180)	(\$19,180,456)	(\$28,162)	(\$105,434,769)
5,415,145	3,485,296	275,296	573,786	8,906,187		35,352,503
53,244	1,092,796	436,518	729,596	487,875		7,496,631
200,000	560,000	600,000				1,760,000
				(133,440)		(2,049,831)
						(4,574,949)
(1,944,441)	(7,072,715)	(16,433,294)	(9,900,798)	(9,919,834)	(28,162)	(67,450,415)
77,352,372	101,966,611	309,737,983	90,178,259	144,309,368	(1,099,130)	1,099,785,919
<u>\$75,407,931</u>	<u>\$94,893,896</u>	<u>\$293,304,689</u>	<u>\$80,277,461</u>	<u>\$134,389,534</u>	<u>(\$1,127,292)</u>	<u>\$1,032,335,504</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2012**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY
CASH FLOWS FROM OPERATING ACTIVITIES:				
Tuition and fees	\$31,071,986	\$47,017,485	\$29,426,584	\$25,180,237
Grants and contracts	9,662,479	14,857,090	1,839,498	3,824,861
Sales and services of educational departments	313,298	522,527	(103,160)	34,425
Auxiliary enterprise receipts	15,388,856	22,820,560	10,778,277	14,905,600
Payments for employee compensation	(36,233,023)	(66,958,046)	(40,289,578)	(36,487,066)
Payments for benefits	(12,523,460)	(23,102,789)	(15,189,463)	(18,937,296)
Payments for utilities	(2,376,487)	(6,576,104)	(2,395,430)	(2,732,894)
Payments for supplies and services	(21,206,210)	(33,132,354)	(13,267,639)	(12,314,850)
Payments for scholarships and fellowships	(23,086,217)	(9,381,917)	(11,855,255)	(8,682,000)
Loans to students		(922,424)	(167,524)	
Collection of loans to students		783,329	390,579	
Other receipts (payments)	8,586,120	979,593	957,466	(56,528)
Net cash used by operating activities	<u>(30,402,658)</u>	<u>(53,093,050)</u>	<u>(39,875,645)</u>	<u>(35,265,511)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State appropriations	18,808,367	45,891,208	29,184,089	23,888,758
Gifts and grants for other than capital purposes		5,782,306	1,474,754	585,367
Pell grant receipts	17,798,664	8,907,651	13,004,784	10,013,121
Private gifts for endowment purposes				200,000
Taylor Opportunity Program for Students receipts	652,060	12,781,871	7,523,779	8,182,893
Taylor Opportunity Program for Students disbursements	(652,060)	(12,881,352)	(7,523,779)	(8,182,893)
Federal Emergency Management Agency receipts				
Federal Emergency Management Agency disbursements				
American Recovery and Reinvestment Act receipts	1,528,401	202,823		309,210
Direct lending receipts	52,562,089	29,491,750	28,887,750	24,000,986
Direct lending disbursements	(52,562,089)	(29,421,471)	(28,887,750)	(24,000,986)
Federal Family Education Loan program receipts				
Federal Family Education Loan program disbursements				
Other receipts (payments)		1,228,283	(856,328)	827,867
Net cash provided by noncapital financing sources	<u>38,135,432</u>	<u>61,983,069</u>	<u>42,807,299</u>	<u>35,824,323</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Proceeds from capital debt			31,354,561	
Capital appropriations received		93,797		
Capital grants and gifts received				
Purchases of capital assets	(1,961,316)	(10,081,085)	(2,336,837)	(13,941,573)
Principal paid on capital debt and leases	(1,568,428)	(2,055,703)	(18,789,822)	(1,011,317)
Interest paid on capital debt and leases	(5,156,400)	(1,106,906)	(1,376,429)	(2,869,355)
Deposit with trustees	493,499			11,783,324
Other receipts (payments)		(693,733)		
Net cash provided (used) by capital financing activities	<u>(8,192,645)</u>	<u>(13,843,630)</u>	<u>8,851,473</u>	<u>(6,038,921)</u>

(Continued)

Schedule 4

NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
\$36,115,324	\$51,831,755	\$67,236,419	\$36,179,186	\$56,596,739		\$380,655,715
7,594,779	12,519,672	40,807,788	20,813,997	34,815,727		146,735,891
1,367,541	(97,780)	83,535	521,041	507,967		3,149,394
4,024,852	18,000,516	26,798,426	16,641,712	12,809,133		142,167,932
(46,973,641)	(73,191,786)	(116,503,478)	(51,339,807)	(75,696,029)	(\$1,894,268)	(545,566,722)
(9,986,560)	(25,601,645)	(37,843,810)	(21,182,220)	(25,656,722)	(679,130)	(190,703,095)
(2,311,158)	(4,212,226)	(7,428,417)	(2,316,443)	(5,747,416)		(36,096,575)
(23,524,127)	(26,459,855)	(57,758,640)	(37,298,281)	(44,708,063)		(269,670,019)
(14,871,306)	(15,361,148)	(9,097,159)	(9,928,212)	(11,659,422)		(113,922,636)
(434,349)	(306,503)	(4,972,804)	(282,500)	(375,473)		(7,461,577)
321,173	297,067	4,930,984	1,360,939	514,554		8,598,625
2,889,696	2,937,094	5,283,154	(1,438,476)	5,576,179	(757,603)	24,956,695
<u>(45,787,776)</u>	<u>(59,644,839)</u>	<u>(88,464,002)</u>	<u>(48,269,064)</u>	<u>(53,022,826)</u>	<u>(3,331,001)</u>	<u>(457,156,372)</u>
32,494,068	50,424,226	68,415,359	38,582,387	46,382,543	1,486,626	355,557,631
378,608		5,760,882	456,493	435,717		14,874,127
14,821,907	20,045,337	23,163,308	13,764,514	11,091,081		132,610,367
200,000	560,000	600,000				1,560,000
6,061,712	14,990,288	19,006,349	7,252,829	7,005,362		83,457,143
(6,061,712)	(14,768,333)	(19,025,823)	(7,255,229)	(6,980,138)		(83,331,319)
				615,030		615,030
				(656,239)		(656,239)
	53,466		616,898	294,516		3,005,314
38,689,415	13,295,309	43,492,017	34,349,842	34,137,680		298,906,838
(38,689,415)	(13,257,213)	(46,609,252)	(34,349,842)	(33,822,049)		(301,600,067)
	1,026,340	3,731				1,030,071
	(1,024,530)	(3,731)				(1,028,261)
(76,936)	(4,179,507)	237,179	(891,802)		2,080,209	(1,631,035)
<u>47,817,647</u>	<u>67,165,383</u>	<u>95,040,019</u>	<u>52,526,090</u>	<u>58,503,503</u>	<u>3,566,835</u>	<u>503,369,600</u>
4,500,000	8,625,096					44,479,657
						93,797
			255,757	442,489		698,246
(6,639,890)	(726,646)	(64,403,445)	(2,188,187)	(3,439,924)		(105,718,903)
(4,800,000)	(11,457,062)	(835,000)	(1,059,246)	(2,787,419)		(44,363,997)
(227,589)	(3,449,054)	(1,938,186)	(3,490,001)	(1,041,010)		(20,654,930)
						12,276,823
	175,684	223,266		64,857		(229,926)
<u>(7,167,479)</u>	<u>(6,831,982)</u>	<u>(66,953,365)</u>	<u>(6,481,677)</u>	<u>(6,761,007)</u>	<u>NONE</u>	<u>(113,419,233)</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by University, 2012**

	<u>GRAMBLING STATE UNIVERSITY</u>	<u>LOUISIANA TECH UNIVERSITY</u>	<u>MCNEESE STATE UNIVERSITY</u>	<u>NICHOLLS STATE UNIVERSITY</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	\$21,469,630			\$509,786
Interest received on investments	160,162	\$3,565	\$196,061	308,922
Purchase of investments	<u>(21,125,961)</u>			<u>(378,342)</u>
Net cash provided by investing activities	<u>503,831</u>	<u>3,565</u>	<u>196,061</u>	<u>440,366</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	43,960	(4,950,046)	11,979,188	(5,039,743)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR				
	<u>13,546,001</u>	<u>43,539,918</u>	<u>35,949,121</u>	<u>21,011,169</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR				
	<u>\$13,589,961</u>	<u>\$38,589,872</u>	<u>\$47,928,309</u>	<u>\$15,971,426</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:				
Operating loss	(\$41,112,562)	(\$64,084,028)	(\$48,328,088)	(\$42,895,712)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation expense	6,814,116	8,487,827	4,839,975	5,625,171
Amortization of bond issuance costs	188,252			266,418
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable, net	1,168,170	335,603	951,874	(867,741)
(Increase) Decrease in inventories	40,206	(2,875)	(202,242)	20,530
(Increase) Decrease in deferred charges and prepaid expenses	(20,516)	582,407	(61,436)	306,456
(Increase) Decrease in notes receivable	44	217,108	177,090	
(Increase) Decrease in other assets		(1,857,678)		171,046
Increase (Decrease) in accounts payable and accrued liabilities	1,032,786	(1,708)	(415,187)	144,343
Increase (Decrease) in deferred revenue	(728,612)	(744,867)	(42,106)	(994,516)
Increase (Decrease) in amounts held in custody for others	134,223	29,007	(25,903)	3,630
Increase (Decrease) in compensated absences	286,924	50,131	120,540	243,406
Increase in other postemployment benefits payable	2,197,521	3,821,647	3,109,838	2,685,256
Increase (Decrease) in other liabilities	<u>(403,210)</u>	<u>74,376</u>		<u>26,202</u>
Net cash used by operating activities	<u>(\$30,402,658)</u>	<u>(\$53,093,050)</u>	<u>(\$39,875,645)</u>	<u>(\$35,265,511)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:				
Cash and cash equivalents classified as current assets	\$10,750,991	\$21,878,481	\$29,009,481	\$10,740,598
Cash and cash equivalents classified as noncurrent assets	<u>2,838,970</u>	<u>16,711,391</u>	<u>18,918,828</u>	<u>5,230,828</u>
Cash and cash equivalents at the end of the year	<u>\$13,589,961</u>	<u>\$38,589,872</u>	<u>\$47,928,309</u>	<u>\$15,971,426</u>

(Continued)

Schedule 4

NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
	\$1,426,608	\$39,412,764	\$520,739			\$63,339,527
\$413,542	541,743	\$2,241,043	1,620,857	\$172,736	\$46,000	5,704,631
	(1,282,109)		(201,856)			(22,988,268)
<u>413,542</u>	<u>686,242</u>	<u>41,653,807</u>	<u>1,939,740</u>	<u>172,736</u>	<u>46,000</u>	<u>46,055,890</u>
(4,724,066)	1,374,804	(18,723,541)	(284,911)	(1,107,594)	281,834	(21,150,115)
<u>38,773,780</u>	<u>53,481,532</u>	<u>150,038,286</u>	<u>43,994,599</u>	<u>20,492,429</u>	<u>638,944</u>	<u>421,465,779</u>
<u>\$34,049,714</u>	<u>\$54,856,336</u>	<u>\$131,314,745</u>	<u>\$43,709,688</u>	<u>\$19,384,835</u>	<u>\$920,778</u>	<u>\$400,315,664</u>
(\$52,720,672)	(\$75,892,109)	(\$108,990,008)	(\$57,497,273)	(\$74,612,014)	(\$3,640,997)	(\$569,773,463)
4,766,372	7,370,622	12,490,886	6,884,061	13,954,553	3,583	71,237,166
		44,656				499,326
(1,153,499)	621,278	2,723,613	2,354,833	4,299,424		10,433,555
32,898	35,160	88,916	(14,746)	155,835		153,682
(42,296)	(59,562)	(248,395)	105,396	(126,804)		435,250
(113,176)	(9,436)		344,300	139,080		755,010
(22,439)	(184,457)		101,337		137,941	(1,654,250)
(151,929)	2,360,142	(701,806)	(1,223,184)	(2,610,445)	(139,283)	(1,706,271)
(34,234)	(146,813)	(1,460,368)	(751,351)	564,470		(4,338,397)
	(126,453)	3,558	(212,866)	4,923	846,983	657,102
130,737	(204,908)	131,867	(263,123)	(258,398)	13,579	250,755
3,525,667	6,591,697	7,494,899	3,554,550	5,466,550	82,508	38,530,133
(5,205)		(41,820)	(1,650,998)		(635,315)	(2,635,970)
<u>(\$45,787,776)</u>	<u>(\$59,644,839)</u>	<u>(\$88,464,002)</u>	<u>(\$48,269,064)</u>	<u>(\$53,022,826)</u>	<u>(\$3,331,001)</u>	<u>(\$457,156,372)</u>
\$31,169,481	\$32,237,645	\$57,886,059	\$28,386,316	\$16,628,774	\$920,778	\$239,608,604
<u>2,880,233</u>	<u>22,618,691</u>	<u>73,428,686</u>	<u>15,323,372</u>	<u>2,756,061</u>		<u>160,707,060</u>
<u>\$34,049,714</u>	<u>\$54,856,336</u>	<u>\$131,314,745</u>	<u>\$43,709,688</u>	<u>\$19,384,835</u>	<u>\$920,778</u>	<u>\$400,315,664</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by University, 2012**

	<u>GRAMBLING STATE UNIVERSITY</u>	<u>LOUISIANA TECH UNIVERSITY</u>	<u>MCNEESE STATE UNIVERSITY</u>	<u>NICHOLLS STATE UNIVERSITY</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Capital appropriations	\$212,079	\$12,831,092	\$4,307,080	\$421,993
Change in fair market value of assets	523,922	(568,234)	698,796	(612,071)
Private gifts for endowment purposes		200,000		
Capital gifts and grants			5,302,518	622,200
Capital assets acquired through capital leases		28,000		
Disposition of capital assets	(4,577,643)	(687,530)		(7,823)
Other	(27,818)			(1,228,116)

(Concluded)

Schedule 4

<u>NORTHWESTERN STATE UNIVERSITY</u>	<u>SOUTHEASTERN LOUISIANA UNIVERSITY</u>	<u>UNIVERSITY OF LOUISIANA AT LAFAYETTE</u>	<u>UNIVERSITY OF LOUISIANA AT MONROE</u>	<u>UNIVERSITY OF NEW ORLEANS</u>	<u>BOARD</u>	<u>TOTAL SYSTEM</u>
\$5,415,145	\$3,485,296 187,197	\$275,296 (993,858)	\$573,786	\$8,906,187 (351,380)		\$36,427,954 (1,115,628) 200,000
53,244	1,092,796	436,518	473,839 56,113 95,938	45,386 (133,440)		8,026,501 84,113 (5,406,436) (1,159,996)

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Exhibit A

The following pages contain a report on internal control over financial reporting and on compliance with laws, regulations, and other matters 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 significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

February 1, 2013

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards*

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the financial statements of the business-type activities and discretely presented component units of the University of Louisiana System, a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the System's basic financial statements and have issued our report thereon dated February 1, 2013. Our report was modified to include an emphasis of a matter paragraph regarding financial statement comparability. Our report also includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Black and Gold Facilities, Inc.; Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; Nicholls State University Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; and University of Louisiana at Monroe Facilities, Inc., which are nonprofit corporations included as blended component units in the basic financial statements of the University of Louisiana System. Other auditors also audited the financial statements of the University of Louisiana at Lafayette Foundation, Inc., University of New Orleans Foundation, and University of New Orleans Research and Technology Foundation, Inc., which are discretely presented component units in the basic financial statements of the University of Louisiana System as described in our report on the University of Louisiana System's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Black and Gold Facilities, Inc.; Nicholls State University Facilities Corporation; University Facilities, Inc.; and University of Louisiana at Monroe Facilities, Inc., which were audited by other auditors, were audited in accordance with auditing standards generally accepted in the United States of America but not in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of the University of Louisiana System is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the University of Louisiana System's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University of Louisiana System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University of Louisiana System's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University of Louisiana System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Other Reports

Other external auditors audited the Black and Gold Facilities, Inc.; Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; Nicholls State University Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; and University of Louisiana at Monroe Facilities, Inc., which are blended component units included in the University of Louisiana System's basic financial statements for the year ended June 30, 2012. In addition, other external auditors audited the University of Louisiana at Lafayette Foundation, Inc., University of New Orleans Foundation, and University of New Orleans Research and Technology Foundation, Inc., which are discretely presented component units included in the basic financial statements of the

University of Louisiana System. To obtain copies of those reports, refer to note 1-B to the basic financial statements for mailing addresses.

As a part of our audit of the University of Louisiana System's basic financial statements for the year ended June 30, 2012, we performed certain procedures on campuses within the University of Louisiana System. Our reports on those procedures for those campuses are listed as follows:

	<u>Issue Date</u>
Grambling State University	November 7, 2012
McNeese State University	December 19, 2012
Southeastern Louisiana University	January 16, 2013
University of Louisiana at Lafayette	January 9, 2013
University of Louisiana at Monroe	January 9, 2013
University of New Orleans	Pending

These reports contain compliance and internal control findings, where applicable, relating to those facilities. Management's responses are also included in those reports. Copies of those reports are available for public inspection at the Baton Rouge office of the Legislative Auditor, and those reports can also be found on the Internet at www.lla.la.gov.

This report is intended solely for the information and use of the University of Louisiana System, its management, others within the entity, the Board of Supervisors of the University of Louisiana System, the Louisiana Board of Regents for Higher Education, and the Louisiana Legislature 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,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

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UNIVERSITY OF NEW ORLEANS

Financial Report

As of and for the Year Ended June 30, 2012

**UNIVERSITY OF NEW ORLEANS
FINANCIAL STATEMENTS
JUNE 30, 2012**

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ASSETS		
	2012	2011
Current Assets		
Cash and cash equivalents	\$ 16,628,774	\$ 16,580,075
Investments	-	-
Derivative instrument	-	-
Deferred outflow of resources	-	-
Accounts receivable, net	9,703,850	14,586,279
Pledges receivable	-	-
Due from other campuses	-	-
Due from State Treasury	3,112,584	5,160,306
Due from Federal Government	4,314,660	3,884,809
Inventories	762,935	918,770
Deferred charges and prepaid expenses	565,512	438,708
Notes receivable	472,977	443,549
Other current assets	-	-
Total current assets	35,561,292	42,012,496
Noncurrent Assets		
Restricted assets:		
Cash and cash equivalents	2,756,061	3,912,354
Investments	17,579,499	17,626,873
Accounts receivable, net	-	-
Notes receivable	4,283,126	4,451,634
Other	-	-
Investments - unrestricted	22,496	18,327
Pledges receivable	-	-
Notes receivable, net	-	-
Capital assets, net	203,076,423	207,290,856
Other noncurrent assets	-	-
Total noncurrent assets	227,717,605	233,300,044
Total assets	263,278,897	275,312,540
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	6,965,824	9,366,706
Derivative instrument	-	-
Deferred inflow of resources	-	-
Due to other campuses	-	256,667
Due to State Treasury	-	-
Due to Federal Government	-	-
Deferred revenues	4,381,058	3,856,999
Amounts held in custody for others	354,193	349,270
Other liabilities	-	-
Current portion of Noncurrent Liabilities		
Compensated absences payable	754,651	775,728
Capital lease obligations	1,144,951	1,032,419
Claims and litigation payable	-	-
Notes payable	-	-
Pollution remediation obligation	-	-
Contracts payable	-	-
Reimbursement contracts payable	-	-
Bonds payable	1,820,000	1,755,000
Other current liabilities	-	-
Total current liabilities	15,420,677	17,392,789
Long-term Portion of Noncurrent Liabilities		
Compensated absences payable	6,219,625	6,456,946
Capital lease obligations	39,814,988	43,924,938
Claims and litigation payable	-	-
Notes payable	-	-
Pollution remediation obligation	-	-
Contracts payable	-	-
Reimbursement contracts payable	-	-
OPEB Payable	48,040,670	42,574,120
Bonds payable	19,295,000	21,115,000
Other noncurrent liabilities	98,403	33,546
Total noncurrent liabilities	113,468,686	114,104,550
Total liabilities	128,889,363	131,497,339
NET ASSETS		
Invested in capital assets, net of related debt	142,140,987	141,021,507
Restricted for:		
Nonexpendable	19,727,401	19,766,068
Expendable	19,280,903	19,051,784
Unrestricted	(46,759,757)	(36,024,158)
Total net assets	\$ 134,389,534	\$ 143,815,201



	2012	2011
OPERATING REVENUES		
Student tuition and fees	\$ 67,059,570	\$ 65,389,567
Less scholarship allowances	(11,188,978)	(10,648,931)
Net student tuition and fees	55,870,592	54,740,636
Gifts received by the foundations	-	-
Gifts received by the foundations	-	-
Federal appropriations	-	-
Federal grants and contracts	13,671,983	19,586,561
ARRA-Grants & contracts	-	511,699
State and local grants and contracts	11,151,698	11,674,460
Nongovernmental grants and contracts	6,527,686	17,153,367
Sales and services of educational departments	133,262	384,510
Hospital income	-	-
Auxiliary enterprise revenues, including revenues pledged		
as security for bond issues	12,981,326	12,987,241
Less scholarship allowances	(465,546)	(530,778)
Net auxiliary revenues	12,515,780	12,456,463
Other operating revenues	5,571,256	5,028,525
Total operating revenues	<u>105,442,257</u>	<u>121,536,221</u>
OPERATING EXPENSES		
Educational and general		
Instruction	53,441,087	68,705,703
Research	21,937,650	26,857,778
Public service	9,961,075	9,498,371
Academic support	11,621,983	12,346,822
Student services	7,790,610	11,276,549
Institutional support	19,350,940	19,697,459
Operation and maintenance of plant	17,902,273	36,154,279
Depreciation	13,954,553	-
Scholarships and fellowships	11,637,562	12,362,312
Auxiliary enterprises	12,456,538	9,872,807
Hospital	-	-
Other operating expenses	-	-
Total operating expenses	<u>180,054,271</u>	<u>206,772,080</u>
Operating income (loss)	<u>(74,612,014)</u>	<u>(85,235,859)</u>
NONOPERATING REVENUES AND (EXPENSES)		
State appropriations	44,334,821	48,744,766
Gifts	484,715	602,924
Federal nonoperating revenues (expenses)	11,091,081	11,592,208
ARRA revenues	294,516	17,000,729
Net investment income (loss)	308,644	2,438,185
Interest expenses	(1,041,010)	(1,108,240)
Payments to or on behalf of the univeristy		
Other nonoperating revenues	(41,209)	78,375
Net nonoperating revenues (expenses)	<u>55,431,558</u>	<u>79,348,947</u>
Income before other revenues, expenses, gains, and losses	<u>(19,180,456)</u>	<u>(5,886,912)</u>
Capital appropriations	8,906,187	11,291,611
Capital gifts and grants	487,875	2,597,718
Additions to permanent endowments	-	40,000
Other additions, net	(133,440)	-
Transfer to/from other system institutions	-	(873,341)
Increase (decrease) in net assets	<u>(9,919,834)</u>	<u>7,169,076</u>
Net assets at beginning of year, restated	144,309,368	136,646,125
Net assets at end of year	<u><u>134,389,534</u></u>	<u><u>143,815,201</u></u>



JUNE 30, 2012

	2012	2011
Cash flows from operating activities		
Student tuition and fees	\$ 56,596,739	\$ 54,853,675
Federal appropriations	-	-
Grants and contracts	34,815,727	55,593,594
ARRA-Grants and contracts	-	511,699
Sales and services of educational departments	507,967	122,100
Hospital income	-	-
Auxiliary enterprise receipts	12,809,133	13,057,962
Payments for employee compensation	(75,696,029)	(87,266,695)
Payments for benefits	(25,656,722)	(26,205,109)
Payments for utilities	(5,747,416)	(6,270,446)
Payments for supplies and services	(44,708,063)	(50,934,153)
Payments for scholarships and fellowships	(11,659,422)	(12,335,284)
Loans to students	(375,473)	(272,732)
Collection of loans to students	514,554	588,827
Other receipts (disbursements)	5,576,179	5,016,229
Net cash provided (used) by operating activities	<u>(53,022,826)</u>	<u>(53,540,333)</u>
Cash flows from non-capital financing activities		
State appropriations	46,382,543	43,687,272
Transfer to/from other system institutions	-	(873,341)
ARRA Receipts	294,516	17,000,729
Gifts and grants for other than capital purposes	435,717	651,166
Private gifts for endowment purposes	-	40,000
TOPS receipts	7,005,362	8,253,713
TOPS disbursements	(6,980,138)	(8,285,142)
FEMA receipts	615,030	757,495
FEMA disbursements	(656,239)	(679,120)
Direct lending receipts	34,137,680	-
Direct lending disbursements	(33,822,049)	-
Federal Family Education Loan Program receipts	-	-
Federal Family Education Loan Program disbursements	-	-
Other receipts (disbursements)	11,091,081	11,592,208
Net cash provided by noncapital financing sources	<u>58,503,503</u>	<u>72,144,980</u>
Cash flows from capital financing activities		
Proceeds from capital debt	-	-
Capital appropriations received	-	11,291,611
Capital grants and gifts received	442,489	3,894
Proceeds from sale of capital assets	-	-
Purchase of capital assets	(3,439,924)	(10,694,688)
Principal paid on capital debt and leases	(2,787,419)	(2,607,694)
Interest paid on capital debt and leases	(1,041,010)	(1,108,237)
Deposit with trustees	-	-
Other sources	64,857	(181,545)
Net cash used by capital financing activities	<u>(6,761,007)</u>	<u>(3,296,659)</u>

Cash flows from investing activities

Proceeds from sales and maturities of investments	-	-
Interest received on investments	172,736	204,460
Purchase of investments	-	-
Net cash provided (used) by investing activities	172,736	204,460
Net increase (decrease) in cash and cash equivalents	(1,107,594)	15,512,448
Cash and cash equivalents at beginning of the year	20,492,429	4,979,981
Cash and cash equivalents at the end of the year	19,384,835	20,492,429

Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (used) by Operating Activities

Operating income (loss)	\$ (74,612,014)	\$ (85,235,859)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	13,954,553	15,392,368
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net	4,299,424	7,618,961
(Increase) decrease in inventories	155,835	147,412
(Increase) decrease in deferred charges & prepaid expenses	(126,804)	112,903
(Increase) decrease in notes receivable	139,080	316,096
(Increase) decrease in other assets	-	-
Increase (decrease) in accounts payable & accrued liabilities	(2,610,445)	716,492
Increase (decrease) in deferred revenues	564,470	10,915
Increase (decrease) in amounts held in custody for others	4,923	(12,297)
Increase (decrease) in compensated absences	(258,398)	(547,879)
Increase (decrease) in OPEB payable	5,466,550	7,940,555
Increase (decrease) in other liabilities	-	-
Net cash provided (used) by operating activities:	<u>\$ (53,022,826)</u>	<u>\$ (53,540,333)</u>

Noncash Investing, Noncapital Financing, and Capital & Related Financing Transactions

Capital appropriations	8,906,187	-
Increase/Decrease in fair market value of assets	(351,380)	
Private gifts for endowment purposes	-	
Capital gifts and grants	45,386	
Capital assets acquired through capital leases	-	
Disposition of capital assets	133,440	-
Other	-	
Net cash provided (used) by noncash investing	<u>\$ 8,733,633</u>	<u>\$ -</u>

Reconciliation of Cash & Cash Equivalents to the SNA

Cash and cash equivalents classified as current assets	\$ 16,628,774	\$ 16,580,075
Cash and cash equivalents classified as noncurrent assets	2,756,061	3,912,354
	<u>\$ 19,384,835</u>	<u>\$ 20,492,429</u>



	Total	Unrestricted	Auxiliary	Restricted
Educational and General:				
Student tuition and fees -				
University	44,996,440	38,676,426	2,154,271	4,165,743
Nonresident	9,077,641	9,077,641		-
Other	14,930,901	9,602,364		5,328,537
Total student tuition and fees	69,004,982	57,356,431	2,154,271	9,494,280
Governmental appropriations - state government				
General	41,875,268	41,875,268		-
Dedicated	2,459,553	2,459,553		-
Total governmental appropriations	44,334,821	44,334,821	-	-
Government grants and contracts -				
Federal	24,888,477	-		24,888,477
State	11,747,130	-		11,747,130
Local	462,087	-		462,087
Total government grants and contracts	37,097,694	-	-	37,097,694
Private grants and contracts	6,736,982	-	-	6,736,982
Gifts	484,715	-	-	484,715
Sales and services of educational departments -				
Business administration -				
Hotel, restaurant, and tourism	3,032	3,032		-
Educational support services	6,000	6,000		-
Testing services	109,757	109,757		-
Testing resource assistive technology center	19,483	19,483		-
Liberal arts -				
Film, theater, and communications	11,725	11,725		-
Library	16,093	16,093		-
Total sales and services of educational departments	166,090	166,090		-
Investment income	47,790	43,679		4,111
Endowment Income	233,971	-		233,971
Sales and service of auxiliary enterprises	11,636,595	-	11,636,595	-
Other sources -				
Check cashing and returned check charges	4,850	4,850		-
EMBA-administrative costs recovered	958,712	958,712		-
Lakefront arena - building rentals	586,454	586,454		-
Lakefront arena - concessions	1,437,303	1,437,303		-
Lakefront arena - other	924,850	924,850		-
Lease rentals - miscellaneous	3,951	3,951		-
Lindy Boggs conference center	610,428	610,428		-
Miscellaneous	249,934	249,934		-
Garnishment processing fee	2,147	2,147		-
Parking fines	243,535	243,535		-
Printing replacement IDs	11,205	11,205		-
Recovery of indirect costs	3,409,291	-		3,409,291
Recreation and intramural sports	25,196	25,196		-
Rentals - General Facilities	132,072	132,072		-
Rentals - post office boxes	11,327	11,327		-
Rental - U.S. Post Office	2,700	2,700		-
Rooftop leases	77,836	77,836		-
Student orientation program	120,890	120,890		-
Student printing services (goprint)	33,172	33,172		-
Veterans Administration-administrative allowance	2,513	2,513		-
Total other sources	8,848,366	5,439,075		3,409,291
Total revenues	\$ 178,592,006	\$ 107,340,096	\$ 13,790,866	\$ 57,461,044



Analysis C-2A

Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2012

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Education and General:							
Instruction--							
Business administration--							
Accounting	\$ 1,845,255	\$ 1,266,872	\$ 18,000	\$ 532,642	\$ -	\$ 27,741	\$ -
Economics and finance	2,185,289	1,425,733	92,800	598,650	-	68,106	-
Executive mba program	2,041,528	758,026	103,046	232,339	107,452	840,665	-
Hotel, restaurant and tourism	889,843	611,247	9,400	257,516	-	11,680	-
HRT food laboratory	13,555	-	2,136	-	-	11,419	-
Interdisciplinary	1,414	-	-	-	-	1,414	-
Management	2,032,396	1,401,401	19,745	588,916	-	22,334	-
Marketing	874,281	599,508	12,000	252,596	-	10,177	-
Total business administration	9,883,561	6,062,787	257,127	2,462,659	107,452	993,536	-
Education-							
Curriculum and instruction	846,203	574,304	16,954	241,139	-	13,806	-
Education leadership and foundations	1,229,889	856,287	8,000	355,768	-	9,834	-
Interdisciplinary	32,042	18,850	-	7,908	-	5,284	-
Special education and habilitative services	944,097	637,609	17,500	266,312	-	22,676	-
Student teaching office	27,667	3,463	-	1,449	6,114	16,641	-
Total education	3,079,898	2,090,513	42,454	872,576	6,114	68,241	-
Engineering-							
Civil and environmental	795,332	531,326	17,803	223,092	13,286	9,825	-
Electrical	606,783	408,353	14,457	171,474	-	12,499	-
Interdisciplinary	207,932	115,988	-	48,702	-	23,287	19,955
Mechanical	782,279	544,632	8,312	223,366	-	5,969	-
Naval architecture and marine	503,137	344,415	62	144,617	-	4,893	9,150
Total engineering	2,895,463	1,944,714	40,634	811,251	13,286	56,473	29,105
General instruction-							
Academic extension	11,859	3,500	-	1,468	1,896	4,995	-
Board of regents info tech initiative	868,396	624,745	-	243,651	-	-	-
Developmental education	194,377	124,702	13,590	52,362	1,792	1,931	-
Continuing education	555,659	256,127	107,006	98,223	9,864	80,837	3,602
Credit programs	440,425	242,594	48,333	101,886	2,184	41,052	4,376
Graduate enhancement program	205,549	-	146,637	-	12,202	46,710	-
Graduate enhancement academic excellence	264,165	-	204,000	-	-	60,165	-
Interdisciplinary	502,411	334,753	26,505	140,565	-	588	-
TRAC non-credit	416,503	255,708	7,955	99,311	15,754	34,690	3,085
Retention/quality education program	30,714	7,900	12,755	3,308	-	6,751	-
Serephia leyda teaching fellowship	11,111	-	-	-	7,461	1,396	2,254
Total general instruction	3,501,169	1,850,029	566,781	740,774	51,153	279,115	13,317



Analysis C-2A

Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2012

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Liberal arts-							
Anthropology	382,005	256,901	12,000	107,876	2,200	3,028	-
Arts administration	219,774	112,595	18,706	47,272	5,713	35,488	-
Drama and communications	1,906,730	1,021,909	89,975	424,808	6,424	360,536	3,078
English	3,619,940	2,298,091	190,211	958,553	8,269	164,816	-
Fine arts	809,305	487,300	44,168	204,594	3,037	70,206	-
Foreign languages	1,063,724	699,708	28,380	290,467	600	43,420	1,149
Geography	306,942	210,108	-	88,222	2,287	6,325	-
History	862,672	538,149	46,256	225,950	9,051	43,266	-
Interdisciplinary	286,792	138,495	29,700	58,156	4,174	56,267	-
Planning and urban studies	764,506	517,019	14,160	217,082	-	16,245	-
Music	1,136,617	732,678	22,605	307,635	-	72,629	1,070
Philosophy	284,288	197,038	-	82,722	1,541	2,987	-
Political science	1,277,909	805,598	102,250	338,249	7,956	23,856	-
Sociology	841,825	531,660	34,152	218,653	14,217	43,143	-
Transportation studies program	243,979	143,761	16,185	46,268	5,882	28,203	3,680
Total liberal arts	14,007,008	8,691,010	648,748	3,616,507	71,351	970,415	8,977
Sciences-							
Biological science	1,917,427	1,149,475	174,400	481,222	4,012	106,065	2,253
Chemistry	1,665,888	810,928	178,436	335,607	13,175	241,597	86,145
Computer science	815,396	476,552	68,150	194,865	11,399	56,649	7,781
Developmental math	297,014	209,183	-	87,831	-	-	-
Geology and geophysics	692,836	330,741	98,000	138,882	1,349	73,135	50,729
Interdisciplinary	51,237	-	-	-	-	24,900	26,337
Master of arts-science teaching	12,777	8,999	-	3,778	-	-	-
Mathematics	1,525,462	874,391	172,833	362,992	1,056	112,894	1,296
Physics	829,422	475,510	98,266	197,547	-	58,099	-
Psychology	1,358,791	788,474	163,232	326,172	5,879	75,034	-
Total sciences	9,166,250	5,124,253	953,317	2,128,896	36,870	748,373	174,541
Spring intersession	82,790	54,789	5,000	23,001	-	-	-
Summer session	2,316,595	1,540,983	121,984	647,877	-	5,751	-
Honors program	12,779	9,001	-	3,778	-	-	-
Total instruction	44,945,513	27,368,079	2,636,045	11,307,319	286,226	3,121,904	225,940
Research--							
Office of academic affairs	170,992	86,867	17,500	65,211	-	1,414	-
Board of regents info tech initiative	701,646	504,782	-	196,864	-	-	-
Business administration-							



Analysis C-2A

Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2012

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Division of business and economic research	285,520	184,584	11,122	74,697	-	15,117	-
Economic development center	62,469	46,688	-	15,781	-	-	-
Marketing	17,165	12,829	-	4,336	-	-	-
Real estate market data center	11,307	7,960	-	3,347	-	-	-
Total business administration	376,461	252,061	11,122	98,161	-	15,117	-
Education	4,242	-	-	-	-	4,242	-
Engineering-							
Civil and environmental	111,562	111,562	-	-	-	-	-
Electrical	278,047	184,981	-	73,880	-	19,186	-
Interdisciplinary	86,624	29,892	-	53,805	-	2,927	-
Mechanical	254,220	169,115	-	82,178	-	2,927	-
National center for advanced manufacturing	16,490	16,490	-	-	-	-	-
Naval architecture and marine	29,288	19,633	-	8,241	-	1,414	-
Total engineering	776,231	531,673	-	218,104	-	26,454	-
Liberal arts-							
Center for urban and public affairs	91,179	68,019	-	21,845	-	1,315	-
English	14,374	4,377	-	9,997	-	-	-
Fine arts	23,319	17,428	-	5,891	-	-	-
Foreign languages	8,030	6,001	-	2,029	-	-	-
Interdisciplinary	136,761	82,218	9,870	34,530	-	10,143	-
Louisiana poll	40,045	5,773	18,000	2,427	-	13,845	-
Planning and urban studies	181,589	125,064	-	52,283	-	4,242	-
Political science	1,315	-	-	-	-	1,315	-
Sociology	5,755	-	-	-	-	5,755	-
Total liberal arts	502,367	308,880	27,870	129,002	-	36,615	-
Sciences-							
Biological science	221,706	36,419	115,893	14,203	-	55,191	-
Chemistry	591,778	364,511	67,364	128,795	-	31,108	-
Computer science	130,918	87,456	-	36,722	-	6,740	-
Geology and geophysics	267,640	67,355	28,000	28,286	-	17,524	126,475
Interdisciplinary	161,356	99,679	-	745	2,567	44,494	13,871
Mathematics	5,238	-	-	-	-	5,238	-
Physics	22,137	15,488	-	5,235	-	1,414	-
Psychology	8,484	-	-	-	-	8,484	-
Total sciences	1,409,257	670,908	211,257	213,986	2,567	170,193	140,346
Research and sponsored programs	35,828	-	-	-	-	35,828	-
Total research	3,977,024	2,355,171	267,749	921,328	2,567	289,863	140,346



Analysis C-2A

Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2012

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Public service--							
Community service-							
Lindy Boggs conference center	377,646	69,278	44,356	28,994	-	235,018	-
Hotel, restaurant and tourism	1,570	-	-	-	-	1,570	-
Lakefront arena	2,848,385	736,698	511,484	309,610	-	1,277,677	12,916
Ogden museum of southern art	131,786	45,000	1,224	18,889	1,326	62,363	2,984
National WWII museum	142,259	21,000	11,621	8,190	-	101,448	-
Total community service	3,501,646	871,976	568,685	365,683	1,326	1,678,076	15,900
Miscellaneous	3,762	-	-	-	-	3,762	-
Total public service	3,505,408	871,976	568,685	365,683	1,326	1,681,838	15,900
Academic support--							
Academic administration-							
Business administration	1,074,579	697,333	12,613	292,347	22,395	22,628	27,263
Developmental math	81,496	56,436	-	23,705	-	1,355	-
Education	855,040	561,583	12,676	235,796	11,244	33,741	-
Engineering	278,973	169,969	6,770	67,337	3,504	31,393	-
General academic	230,722	137,312	6,499	49,308	6,133	25,712	5,758
Graduate school	519,071	209,275	175,703	87,166	12,884	34,043	-
Institutional accreditation	56,047	-	-	-	-	56,047	-
Liberal arts	1,111,627	605,524	96,953	254,626	46,903	107,621	-
Sciences	580,559	336,694	88,934	133,518	1,345	20,068	-
Total academic administration	4,788,114	2,774,126	400,148	1,143,803	104,408	332,608	33,021
Board of regents info tech initiative	74,181	54,100	-	20,081	-	-	-
University computing and communications	1,837,260	980,533	108,879	408,169	7,993	306,228	25,458
Diversity programs	55,481	12,001	9,357	5,031	-	29,092	-
Educational support services-							
Interdisciplinary	125,205	49,102	42,766	20,612	-	8,456	4,269
Learning resource center	147,988	79,578	33,089	33,414	-	1,907	-
Testing services	146,004	57,553	24,672	24,174	-	39,605	-
Total educational support services	419,197	186,233	100,527	78,200	-	49,968	4,269
Library-							
Administration	2,152,615	1,323,729	99,628	547,776	2,771	150,926	27,785
Bookbinding	4,813	-	-	-	-	4,813	-
Books	1,512,961	-	-	-	-	4,187	1,508,774
Total library	3,670,389	1,323,729	99,628	547,776	2,771	159,926	1,536,559



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Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2012

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Research and technology park	1,235	1,235	-	-	-	-	-
Honors program	111,809	73,063	5,634	30,673	101	2,338	-
Total academic support	10,957,666	5,405,020	724,173	2,233,733	115,273	880,160	1,599,307
Student services--							
Career placement and cooperative education	33,663	7,500	10,182	3,152	-	12,829	-
Enrollment management-							
Office of enrollment management	293,538	58,010	9,850	24,351	7,444	186,018	7,865
Recruiting and school relations	197,498	48,000	59,683	20,162	6,711	62,942	-
Student financial aid	1,026,041	707,362	3,927	296,495	356	17,901	-
Total enrollment management	1,517,077	813,372	73,460	341,008	14,511	266,861	7,865
Social and cultural development-							
Health services	398,105	209,409	54,000	68,824	3,664	62,208	-
International students and scholars	213,083	126,643	19,076	52,421	3,550	11,393	-
Recreation and intramural sports	484,361	174,782	132,385	72,075	17,509	87,610	-
Student life-campus activities	214,305	65,353	35,399	26,308	14,513	72,732	-
Women's center	29,848	6,945	16,722	2,917	-	3,264	-
Total social and cultural development	1,339,702	583,132	257,582	222,545	39,236	237,207	-
Student admissions and records-							
Admissions	1,547,594	721,961	151,493	300,371	62,978	306,584	4,207
Division of academic services	929	-	-	-	404	525	-
Registrar	594,184	381,800	2,179	156,773	3,598	49,834	-
Total admissions and records	2,142,707	1,103,761	153,672	457,144	66,980	356,943	4,207
Total student services	5,033,149	2,507,765	494,896	1,023,849	120,727	873,840	12,072
Institutional support--							
Executive management-							
Office of the president	459,070	304,080	1,490	127,685	6,203	19,612	-
Provost and vice president-academic affairs	892,113	590,284	22,969	247,521	5,571	24,619	1,149
Vice president-business affairs	848,225	590,654	-	248,010	-	9,561	-
Vice president-university relations	328,253	228,467	-	95,916	506	1,281	2,083
Vice president-governmentalaffairs, alumni and development	206,080	138,000	-	57,941	-	10,139	-
Total executive management	2,733,741	1,851,485	24,459	777,073	12,280	65,212	3,232
Fiscal operations-							
Accounting services	1,917,665	1,261,489	47,380	529,042	6,118	73,636	-
Total fiscal operations	1,917,665	1,261,489	47,380	529,042	6,118	73,636	-
General administrative-							



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Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2012

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Allocation from system	286,511	-	-	-	-	286,511	-
Bad debt expense	885,743	-	-	-	-	885,743	-
Banking services	28,169	-	-	-	-	28,169	-
Banking card services	357,680	-	-	-	-	357,680	-
Board of regents info tech initiative	54,165	38,968	-	15,197	-	-	-
Bond insurance	1,727	-	-	-	-	1,727	-
Casualty insurance	210,261	-	-	-	-	210,261	-
Collection services	58,759	-	-	-	-	58,759	-
Commencements	51,088	-	-	-	139	50,949	-
Environmental health and safety	223,569	137,716	6,787	57,823	101	21,142	-
Equal employment opportunity office	120	-	-	-	-	120	-
External audit expense	148,235	-	-	-	-	148,235	-
Homer L. Hitt alumni and visitor center	80,001	-	-	-	-	80,001	-
Human resource management	602,754	408,485	10,219	158,085	297	25,668	-
Institutional research	218,513	146,900	8,511	61,680	234	1,188	-
Internal auditing	95,736	55,706	4,152	23,294	531	8,491	3,562
Legal services	21,584	-	-	-	-	21,584	-
Legal settlements	78,000	-	-	-	-	78,000	-
Management board-state civil service	34,397	-	-	-	-	34,397	-
Membership in organizations	28,250	-	-	-	-	28,250	-
Miscellaneous expense	21,471	-	-	-	-	21,471	-
Event coordination	133,370	85,223	9,268	35,782	-	3,097	-
NCAA compliance	63,889	45,000	-	18,889	-	-	-
Office of general council	255,104	172,046	-	72,230	3,038	7,790	-
Office supplies	75,824	44,000	9,843	18,478	-	3,503	-
Official allowances-presidentail functions	18,251	191	-	78	-	17,982	-
Official allowances-president's housing	14,486	-	-	-	-	14,486	-
Official allowances-president's vehicle	3,300	-	-	-	-	3,300	-
Radiological assessment	13,741	4,601	-	1,938	-	7,202	-
Staff council	995	-	-	-	-	995	-
Thesis binding	2,275	-	-	-	-	2,275	-
System transition	51,095	-	-	-	3,218	47,877	-
Workmen's compensation insurance	402,387	-	-	-	-	402,387	-
Total general administrative	<u>4,521,450</u>	<u>1,138,836</u>	<u>48,780</u>	<u>463,474</u>	<u>7,558</u>	<u>2,859,240</u>	<u>3,562</u>
Logistical services-							
Campus mail services	196,471	-	-	-	-	196,471	-
Motor pool	43,280	-	-	-	-	43,280	-
Network installations	13,551	-	-	-	-	13,551	-
Purchasing office	631,840	428,375	17,025	172,903	-	10,452	3,085
Telephone service	938,617	227,573	15,822	95,563	-	599,659	-
University police	1,344,065	886,855	88	372,270	101	84,751	-
Total logistical services	<u>3,167,824</u>	<u>1,542,803</u>	<u>32,935</u>	<u>640,736</u>	<u>101</u>	<u>948,164</u>	<u>3,085</u>



Analysis C-2A

Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2012

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Administrative computing support-							
Computer service system development	347,679	200,991	-	84,386	-	62,302	-
University computing and communications	2,280,774	1,061,527	-	445,713	4,112	589,179	180,243
Total administrative computing support	2,628,453	1,262,518	-	530,099	4,112	651,481	180,243
Community relations-							
Alumni affairs	255,719	166,390	2,171	68,452	-	18,706	-
General publications	40,474	-	-	-	-	40,474	-
Marketing and communications	147,791	79,359	-	33,316	-	35,103	13
University advancement	1,050,931	448,160	21,326	188,171	11,643	377,890	3,741
Total community relations	1,494,915	693,909	23,497	289,939	11,643	472,173	3,754
Total institutional support	16,464,048	7,751,040	177,051	3,230,363	41,812	5,069,906	193,876
Operation and Maintenance of Plant--							
General Operations-							
Administration	1,239,045	862,112	-	361,035	750	15,148	-
Alterations and repairs	234,213	120,934	-	50,777	-	62,502	-
Board of regents info tech initiative	7,820	-	-	-	-	7,820	-
Network installations	2,283,013	1,051,980	-	441,720	-	786,201	3,112
Energy conservation agreement	1,170,309	-	-	-	-	1,170,309	-
Grounds maintenance	830,819	257,611	-	108,109	-	465,099	-
Janitorial services	1,641,311	920,310	-	386,442	-	334,559	-
Miscellaneous	3,391	-	-	-	-	3,391	-
Property insurance	4,524,290	-	-	-	-	4,524,290	-
Total general operations	11,934,211	3,212,947	-	1,348,083	750	7,369,319	3,112
Utilities-							
East campus tennis courts	2,371	-	-	-	-	2,371	-
Main campus	4,172,821	-	-	-	-	4,172,821	-
Utilities maintenance	1,748,511	946,831	-	397,559	-	400,503	3,618
Total utilities	5,923,703	946,831	-	397,559	-	4,575,695	3,618
Total operation and maintenance of plant	17,857,914	4,159,778	-	1,745,642	750	11,945,014	6,730
Scholarships and fellowships	9,669,052	-	-	-	-	9,669,052	-
Total educational and general	112,409,774	50,418,829	4,868,599	20,827,917	568,681	33,531,577	2,194,171
Total expenditures and transfers	\$ 112,409,774	\$ 50,418,829	\$ 4,868,599	\$ 20,827,917	\$ 568,681	\$ 33,531,577	\$ 2,194,171

	SOURCE					OBJECT		
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
Education and General:								
Instruction--								
Business administration--								
Accounting	\$ -	\$ -	\$ 29,995	\$ 19,996.00	\$ 49,991	\$ 39,675	\$ 10,316	\$ -
Economics and finance	-	-	29,764	19,842	49,606	29,994	19,612	-
Hotel, restaurant and tourism	-	1,060	-	4,102	5,162	913	4,102	147
Interdisciplinary	-	8,919	108,245	-	117,164	105,241	10,689	1,234
Management	-	1,422	1,012	675	3,109	1,226	1,686	197
Total business administration	-	11,401	169,016	44,615	225,032	177,049	46,405	1,578
Education and human development								
Charter schools	-	-	113,375	-	113,375	103,730	43	9,602
Curriculum and instruction	81,891	3,268	9,183	-	94,342	70,386	17,149	6,807
Education leadership and foundations	-	-	-	10,000	10,000	10,000	-	-
Interdisciplinary	-	-	15,138	-	15,138	9,000	5,238	900
Special education and habilitative services	118,353	282,671	-	-	401,024	131,300	261,991	7,733
Total education and human development	200,244	285,939	137,696	10,000	633,879	324,416	284,421	25,042
Engineering--								
Civil and environmental								
Civil and environmental	-	-	33,321	22,099	55,420	49,998	5,422	-
Electrical	-	5,890	39,727	26,484	72,101	43,267	28,019	815
Interdisciplinary	-	-	59,945	39,963	99,908	99,908	-	-
Mechanical	-	1,386	17,041	2,000	20,427	14,904	5,331	192
Total engineering	-	7,276	150,034	90,546	247,856	208,077	38,772	1,007
General instruction--								
Interdisciplinary								
Interdisciplinary	-	-	46,501	23,125	69,626	50,000	19,626	-
International Studies	-	-	942	1,818,061	1,819,003	458,545	1,360,458	-
Office of retention/upward bound	-	1,780,094	-	-	1,780,094	927,484	713,625	138,985
Office of research and sponsored programs	391,060	-	-	4,422	395,482	187,880	153,072	54,530
Student technology initiative	-	-	-	1,174,424	1,174,424	685,230	489,194	-
Total general instruction	391,060	1,780,094	47,443	3,020,032	5,238,629	2,309,139	2,735,975	193,515
Liberal arts--								
English								
English	-	6,033	31,691	-	37,724	11,623	25,266	835
Fine arts	-	10,869	-	-	10,869	9,365	-	1,504
Foreign languages	-	7,877	4,467	725	13,069	7,112	4,867	1,090
Geography	-	-	2,379	-	2,379	-	2,379	-
History	-	3,836	22,284	14,773	40,893	24,079	16,283	531
Interdisciplinary	-	-	43,213	28,809	72,022	32,000	40,022	-
Music	-	9,295	49,958	27,961	87,214	20,728	65,200	1,286
Planning and urban studies	-	5,756	-	-	5,756	4,960	-	796
Political science	-	10,433	7,207	-	17,640	15,769	428	1,443
Sociology	-	6,549	-	-	6,549	5,643	-	906
School of urban and regional studies	-	-	21,179	12,626	33,805	31,816	1,989	-
Transportation studies program	-	2,462	-	-	2,462	2,121	-	341

	SOURCE					OBJECT		
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
UNO studio center	-	10,297	4,114	-	14,411	8,872	4,114	1,425
Total liberal arts	-	73,407	186,492	84,894	344,793	174,088	160,548	10,157
Sciences-								
Biological science	-	-	-	5,205	5,205	-	5,205	-
Chemistry	-	20,578	-	-	20,578	17,656	87	2,835
Geology and geophysics	-	1,847	-	9,610	11,457	1,592	9,609	256
Mathematics	-	390	-	-	390	336	-	54
Physics	-	643	-	-	643	554	-	89
Psychology	-	6,870	-	-	6,870	5,919	-	951
Total sciences	-	30,328	-	14,815	45,143	26,057	14,901	4,185
Total instruction	591,304	2,188,445	690,681	3,264,902	6,735,332	3,218,826	3,281,022	235,484
Research--								
Business administration-								
Accounting	-	-	3,002	2,001	5,003	3,971	1,032	-
Division of business and economic research	22,245	-	136,536	-	158,781	71,103	66,072	21,606
Economics and finance	13,487	95,487	-	-	108,974	62,183	28,093	18,698
Economic development center	-	112,818	-	-	112,818	67,760	26,255	18,803
Management	-	55,690	29,995	19,996	105,681	91,613	14,068	-
Marketing	49,985	-	-	6,600	56,585	3,485	53,100	-
Real estate market data center	-	-	8,298	-	8,298	199	8,099	-
Total business administration	85,717	263,995	177,831	28,597	556,140	300,314	196,719	59,107
Education and human development-								
Curriculum and instruction	117,069	-	-	-	117,069	23,336	83,664	10,069
Education leadership and foundations	-	-	-	4,670	4,670	3,400	1,270	-
Interdisciplinary	17,355	141,068	943	9,978	169,344	17,174	139,300	12,870
Special education and habilitative services	6,677	846,377	-	-	853,054	273,293	547,134	32,627
Total education and human development	141,101	987,445	943	14,648	1,144,137	317,203	771,368	55,566
Engineering-								
Civil and environmental	369,367	-	83,495	5,894	458,756	304,997	74,812	78,947
Electrical	83,847	254,475	186,625	29,444	554,391	293,990	127,001	133,400
Interdisciplinary	-	-	668,189	34,927	703,116	495,350	169,279	38,487
Mechanical	192,147	-	22,490	20,599	235,236	123,956	57,457	53,823
National center for advance manufacturing	-	362,774	59,995	-	422,769	117,133	255,666	49,970
Naval architecture and marine	-	2,541,857	518,842	911	3,061,610	743,445	1,977,005	341,160
Total engineering	645,361	3,159,106	1,539,636	91,775	5,435,878	2,078,871	2,661,220	695,787
General research-								
Interdisciplinary	164,836	-	-	100,714	265,550	194,011	71,539	-
Office of research indirect support	198,840	1,708,779	-	535,220	2,442,839	574,664	1,652,874	215,301
Library	-	-	-	15,426	15,426	-	15,426	-
Total general research	363,676	1,708,779	-	651,360	2,723,815	768,675	1,739,839	215,301

	SOURCE					OBJECT		
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
Liberal arts-								
Anthropology	82,262	-	-	-	82,262	59,915	22,347	-
Center for urban and public affairs	329,551	-	18,514	-	348,065	268,069	72,595	7,401
Film, theater, and communications arts	120,340	-	-	2,939	123,279	2,640	120,639	-
English	-	25,199	-	14,323	39,522	32,250	7,272	-
Fine arts	66,489	-	-	11,215	77,704	7,400	70,304	-
Foreign languages	-	-	16,054	6,190	22,244	16,309	5,935	-
History	-	-	-	28,388	28,388	18,263	10,125	-
Interdisciplinary	22,815	-	-	-	22,815	-	22,815	-
Planning and urban studies	212,829	51,670	108,720	6,494	379,713	138,330	153,297	88,086
Music	-	-	-	4,175	4,175	2,250	1,925	-
Political science	-	-	29,856	14,466	44,322	27,729	16,593	-
Sociology	536,361	12,728	227,576	46,600	823,265	442,128	275,728	105,409
School of urban and regional studies	30,449	-	39,397	1,945	71,791	17,341	46,216	8,234
Transportation studies program	40,332	-	82,419	-	122,751	59,815	42,918	20,018
Total liberal arts	1,441,428	89,597	522,536	136,735	2,190,296	1,092,439	868,709	229,148
Sciences-								
Biological science	448,278	228,551	130,154	37,799	844,782	313,683	406,508	124,591
Chemistry	1,531,104	2,072,029	280,152	244,304	4,127,589	1,514,992	1,990,860	621,737
Computer science	2,471	501,418	104,243	15,201	623,333	297,675	212,089	113,569
Geology and geophysics	428,962	767,549	713,066	33,484	1,943,061	831,025	748,864	363,172
Interdisciplinary	-	1,607	-	63,474	65,081	35,703	29,378	-
Mathematics	1,835	-	-	3,285	5,120	800	4,320	-
Physics	132,973	281,820	3,942	13,560	432,295	210,893	152,123	69,279
Psychology	12,804	476,869	280,158	26,834	796,665	418,766	219,152	158,747
Total sciences	2,558,427	4,329,843	1,511,715	437,941	8,837,926	3,623,537	3,763,294	1,451,095
Total research	5,235,710	10,538,765	3,752,661	1,361,056	20,888,192	8,181,039	10,001,149	2,706,004
Public service--								
Community service-								
Education and human development-								
Special education and habilitative services	506,459	-	-	-	506,459	199,549	306,910	-
Total education and human development	506,459	-	-	-	506,459	199,549	306,910	-
General public service-								
FEMA katrina support	664,001	-	-	-	664,001	-	663,832	169
Lakefront arena	-	-	-	50,270	50,270	-	50,270	-
Conferences and institutions	-	38,732	-	-	38,732	13,722	19,104	5,906
Credit programs	51,129	-	-	-	51,129	15,937	35,192	-
Research park	-	-	16,590	-	16,590	-	16,590	-
Office of research indirect support	4,231,137	-	-	-	4,231,137	2,812,616	1,035,566	382,955
Office of retention/upward bound	-	215,731	-	-	215,731	134,182	65,241	16,308
Technology enterprise center	8,157	-	-	-	8,157	-	8,157	-
Total general public service	4,954,424	254,463	16,590	50,270	5,275,747	2,976,457	1,893,952	405,338

	SOURCE					OBJECT		
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
Liberal arts-					-			
Arts administration	-	-	2,179	-	2,179	-	2,179	-
Interdisciplinary	-	-	2,447	-	2,447	2,447	-	-
Planning and urban studies	90,869	(3,267)	3,939	-	91,541	52,942	32,288	6,311
Total liberal arts	90,869	(3,267)	8,565	-	96,167	55,389	34,467	6,311
Public broadcasting services-					-			
WWNO and KTLN radio stations	-	-	1,320,072	-	1,320,072	701,684	618,388	-
Sciences-					-			
Chemistry	-	-	25,203	-	25,203	2,500	22,703	-
Psychology	-	-	4,865	-	4,865	3,636	1,229	-
Total sciences	-	-	30,068	-	30,068	6,136	23,932	-
Total public service	5,551,752	251,196	1,375,295	50,270	7,228,513	3,939,215	2,877,649	411,649
Academic support--					-			
Academic administration-					-			
Business administration	-	15,736	-	-	15,736	13,559	-	2,177
Education	-	2,657	-	-	2,657	2,289	-	368
Engineering	-	2,152	-	-	2,152	1,854	-	298
International education	-	-	17,744	-	17,744	-	17,744	-
Liberal arts	-	4,063	-	199,406	203,469	197,372	5,535	562
Sciences	-	-	663	-	663	-	663	-
Total academic administration	-	24,608	18,407	199,406	242,421	215,074	23,942	3,405
Educational support services-					-			
Interdisciplinary	-	1,956	-	-	1,956	1,685	-	271
Learning resource center	-	6,830	-	-	6,830	5,885	-	945
Testing services	-	3,548	-	-	3,548	3,057	-	491
Total educational support services	-	12,334	-	-	12,334	10,627	-	1,707
General academic support-					-			
Office of research indirect support	-	-	-	13,240	13,240	10,437	2,803	-
University computing and communication	-	4,373	-	7,885	12,258	11,653	-	605
Total general academic support	-	4,373	-	21,125	25,498	22,090	2,803	605
Library-					-			
Administration	-	26,556	-	-	26,556	22,882	-	3,674
Total library	-	26,556	-	-	26,556	22,882	-	3,674
Total academic support	-	67,871	18,407	220,531	306,809	270,673	26,745	9,391
Student services--					-			
Enrollment management-					-			
Recruiting and school relations	-	6,789	-	-	6,789	5,850	-	939
Student financial aid	-	33,737	-	58,135	91,872	77,447	9,757	4,668
Total enrollment management	-	40,526	-	58,135	98,661	83,297	9,757	5,607

	SOURCE					OBJECT		
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
Social and cultural development-								
Children's center	700	68,570	-	740,360	809,630	641,887	158,591	9,152
Driftwood	-	-	-	35,242	35,242	3,334	31,908	-
Student government	-	-	-	393,389	393,389	38,643	354,746	-
International students and scholars	-	3,799	-	-	3,799	3,273	-	526
Recreation and intramural sports	-	47,999	5,186	509,004	562,189	195,825	359,723	6,641
Health services	-	-	-	763,430	763,430	586,487	176,943	-
Student life	-	18,649	-	125,731	144,380	119,885	21,915	2,580
Alumni affairs	-	-	2,000	-	2,000	-	2,000	-
Total social and cultural development	700	139,017	7,186	2,567,156	2,714,059	1,589,334	1,105,826	18,899
Student admissions and records-								
Admissions	-	5,314	-	-	5,314	4,579	-	735
Registrar	-	2,917	-	-	2,917	2,512	-	405
Total admissions and records	-	8,231	-	-	8,231	7,091	-	1,140
Total student services	700	187,774	7,186	2,625,291	2,820,951	1,679,722	1,115,583	25,646
Institutional support--								
Community relations-								
Alumni affairs	-	4,453	-	-	4,453	3,837	-	616
Total community relations	-	4,453	-	-	4,453	3,837	-	616
Executive management-								
President	-	-	11,375	-	11,375	11,375	-	-
Provost and vice president-academic affairs	-	9,302	-	-	9,302	8,015	-	1,287
Vice president-business affairs	-	272	-	58,071	58,343	51,168	7,137	38
Vice president-research	-	-	-	1,206,494	1,206,494	1,127,363	79,131	-
Vice president-governmental affairs, alumni and development	-	-	-	63,962	63,962	52,397	11,565	-
Total executive management	-	9,574	11,375	1,328,527	1,349,476	1,250,318	97,833	1,325
Fiscal operations-								
Accounting services	-	4,221	-	254,730	258,951	235,669	22,698	584
Sponsored Programs Accounting	-	-	-	565,873	565,873	550,246	15,627	-
Total fiscal operations	-	4,221	-	820,603	824,824	785,915	38,325	584
General administrative-								
Environmental health and safety	-	4,043	-	-	4,043	3,484	-	559
Equipment purchases	-	-	-	15,522	15,522	-	15,522	-
Miscellaneous expense	-	-	500	-	500	-	500	-
Office supplies	-	2,387	-	-	2,387	2,057	-	330
CWS-job location and development	-	50,000	-	-	50,000	35,000	15,000	-
Total general administrative	-	56,430	500	15,522	72,452	40,541	31,022	889
Logistical services-								
Purchasing office	-	7,684	-	-	7,684	6,621	-	1,063
Telephone service	-	6,630	-	-	6,630	5,712	-	918
University police	-	3,279	-	-	3,279	2,825	-	454

	SOURCE					OBJECT		
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
Total logistical services	-	17,593	-	-	17,593	15,158	-	2,435
Total institutional support	-	92,271	11,875	2,164,652	2,268,798	2,095,769	167,180	5,849
Operation and Maintenance of Plant--								
General Operations-								
Administration	-	3,429	-	-	3,429	2,954	-	475
Alterations and repairs	-	-	-	623,000	623,000	95,164	527,836	-
Grounds maintenance	-	-	-	24,944	24,944	-	24,944	-
Total general operations	-	3,429	-	647,944	651,373	98,118	552,780	475
Utilities-								
Student utility surcharge	-	-	-	576,016	576,016	-	576,016	-
Total utilities	-	-	-	576,016	576,016	-	576,016	-
Total operation and maintenance of plant	-	3,429	-	1,223,960	1,227,389	98,118	1,128,796	475
Scholarships and fellowships	1,256,917	11,631,942	721,617	1,200	13,611,676	-	13,596,801	14,875
Educational and general expenditures	12,636,383	24,961,693	6,577,722	10,911,862	55,087,660	19,483,362	32,194,925	3,409,373
Mandatory transfers for -								
Principal and interest	-	-	-	2,394,447	2,394,447	-	2,394,447	-
Nonmandatory transfers for -								
Capital improvements	-	-	220,234	271,893	492,127	-	492,127	-
Other	134,564	(123,241)	(128,183)	55,899	(60,961)	-	(60,961)	-
Total transfers	134,564	(123,241)	92,051	2,722,239	2,825,613	-	2,825,613	-
Total educational and general	12,770,947	24,838,452	6,669,773	13,634,101	57,913,273	19,483,362	35,020,538	3,409,373
Auxiliary enterprises -								
Expenditures	-	-	-	13,132,279	13,132,279	2,844,403	10,287,876	-
Mandatory transfers for -								
Principal and interest	-	-	-	401,560	401,560	-	401,560	-
Nonmandatory transfers for -								
Capital improvements	-	-	-	120,353	120,353	-	120,353	-
Renewals and replacements	-	-	-	21,419	21,419	-	21,419	-
Total auxiliary enterprises	-	-	-	13,675,611	13,675,611	2,844,403	10,831,208	-
Total	\$ 12,770,947	\$ 24,838,452	\$ 6,669,773	\$ 27,309,712	\$ 71,588,884	\$ 22,327,765	\$ 45,851,746	\$ 3,409,373



	Expenditures										Revenues Over/(Under) Expenditures	
	Revenues	Cost of Goods Sold	Salaries	Wages	Related Benefits	Managerial Services	Supplies and Expense	Utilities	Principal and Interest	Renewals and Replacements		Total
Operations:												
Bookstore	\$ 3,814,687	\$ 2,785,076	\$ 294,781	\$ 163,820	\$ 109,108	\$ 41,613	\$ 250,929	\$ 12,652	\$ 34,568	\$ 2,696	\$ 3,695,243	\$ 119,444
Food services	2,485,729	-	-	-	-	49,936	2,267,003	-	-	-	2,316,939	168,790
Administration	-	-	-	-	-	-	86,574	-	-	-	86,574	(86,574)
Building services	10,756	-	144,232	10,451	28,957	-	37,706	25,613	-	-	246,959	(236,203)
Rental and leases	12,689	-	-	-	-	-	-	-	-	-	-	12,689
Other activities	6,672	-	-	-	-	-	-	-	-	-	-	6,672
Total operations	<u>6,330,533</u>	<u>2,785,076</u>	<u>439,013</u>	<u>174,271</u>	<u>138,065</u>	<u>91,549</u>	<u>2,642,212</u>	<u>38,265</u>	<u>34,568</u>	<u>2,696</u>	<u>6,345,715</u>	<u>(15,182)</u>
Other revenues:												
Fee allocation	250,825	-	-	-	-	-	-	-	-	-	-	250,825
Interest on investments	3,482	-	-	-	-	-	-	-	-	-	-	3,482
Total other revenues	<u>254,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,307</u>
Totals	<u>\$ 6,584,840</u>	<u>\$ 2,785,076</u>	<u>\$ 439,013</u>	<u>\$ 174,271</u>	<u>\$ 138,065</u>	<u>\$ 91,549</u>	<u>\$ 2,642,212</u>	<u>\$ 38,265</u>	<u>\$ 34,568</u>	<u>\$ 2,696</u>	<u>\$ 6,345,715</u>	<u>\$ 239,125</u>



Assets:

Cash and cash equivalents	\$	2,927,846
Accounts receivable		560,252
Inventories		571,239
Deferred and prepaid expense		5,450
Total Assets		<u>4,064,787</u>

Liabilities

Accounts payable		170,692
Accrued payrolls and other liabilities		17,701
Deferred revenue		30,320
Total liabilities		<u>218,713</u>

Net Assets \$ 3,846,074

Analysis of Changes in Fund Balances
For The Year Ended June 30, 2012

Fund Balances:

Operating fund balance -

Balance at July 1	\$	3,625,401
Revenues over/(under) expenditures		239,125
Transfers to unexpended plant fund		<u>(88,235)</u>
Current fund balance		<u>3,776,291</u>

Equipment renewals and replacements -

Balance at July 1		67,087
Depreciation charges transferred		2,696
Current fund balance		<u>69,783</u>

Total Fund Balances \$ 3,846,074



	Pontchartrain Hall	Lafitte Village Apartments	Total
Operating Revenues:			
Rental	\$ 3,570,687	\$ 2,100	\$ 3,572,787
Vending machines	34,333	-	34,333
Total operating revenues	3,605,020	2,100	3,607,120
Operating Expenditures:			
Salaries	267,053	-	267,053
Wages	166,707	-	166,707
Related benefits	111,917	-	111,917
Managerial services	41,613	-	41,613
Supplies and expense	2,689,580	51,585	2,741,165
Scholarships	145,350	-	145,350
Principal and interest	25,219	8,933	34,152
Utilities	252,469	5,914	258,383
Total operating expenditures	3,699,908	66,432	3,766,340
Operating revenues over/(under) expenditures	(94,888)	(64,332)	(159,220)
Other Revenues:			
Investment income	-	900	900
Privateer Place	2,000	-	2,000
Total other revenues	2,000	900	2,900
Excess of revenues over expenditures	\$ (92,888)	\$ (63,432)	\$ (156,320)

**Statement of Net Assets
June 30, 2012**

	Pontchartrain Hall	Lafitte Village Apartments	Total
Assets:			
Cash and cash equivalents	\$ 2,836,876	\$ 853,060	\$ 3,689,936
Accounts receivable	(15,617)	-	(15,617)
Deferred and prepaid expense	9,368	-	9,368
Total Assets	2,830,627	853,060	3,683,687
Liabilities			
Accounts payable	16,647	2,976	19,623
Accrued payrolls and other liabilities	13,098	-	13,098
Deposits held for others	119,925	3,930	123,855
Deferred revenues	108,817	-	108,817
Total liabilities	258,487	6,906	265,393
Net Assets	\$ 2,572,140	\$ 846,154	\$ 3,418,294

**Analysis of Changes in Fund Balances
For the Year Ended June 30, 2012**

Fund Balances:			
Operating fund balance -			
Balance at July 1	\$ 2,644,927	\$ 937,300	\$ 3,582,227
Revenues over/(under) expenditures	(92,888)	(63,432)	(156,320)
Transfers to unexpended plant fund	-	(32,118)	(32,118)
Current fund balance	2,552,039	841,750	3,393,789
Equipment renewals and replacements -			
Balance at July 1	20,101	4,404	24,505
Current fund balance	20,101	4,404	24,505
Total Fund Balances	\$ 2,572,140	\$ 846,154	\$ 3,418,294



	<u>The Cove</u>
Operating Revenues:	
Sales and services	\$ 118,874
Lease Revenue	11,954
Total operating revenues	<u>130,828</u>
Operating Expenditures:	
Managerial services	8,323
Supplies and expense	132,119
Principal and interest	1,778
Total operating expenditures	<u>142,220</u>
Operating revenues over/(under) expenditures	<u>(11,392)</u>
Other Revenues:	
Investment income	179
Total other revenues	<u>179</u>
Excess of revenues over expenditures	<u>\$ (11,213)</u>

**Statement of Net Assets
June 30, 2012**

Assets:	
Cash and cash equivalents	\$ 186,828
Total Assets	<u>186,828</u>
Liabilities	
Accounts payable	754
Total liabilities	<u>754</u>
Net Assets	<u>\$ 186,074</u>

**Analysis of Changes in Fund Balances
For The Year Ended June 30, 2012**

Fund Balances:	
Operating fund balance -	
Balance at July 1	\$ 186,647
Revenues over/(under) expenditures	(11,213)
Current fund balance	<u>175,434</u>
Equipment renewals and replacements -	
Balance at July 1	10,640
Current fund balance	<u>10,640</u>
Total Fund Balances	<u>\$ 186,074</u>



Operating Revenues:	
Fee allocations	\$ 1,903,443
Admissions and concessions	810,691
Total operating revenues	<u>2,714,134</u>
Operating Expenditures:	
Cost of goods sold	19,725
Salaries	931,816
Wages	35,872
Related benefits	312,673
Supplies and expense	646,979
Scholarships	259,502
Travel	356,094
Depreciation	6,085
Total operating expenditures	<u>2,568,746</u>
Excess of revenues over expenditures	<u>\$ 145,388</u>

**Statement of Net Assets
June 30, 2012**

Assets:	
Cash and cash equivalents	\$ (4,861,323)
Accounts receivable	181,604
Inventories	12,443
Deferred and prepaid expense	17,410
Total Assets	<u>(4,649,866)</u>
Liabilities	
Accounts payable	10,757
Accrued payroll and other liabilities	3,269
Deferred revenue	114,271
Total liabilities	<u>128,297</u>
Net Assets	<u>\$ (4,778,163)</u>

**Analysis of Changes in Fund Balances
For the Year Ended June 30, 2012**

Fund Balances:	
Operating fund balance -	
Balance at July 1	\$ (4,949,525)
Revenues over/(under) expenditures	145,388
Current fund balance	<u>(4,804,137)</u>
Equipment renewals and replacements -	
Balance at July 1	30,844
Depreciation charges transferred	6,085
Equipment purchases	(10,955)
Current fund balance	<u>25,974</u>
Total Fund Balances	<u>\$ (4,778,163)</u>



	Campus Copy	Parking Facilities	Vending Machines	Total
Operating Revenues:				
Sales and services	\$ 24,000	\$ 643,838	\$ 81,378	\$ 749,216
Total operating revenues	24,000	643,838	81,378	749,216
Operating Expenditures:				
Salaries	-	196,415	-	196,415
Wages	-	8,414	-	8,414
Related benefits	-	62,187	-	62,187
Managerial services	8,323	-	16,645	24,968
Supplies and expense	-	96,553	-	96,553
Principal and interest	1,377	325,918	3,767	331,062
Depreciation	-	12,638	-	12,638
Utilities	-	-	-	-
Total operating expenditures	9,700	702,125	20,412	732,237
Operating revenues over/(under) expenditures	14,300	(58,287)	60,966	16,979
Other Revenues:				
Investment Income	139	1,130	380	1,649
Total other revenue	139	1,130	380	1,649
Excess of revenues over expenditures	\$ 14,439	\$ (57,157)	\$ 61,346	\$ 18,628

**Statement of Net Assets
June 30, 2012**

	Campus Copy	Parking Facilities	Vending Machines	Total
Assets:				
Cash and cash equivalents	\$ 159,157	\$ 1,183,645	\$ 451,678	\$ 1,794,480
Accounts receivable	2,000	95	4,906	7,001
Total assets	161,157	1,183,740	456,584	1,801,481
Liabilities:				
Accounts payable	2,222	-	-	2,222
Accrued payroll and other liabilities	-	7,915	-	7,915
Total liabilities	2,222	7,915	-	10,137
Net Assets	\$ 158,935	\$ 1,175,825	\$ 456,584	\$ 1,791,344

**Analysis of Changes in Fund Balance
For the Year Ended June 30, 2012**

Fund Balances:				
Operating fund balance-				
Balance at July 1	\$ 144,496	\$ 1,176,823	\$ 395,238	\$ 1,716,557
Revenues over/(under) expenditures	14,439	(57,157)	61,346	18,628
Current fund balance	158,935	1,119,666	456,584	1,735,185
Equipment renewals and replacements-				
Balance at July 1	-	\$ 43,521	-	\$ 43,521
Depreciation charges transferred	-	12,638	-	12,638
Current fund balance	-	56,159	-	56,159
Total fund balances	\$ 158,935	\$ 1,175,825	\$ 456,584	\$ 1,791,344



	Balance July 1, 2011	Allocations	Expenditures	Balance June 30, 2012
State of Louisiana:				
Facility Planning and Control Department				
General-				
Construction in progress	\$ -	\$ 8,916,794	\$ 8,916,794	\$ -
Major renovations and repairs	-	1,426,981	1,426,981	-
Hurricane related structural repairs-		-		-
Building Repairs	(1,153,588)	-		(1,153,588)
Total State of Louisiana	<u>(1,153,588)</u>	<u>10,343,775</u>	<u>10,343,775</u>	<u>(1,153,588)</u>
University debt:				
2004A bond issue				
Building and facility repairs	2,543,332	404	359,905	2,183,831
Total university debt	<u>2,543,332</u>	<u>404</u>	<u>359,905</u>	<u>2,183,831</u>
Other Sources:				
UL signage	-	19,938	19,938	-
Other	109,260	-	-	109,260
Total Other	<u>109,260</u>	<u>19,938</u>	<u>19,938</u>	<u>109,260</u>
Transfers from Other Funds:				
Auxiliary-				
UC sewer pipe repair	-	14,488	14,488	-
UC chill & hot water pumps	-	71,660	71,660	-
UC renovations	-	2,088	2,088	-
Lafitte village fencing	59,004	14,200	73,204	-
Lafitte village electric	-	17,918	17,918	-
Total auxiliary	<u>59,004</u>	<u>120,354</u>	<u>179,358</u>	<u>-</u>
Restricted-				
Cove landscaping	-	131,175	131,175	-
Library rooftop unit rep	-	47,500	47,500	-
N campus power plant	-	145,000	145,000	-
UCC comm system cove	-	18,183	18,183	-
Maestri field clubhouse renovation (CIP)	-	114,682	114,682	-
Cove beautification	-	24,980	24,980	-
Total restricted	<u>-</u>	<u>481,520</u>	<u>481,520</u>	<u>-</u>
Total transfers from other funds	<u>59,004</u>	<u>601,874</u>	<u>660,878</u>	<u>-</u>
Totals	<u>\$ 1,558,008</u>	<u>\$ 10,965,991</u>	<u>\$ 11,384,496</u>	<u>\$ 1,139,503</u>



	SOURCE OF FUNDS			
	Total	Current	Plant	Gifts
Educational and Auxiliary Plant:				
Educational plant -				
Buildings -				
Milneburg hall	\$ 172,219	\$ -	\$ 172,219	\$ -
Geology and psychology	228,180		228,180	-
Health and physical education ctr	283,383		283,383	-
Kiefer lakefront arena	701,110	-	701,110	-
Auxiliary plant -				
Buildings -				
The cove	1,956,878		1,956,878	-
Total educational and auxiliary plant	3,341,770	-	3,341,770	-
Equipment unallocated movable items -				
Educational	228,852	228,852	-	
Auxiliary	(287,578)	(287,578)	-	
Library books	(456,156)	(501,542)	-	45,386
Total equipment unallocated	(514,882)	(560,268)	-	45,386
Other -				
Construction in progress	5,834,715	367,705	5,467,010	
Totals	8,661,603	(192,563)	8,808,780	45,386



	Cost July 1, 2011	Additions/ (Deletions)	Cost June 30, 2010	Accumulated Depreciation	Book Value June 30, 2012
Educational and Auxiliary Plant:					
Educational plant-					
Land	\$ 42,974,000		\$ 42,974,000	\$ -	42,974,000
Land improvements - main campus	22,469,007		22,469,007	11,260,491	11,208,516
Land improvements - east campus	4,004,570		4,004,570	3,919,717	84,853
Land improvements - research park	3,734,749		3,734,749	2,725,556	1,009,193
Land improvements - Jefferson center	250,000		250,000	169,552	80,448
Land improvements - tennis center	1,931,520		1,931,520	151,401	1,780,119
Administration building - annex	902,810		902,810	902,810	0
Administration building	769,278		769,278	769,278	0
Alumni and development center	542,778		542,778	542,778	0
Bi-centennial education center	2,881,423		2,881,423	2,881,423	0
Bienville hall	4,396,739		4,396,739	4,396,739	0
Biological sciences	3,936,905		3,936,905	3,384,235	552,670
Bus terminal	11,100		11,100	11,100	0
Kirschman hall	19,207,076		19,207,076	4,718,329	14,488,747
Campus police storage	25,000		25,000	16,875	8,125
Campus police	1,737,547		1,737,547	1,452,497	285,050
Center for energy resource management	16,452,832		16,452,832	4,475,103	11,977,729
Central utilities plant - east campus	1,807,737		1,807,737	1,698,048	109,689
Central utilities plant - main campus	4,957,119		4,957,119	4,957,119	0
Chemical sciences annex	9,626,079		9,626,079	4,501,366	5,124,713
Chemical storage building	242,132		242,132	178,178	63,954
Children's center	1,651,842		1,651,842	907,556	744,286
Computer center	4,908,536		4,908,536	4,269,779	638,757
Earl K. Long library	16,963,114		16,963,114	16,963,114	0
East campus service facility	521,764		521,764	176,797	344,967
Engineering building	17,003,732		17,003,732	12,395,071	4,608,661
Fine arts building	960,085		960,085	960,085	0
Milneburg Hall (GCB)	2,117,912	172,219	2,290,131	2,122,218	167,913
Geology and psychology building	2,802,612	228,180	3,030,792	2,808,317	222,475
Greenhouse	172,899		172,899	38,902	133,997
Health and physical education center	1,798,546	283,383	2,081,929	1,805,631	276,298
Information kiosks	80,160		80,160	42,084	38,076
Jefferson center	1,196,379		1,196,379	582,055	614,324
Liberal arts building	2,540,070		2,540,070	2,540,070	0
Mathematics building	4,654,606		4,654,606	3,909,415	745,191
Goldring Hall	10,124,750		10,124,750	1,953,695	8,171,055
North campus power plant	3,562,346		3,562,346	300,021	3,262,325
Performing arts center	2,965,320		2,965,320	2,965,320	0
Physical plant services	246,533		246,533	246,533	0
The Oliver St. Pe' building	3,540,162		3,540,162	1,702,068	1,838,094
Science building	2,770,913		2,770,913	2,770,913	0
Student park amphitheater	145,018		145,018	97,887	47,131
Tennis court service building	6,691		6,691	2,843	3,848
Kiefer lakefront arena	49,584,061	701,110	50,285,171	41,413,139	8,872,032
Visitor information booths	101,847		101,847	53,469	48,378
Wellness center	13,993,827		13,993,827	3,856,850	10,136,977
Total educational plant	287,274,126	1,384,892	288,659,018	157,996,427	130,662,591
Auxiliary plant-					
Athletic tennis center	563,000		563,000	28,150	534,850
The Commons	712,138		712,138	712,138	-
The Cove	541,362	1,956,878	2,498,240	590,284	1,907,956
Lafitte village apartments	3,536,513		3,536,513	2,167,717	1,368,796
Maestri field bullpens	103,316		103,316	15,498	87,818
University center	3,377,256		3,377,256	3,138,364	238,892
Total auxiliary plant	8,833,585	1,956,878	10,790,463	6,652,151	4,138,312
Equipment unallocated-					
Educational	61,221,276	228,852	61,450,128	41,792,623	19,657,505
Auxiliary	517,214	(287,578)	229,636	184,095	45,541
Library books	35,099,555	(456,156)	34,643,399	31,316,698	3,326,701
Total equipment unallocated	96,838,045	(514,882)	96,323,163	73,293,416	23,029,747
Other-					
Construction in progress	5,650,655	5,834,715	11,485,370	-	11,485,370
Totals	\$ 398,596,411	\$ 8,661,603	\$ 407,258,014	\$ 237,941,994	\$ 169,316,020

**APPENDIX A
DEMOGRAPHIC
AND SUMMARY FINANCIAL INFORMATION
CONCERNING THE UNIVERSITY**

DEMOGRAPHIC INFORMATION

Enrollment

The following table reflects a summary of the full time equivalent student enrollment at the University for the Fall 2008 to Fall 2012:

**FULL TIME EQUIVALENT (FTE) STUDENT ENROLLMENT FOR FIVE YEARS
FALL 2008 TO FALL 2012**

	<u>Fall 2012</u>	<u>Fall 2011</u>	<u>Fall 2010</u>	<u>Fall 2009</u>	<u>Fall 2008</u>
<u>Student</u>					
Undergraduate	7,689	8,263	8,345	8,746	8,628
Graduate	<u>2,382</u>	<u>2,640</u>	<u>2,931</u>	<u>2,978</u>	<u>2,800</u>
Total	<u><u>10,071</u></u>	<u><u>10,903</u></u>	<u><u>11,276</u></u>	<u><u>11,724</u></u>	<u><u>11,428</u></u>

Source: University of New Orleans
Office of Data Management, Analysis and Reporting

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The following tables reflect the head count enrollment for undergraduates and graduates at the University for the fiscal years 1999-2000 through 2012-13:

**UNIVERSITY UNDERGRADUATE ENROLLMENT
FISCAL YEARS 1999-2000 THROUGH 2012-13**

Year	Summer Semester			Fall Semester					Spring Semester				
	Headcount			Headcount					Headcount				
	1-3	4-5	6+	1-3	4-6	7-9	10-11	12+	1-3	4-6	7-9	10-11	12+
1999-00	1,771	251	2,975	739	1,208	1,105	340	8,461	761	1,235	1,116	349	7,754
2000-01	1,805	216	2,812	743	1,213	1,136	383	8,775	646	1,192	1,157	359	8,060
2001-02	1,806	235	2,975	718	1,251	1,214	399	9,369	749	1,227	1,191	359	8,698
2002-03	1,949	214	3,125	665	1,360	1,281	455	9,408	619	1,201	1,208	483	8,715
2003-04	1,780	229	3,106	629	1,889	1,286	559	8,969	666	1,350	1,287	433	9,040
2004-05	1,731	269	2,879	633	1,296	1,337	408	9,551	607	1,228	1,257	386	8,844
2005-06 Pre-Katrina	1,699	260	2,840	581	1,106	1,113	377	9,898	-	-	-	-	-
2005-06 Post-Katrina				727	922	839	115	2,048	446	820	917	264	6,363
2006-07	1,039	170	2,295	388	702	730	264	7,072	385	725	758	253	6,136
2007-08	1,056	210	2,162	413	738	736	262	6,504	344	725	714	248	5,952
2008-09	1,177	192	2,037	405	713	677	238	6,593	403	686	691	229	5,892
2009-10	1,076	182	1,947	451	650	665	252	6,728	477	666	655	243	6,072
2010-11	1,091	136	1,881	431	685	678	214	6,337	475	639	679	234	5,864
2011-12	988	222	1,896	494	644	685	263	6,177	413	610	603	235	5,567
2012-13	1,082	166	1,905	442	580	602	237	5,828	409	547	590	236	5,133

**UNIVERSITY GRADUATE ENROLLMENT
FISCAL YEARS 1999-2000 THROUGH 2012-13**

Year	Summer Semester			Fall Semester					Spring Semester				
	Headcount			Headcount					Headcount				
	1-3	4-5	6+	1-3	4-6	7-8	--	9+	1-3	4-6	7-8	--	9+
1999-00	1,252	26	1,111	1,473	1,087	51		1,291	1,525	1,110	68		1,214
2000-01	1,225	18	1,142	1,485	989	93		1,299	1,361	1,136	57		1,237
2001-02	1,203	22	1,113	1,372	1,055	79		1,443	1,241	1,145	40		1,393
2002-03	1,053	19	1,233	1,248	1,114	108		1,538	1,175	1,133	63		1,423
2003-04	1,055	39	1,214	1,146	1,132	41		1,605	1,251	1,118	71		1,488
2004-05	1,088	72	1,114	1,244	1,153	55		1,673	1,190	1,133	65		1,493
2005-06 Pre-Katrina	1,058	91	1,158	1,180	1,136	59		1,692	-	-	-		-
2005-06 Post-Katrina				592	564	28		849	738	769	60		1,069
2006-07	682	36	692	804	701	51		1,035	762	668	123		955
2007-08	590	49	793	867	661	32		1,150	761	676	81		1,046
2008-09	551	62	768	740	680	34		1,299	676	722	53		1,107
2009-10	637	56	820	760	747	71		1,400	734	804	79		1,188
2010-11	557	32	857	714	750	47		1,420	600	740	57		1,224
2011-12	534	6	823	668	640	22		1,310	574	586	38		1,101
2012-13	462	1	720	544	566	15		1,257	510	522	33		1,041

Source: University of New Orleans
Office of Data Management, Analysis, and Reporting

The following table reflects the applications, admissions, and matriculations of undergraduate and graduate students at the University for the Fall semesters 1999 through 2012:

**APPLICATION STATISTICS OF THE UNIVERSITY
FALL 1999 THROUGH FALL 2012**

<u>Fall Semester</u>	<u>Application Totals</u>	<u>Admission Totals</u>	<u>Matriculation Totals</u>
1999	10,356	7,959	5,371
2000	11,318	8,598	5,439
2001	12,028	8,996	5,858
2002	13,245	8,872	5,594
2003	13,224	8,911	5,264
2004	13,215	8,727	5,189
2005			
Pre - Katrina	10,673	7,654	4,666
2005			
Post - Katrina	---	---	1,300
2006	6269	4,634	2,775
2007	7242	5,306	3,405
2008	9325	5,450	3,443
2009	9357	5,726	3,596
2010	9092	5,495	3,257
2011	8886	5,371	3,268
2012	8236	4,553	2,796

The following table reflects the percentages of full-time, first-time freshmen at the University returning in the Fall of the second through sixth years for the Fall semester of the years 1999 through 2012:

**RETENTION RATES OF FIRST-TIME FULL-TIME FRESHMEN
FALL 1999 THROUGH FALL 2012**

<u>Fall Semester</u>	<u># of New Freshmen</u>	<u>% Returning Fall of Second Year</u>	<u>% Returning Fall of Third Year</u>	<u>% Returning Fall of Fourth Year</u>	<u>% Returning Fall of Fifth Year</u>	<u>% Returning Fall of Sixth Year</u>
1999	1,680	64%	50%	41%	34%	23%
2000	1,870	68%	53%	43%	33%	11%
2001	1,977	68%	53%	43%	18%	21%
2002	1,685	67%	52%	18%	33%	22%
2003	1,961	67%	19%	37%	30%	20%
2004	1,782	19%	41%	33%	26%	18%
2005						
Pre - Katrina	1,968	51%	39%	32%	26%	20%
2005						
Post - Katrina	215	79%	62%	53%	37%	19%
2006	951	69%	55%	47%	36%	20%
2007	1030	69%	53%	46%	30%	19%
2008	1210	69%	50%	43%	31%	---
2009	1221	64%	50%	44%	---	---
2010	1020	67%	55%	---	---	---
2011	1044	65%	---	---	---	---
2012	859					

Source: University of New Orleans
Office of Data Management, Analysis, and Reporting

The following table reflects the cumulative percentage of full-time, first-time freshmen at the University graduating after 4, 5, and 6 years for the Fall semester of the years 1999 through 2012:

**GRADUATION RATES OF FIRST-TIME FULL-TIME FRESHMEN
FALL 1999 THROUGH FALL 2012**

<u>Fall Semester</u>	<u># of New Freshmen</u>	<u>Cumulative % Graduating After 4 Years</u>	<u>Cumulative % Graduating After 5 Years</u>	<u>Cumulative % Graduating After 6 Years</u>
1999	1,680	6%	17%	24%
2000	1,870	7%	17%	24%
2001	1,977	7%	17%	24%
2002	1,685	5%	15%	22%
2003	1,961	5%	14%	21%
2004	1,782	5%	15%	20%
2005 Pre-Katrina	1,968	5%	15%	21%
2005 Post-Katrina	215	17%	33%	38%
2006	951	10%	27%	34%
2007	1,030	13%	25%	---
2008	1,210	13%	---	---
2009	1,221	---	---	---
2010	1,020	---	---	---
2011	1,044			
2012	859			

Source: University of New Orleans
Office of Data Management, Analysis, and Reporting

Tuition and Fees

Tuition and fees account for approximately 39% of total current funds revenue of the University. Tuition and fees are set by the UL Board of Supervisors. The following table reflects the annual tuition and required fees of full-time resident and nonresident undergraduate students of the University for the fiscal years 1999-00 through 2012-13:

**FULL-TIME UNDERGRADUATE STUDENTS OF THE UNIVERSITY
1999-00 THROUGH 2011-13**

<u>YEAR</u>	<u>RESIDENT</u>	<u>NONRESIDENT</u>
1999-00	\$2,502	\$8,028
2000-01	\$2,752	\$9,796
2001-02	\$2,852	\$9,896
2002-03	\$3,016	\$10,060
2003-04	\$3,464	\$10,508
2004-05	\$3,702	\$10,746
2005-06	\$3,810	\$10,854
2006-07	\$3,810	\$10,854
2007-08	\$3,954	\$10,998
2008-09	\$4,222	\$11,618
2009-10	\$4,318	\$12,474
2010-11	\$4,758	\$14,347
2011-12	\$5,214	\$16,738
2012-13	\$5,850	\$17,862

The following table presents the Off Campus Fee revenues for the fiscal years 1999 through 2011:

**OFF CAMPUS FEE REVENUES
FISCAL YEARS 1999-00 THROUGH 2010-11**

<u>Year</u>	<u>Amount</u>
1999-00	\$229,230
2000-01	\$235,520
2001-02	\$279,595
2002-03	\$262,698
2003-04	\$263,933
2004-05	\$259,920
2005-06	\$11,970
2006-07	\$86,850
2007-08	\$133,245
2008-09	\$116,865
2009-10	\$129,195
2010-11	\$106,905
2011-12	\$104,145

Source: University of New Orleans
Office of Financial Services

Faculty and Staff

As of November 1, 2011, there are 446 faculty members at the University, 332 of which are full-time faculty members and 114 of which are part-time. Sixty-two percent (61.72%) of the faculty have doctoral degrees and the student-faculty ratio is 21:1. Staff members total 1,158, which includes all administrative, graduate assistants, other professional, and classified employees.

Degrees

The University is accredited by the Southern Association of Colleges and Schools and offers bachelor's degrees in 39 major fields through the Colleges of Business Administration, Education, Engineering, Liberal Arts, and Sciences. Master's degrees in 34 fields and doctoral degrees in 12 major fields are available through the Graduate School.

Since its first commencement in 1962, the University has awarded 79,171 degrees. The University produces about 7.6 percent of Louisiana's graduates from public universities with baccalaureate degrees; approximately 13.8 percent of master's degrees; and about 10.8 percent of doctoral degrees. In 2011-2012, the University awarded 1,405 Bachelor's degrees, 710 Master's degrees, and 63 Doctoral degrees, for a total of 2,178 degrees awarded.

Financial Aid

During the 2011-12 academic year, approximately 64.0% of the University's students received some form of financial aid. The total amount of this financial aid for 2011-12 was \$71,861,929. Of this amount 17.27% was derived from institutional sources, 65.95% from federal sources, 13.14% from state sources, and 3.64% from private sources.

Private Support

Private giving through the UNO Foundation focuses on building the University's endowments and gifts and grants designated for specific purposes in the colleges and schools within the University, including professorships, scholarships, library and museum acquisitions, equipment and facilities, distinguished faculty chairs and fellowships, and other purposes that cannot be supported entirely with state funds. In fiscal year 2011-2012, the UNO Foundation received approximately \$3,401,462 in gifts and grants. The UNO Foundation also manages the University's endowments, which were valued at \$60,792,207 as of June 30, 2012.

In addition, the University of New Orleans International Alumni Association actively seeks support from the private sector to supplement State appropriations. Alumni gifts generated through the Association are used to support academic scholarships, alumni professorships, student jobs, faculty awards, and alumni programs, reunions, and publications. In 2011-2012, the Association received more than \$78,782 from alumni.

General

The University of New Orleans was founded in 1958 and is a selective admissions public university of which three-fourths are undergraduates and one fourth are graduate students in both masters and doctoral programs. UNO is classified as a Southern Regional Education Board Four Year II institution and primarily serves students in the greater New Orleans area with 88.7% of its students living in the State of Louisiana.

In the fall of 2012, the University had an enrollment of 10,071 (approximately 76% undergraduate and 24% graduate). The University anticipates no significant change for the Fall 2013 semester for a projected total of 10,100. Given the current financial, sociological, and psychological climate in the New Orleans area, the University has embarked on an aggressive recruiting campaign through advertisements in television and print venues as well as selective placement of billboards statewide. The overall thematic scheme of the marketing campaign is that UNO is an excellent academic institution that is both relevant to the world through research and academic contributions and relevant to the metropolitan area through direct efforts in rebuilding, as well as, relevant to individuals by providing a top level education. In addition, this campaign focuses on these strengths the university possesses and also ties the institution more closely to the New Orleans community. UNO is not fundamentally changing who it is with this campaign, but rather it is making its excellent education and value known to a greater audience.

The University's primary recruitment market is Louisiana with secondary markets ranging largely in the South and Southeast United States. Furthermore, UNO targets its efforts on areas where enrollment growth potential exists in certain urban centers in the country (Chicago, New York, Memphis, California areas). In addition to those areas, UNO has active representation in several US commonwealth areas and in numerous international markets (South/Central America, Asia). UNO is continuing to reach out to its Alumni Association, faculty, and staff for involvement in student recruitment.

SUMMARY FINANCIAL INFORMATION

Financial Position

The University began fiscal year 2011-2012 with an operating budget of \$119,953,721 which was comprised of State Appropriations in the amount of \$45,100,735, Self-Generated funds of \$72,277,400 and \$2,575,586 of Statutory Dedication Funding. Due to a state budget cut in 11-12, the University's state funds were decreased by \$3,225,467 (7.1%) resulting in a final approved budget of \$116,728,254. At the start of the fiscal year to help mitigate this reduction, the University was authorized to increase student tuition and fees in 11-12. During the fiscal year, to offset the midyear reduction, a spending freeze was imposed to adjust spending on uncommitted account balances and identifying available restricted fund balances to offset the budgetary shortfall.

The University began fiscal year 2012-2013 with an operating budget of \$110,620,566, which was comprised of State Appropriations in the amount of \$36,756,393, Self-Generated funds of \$71,239,333 and \$2,624,840 of Statutory Dedication Funding. Due to a state budget cut in mid FY2013, the University's state funds were decreased by \$948,120 (2.6%) resulting in a final approved budget of \$109,672,446. At the start of the fiscal year to help mitigate this reduction, the University was authorized to increase student tuition and fees in 12-13. During the fiscal year, to offset the midyear reduction, a spending freeze was imposed in the fourth quarter to adjust spending on uncommitted account balances and identifying available restricted fund balances to offset the budgetary shortfall.

Operating Budget and State Appropriations

A significant amount of the University's current unrestricted revenues are derived from the State general fund appropriations. The Constitution and statutes of the State require the Board of Regents to design a formula (the "Formula") providing for the distribution of State tax revenues to institutions of higher education. The Board of Regents is a constitutionally created board whose powers include budgetary responsibility for all public institutions of higher education. The Formula is prepared pursuant to a hearing held each year by the Board of Regents. Institutions share in the formula based on student credit hours accumulated, operating and maintenance expenses attributable to building space and charges associated with utilities.

The managing board of each college and university is required to submit to the Board of Regents estimates of its financial requirements and receipts for the ensuing fiscal year. The Board of Regents prioritizes these requests and submits to the Division of Administration, Office of the Governor (the "Division"), and to the Legislature, a request for funding of the Formula. Generally, the Legislature funds the Formula at an amount less than requested. The colleges and universities are not in a position to itemize their budgets until the level of the Formula is established. Consequently, the Legislature appropriates lump sums to the managing boards of the various colleges and universities, which then submit itemized budgets to the Board of Regents for review. These budgets are then transmitted to the Division and the Joint Legislative Committee on the Budget for consideration.

Self-generated revenues of public colleges and universities can be generally categorized as either restricted or unrestricted revenues. The decision to designate Dedicated Revenues pledged to the Bonds into a restricted fund is within the discretion of the Board.

State Appropriations

The following table reflects total State general fund appropriations to State higher education, to the UL System and to the University, as well as, (i) total State general fund appropriations to the UL System as a percentage of total State higher education appropriations and (ii) total University State general fund appropriations as a percentage of total UL State general fund appropriations for fiscal year 2012-13. Years 2006-07 through 2010-2011 were reported as part of the LSU System. During FY 2012, UNO changed management board from LSU System to University of Louisiana System (ULS). UNO's budget was transferred to the UL System and reported as part of the UL System.

STATE GENERAL FUND APPROPRIATIONS TO HIGHER EDUCATION, LSU SYSTEM AND UNIVERSITY

FISCAL YEAR	STATE HIGHER EDUCATION TOTAL APPROPRIATIONS	UL SYSTEM TOTAL APPROPRIATIONS	% UL SYSTEM TO TOTAL STATE HIGHER EDUC. APPROPRIATIONS	UNIVERSITY TOTAL APPROPRIATION	% UNIVERSITY TO UL SYSTEM APPROPRIATION
2006-07	\$1,421,662,160	\$673,220,907	47.35%	\$65,669,431	9.75%
2007-08	\$1,588,482,746	\$744,488,468	46.87%	\$73,837,826	9.92%
2008-09	\$1,715,836,512	\$722,337,645	42.10%	\$70,887,320	9.81%
2009-10	\$1,431,668,754	\$669,931,058	46.79%	\$65,220,738	9.74%
2010-11	\$1,219,841,602	\$622,961,860	51.07%	\$61,373,192	9.85%
2011-12*	\$1,290,047,558	\$518,205,413	40.17%	\$47,676,321	9.20%
2012-13	\$1,175,660,258	\$294,731,579	25.07%	\$39,381,233	13.36%

* UNO Appropriation was moved from LSU System to ULS after the December 2011 transfer.

Source: Appropriations for State Higher Education obtained from Executive Budget Statewide Summary. The LSU System and the University appropriations for the years 2005-06 through 2008-09 obtained from LSU System BA-7 Tracking Sheets, and includes state appropriated statutory dedications, but excludes LSU Health Care Services Division (HCSD) appropriations. Data for the years 2009-10 through 2012-13 was derived from reports compiled by the State Office of Planning and Budget.

The continued receipt of appropriations at the current levels cannot be assured.

TOTAL REVENUES OF UNIVERSITY BY SOURCE
FISCAL YEARS 1999-00 THROUGH 2011-12

Year*	UNRESTRICTED						RESTRICTED				TOTAL
	STATE APPROPRIATIONS		TUITION AND FEES		OTHER REVENUES		Auxiliary Enterprises	% of Total	Restricted Funds	% of Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total					
1999-00	42,428,516	28.73%	39,461,771	26.72%	4,661,970	3.16%	11,663,225	7.90%	49,473,626	33.50%	147,689,108
2000-01	43,069,391	26.03%	45,206,374	27.32%	4,635,974	2.80%	11,937,114	7.21%	60,604,585	36.63%	165,453,438
2001-02	50,705,767	27.58%	48,258,483	26.25%	5,486,125	2.98%	13,047,227	7.10%	66,371,847	36.10%	183,869,449
2002-03	53,726,257	28.23%	50,213,531	26.39%	5,344,375	2.81%	14,191,062	7.46%	66,833,150	35.12%	190,308,375
2003-04	53,635,940	26.82%	54,593,152	27.30%	5,818,730	2.91%	14,941,274	7.47%	71,000,812	35.50%	199,989,908
2004-05	54,885,110	26.33%	58,837,091	28.23%	5,143,855	2.47%	15,159,796	7.27%	74,416,259	35.70%	208,442,111
2005-06	** 50,432,223	27.66%	35,576,322	19.51%	2,178,202	1.19%	8,708,716	4.78%	85,448,346	46.86%	182,343,809
2006-07	65,669,431	32.97%	42,323,615	21.25%	2,240,949	1.13%	11,466,468	5.76%	77,452,780	38.89%	199,153,243
2007-08	73,837,826	35.08%	42,729,516	20.30%	3,552,581	1.69%	12,919,768	6.14%	77,419,775	36.79%	210,459,466
2008-09	** 70,792,390	33.07%	46,228,264	21.60%	4,439,786	2.07%	14,559,801	6.80%	78,040,923	36.46%	214,061,164
2009-10	59,703,377	28.37%	50,208,442	23.86%	4,686,211	2.23%	15,650,318	7.44%	80,162,192	38.10%	210,410,540
2010-11	65,745,495	30.32%	54,856,692	25.30%	5,151,464	2.38%	13,739,658	6.34%	77,370,842	35.68%	216,864,151
2011-12	44,334,821	24.82%	57,356,431	32.12%	5,648,844	3.16%	13,790,866	7.72%	57,461,044	32.17%	178,592,006

UNRESTRICTED REVENUES OF UNIVERSITY BY SOURCE
FISCAL YEARS 1999-00 THROUGH 2011-12

Year*	TOTAL UNRESTRICTED	STATE APPROPRIATIONS		TUITION AND FEES		OTHER REVENUES	
		Amount	% of Total	Amount	% of Total	Amount	% of Total
1999-00	86,552,257	42,428,516	49.02%	39,461,771	45.59%	4,661,970	5.39%
2000-01	92,911,739	43,069,391	46.36%	45,206,374	48.66%	4,635,974	4.99%
2001-02	104,450,375	50,705,767	48.55%	48,258,483	46.20%	5,486,125	5.25%
2002-03	109,284,163	53,726,257	49.16%	50,213,531	45.95%	5,344,375	4.89%
2003-04	114,047,822	53,635,940	47.03%	54,593,152	47.87%	5,818,730	5.10%
2004-05	118,866,056	54,885,110	46.17%	58,837,091	49.50%	5,143,855	4.33%
2005-06	88,186,747	** 50,432,223	57.19%	35,576,322	40.34%	2,178,202	2.47%
2006-07	110,233,995	65,669,431	59.57%	42,323,615	38.39%	2,240,949	2.03%
2007-08	120,119,923	73,837,826	61.47%	42,729,516	35.57%	3,552,581	2.96%
2008-09	121,460,440	** 70,792,390	58.28%	46,228,264	38.06%	4,439,786	3.66%
2009-10	114,598,030	** 59,703,377	52.10%	50,208,442	43.81%	4,686,211	4.09%
2010-11	107,340,096	44,334,821	41.30%	57,356,431	53.43%	5,648,844	5.26%

* Years 1999-00 to 2011-12 - audited

** Mid year state appropriation budget cut FY 05-06 -- \$6.5 million; FY 08-09 -- \$3.2 million; FY 09-10 -- \$5.3 million; FY 10-11--\$1.6 million; FY 11-12--\$2.3 million

Source: University of New Orleans
Office of Financial Services

RESTRICTED REVENUES OF UNIVERSITY BY SOURCE
FISCAL YEARS 1999-00 THROUGH 2011-12

Year*	TUITION AND CHARGES		GRANTS AND CONTRACTS						AUXILIARY		OTHER		TOTAL	
	% of		STATE AND LOCAL		FEDERAL		PRIVATE		% of		% of		% of	
	Amount	Total	Amount	Total	Amount	Total	Amount	Total	Amount	Total	Amount	Total	Amount	Total
1999-00	6,939,258	11.35%	7,721,704	12.63%	24,856,231	40.66%	5,441,685	8.90%	11,663,225	19.08%	4,514,748	7.38%	61,136,851	100.00%
2000-01	6,981,539	9.62%	8,541,020	11.77%	34,837,032	48.02%	5,638,286	7.77%	11,937,114	16.46%	4,606,708	6.35%	72,541,699	100.00%
2001-02	9,917,308	12.49%	10,568,673	13.31%	31,705,586	39.92%	9,451,889	11.90%	13,047,227	16.43%	4,728,391	5.95%	79,419,074	100.00%
2002-03	9,699,144	11.97%	11,023,977	13.61%	33,644,428	41.52%	8,447,671	10.43%	14,191,062	17.51%	4,017,930	4.96%	81,024,212	100.00%
2003-04	12,128,581	14.11%	11,645,198	13.55%	32,244,261	37.52%	9,956,576	11.59%	14,941,274	17.39%	5,026,196	5.85%	85,942,086	100.00%
2004-05	12,107,964	13.52%	15,853,820	17.70%	30,576,126	34.13%	10,627,899	11.86%	15,159,796	16.92%	5,250,450	5.86%	89,576,055	100.00%
2005-06	7,455,437	8.73% **	28,958,894	33.89%	25,135,450	29.42%	10,815,162	12.66%	8,708,716	10.19%	4,375,021	5.12%	85,448,680	100.00%
2006-07	9,563,229	10.75%	16,181,997	18.20%	31,814,838	35.78%	13,556,714	15.25%	11,466,468	12.90%	6,336,002	7.13%	88,919,248	100.00%
2007-08	10,054,375	11.13%	19,586,267	21.68%	26,195,997	29.00%	16,766,353	18.56%	12,919,768	14.30%	4,816,783	5.33%	90,339,543	100.00%
2008-09	10,609,713	11.46%	23,025,768	24.87%	24,324,455	26.27%	17,037,633	18.40%	14,559,801	15.72%	3,043,354	3.29%	92,600,724	100.00%
2009-10	9,881,083	10.31%	20,086,494	20.97%	29,686,000	30.98%	15,880,015	16.57%	15,650,318	16.34%	4,628,600	4.84%	95,812,510	100.00%
2010-11	10,217,564	11.21%	12,435,856	13.65%	31,456,568	34.53%	18,061,686	19.82%	13,739,658	15.09%	5,199,168	5.71%	91,110,500	100.00%
2011-12	9,494,280	13.32%	12,209,217	17.14%	24,888,477	34.93%	7,221,697	10.13%	13,790,866	19.36%	3,651,542	5.13%	71,256,079	100.00%

* Years 1998-99 to 2011-12 - audited

** Includes \$14 million Board of Regents pass-through grant from U.S. Department of Education related to Hurricane Katrina relief.

Source: University of New Orleans
Office of Financial Services

Student Housing

In late fall 2007 the University replaced Bienville Hall, a high-rise dormitory, with the Pontchartrain Hall facility in order to upgrade and modernize its housing facilities and to remain competitive in the student housing market. Bienville Hall became a general purpose building. This enabled the University to update and slightly expand student housing facilities to support student life and its recruiting efforts. The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, as lessor for the benefit of the University, leased a portion of its grounds located on the campus of the University, to the University of New Orleans Research and Technology Foundation (Foundation) pursuant to a ground lease agreement for construction of the resident facilities (Pontchartrain Hall) effective August 8, 2006.

The Foundation financed the project through a \$38M loan agreement with the Louisiana Public Facilities Authority (LPFA). The loan is backed by revenue bonds issued by the LPFA, a public trust and public corporation of the State of Louisiana organized to promote and encourage a wide range of public and industrial activities within the State. The University has leased the facility from the Foundation. The University anticipates making lease payments from Pontchartrain Hall revenues and revenues from other sources (such as married student housing, food service fees, bookstore revenues, campus copy center, vending machines and parking). The University has previously pledged revenues from certain Auxiliary enterprises for the payment of debt service on University issued revenue bonds. The University must first satisfy the debt service on these University issued revenue bonds prior to making rent payments under the lease with the Foundation. The rent payments under the lease will be equal to that of the Foundation's debt service on the LPFA loan. The University shall not have any ownership interest in the facility during the term of the ground lease; nor shall the University have any financial obligations other than those addressed by the lease agreement.

The new facility will provide a modern alternative to the other University campus housing facilities at an anticipated rental rate lower than that of Privateer Place. There are 740 useable beds in (22) efficiency units, (55) 2 bedroom units and (152) 4 bedroom suites. The efficiency room rates for the Fall 2012 semester were \$3,800. The rates for the two bedroom suites were \$3,190. There are (76) 90 sqft 4 bedroom suites and (76) 97 sqft 4 bedroom suites for which the rates were \$2,475 and \$2,575, respectively.

The University's married/family housing, Lafitte Village Apartments, closed in 2005 due to Hurricane Katrina, but reopen in Fall of 2012. There are 120 apartment units in Lafitte Village; one bedroom units (48) which rented for \$640 per month and two bedroom units (72) which rented for \$740 per month.

Privateer Place, an apartment complex, on University grounds is operated by Housing Partnership III, LTD. (the "Partnership"). The University derives revenue from this facility pursuant to a lease agreement between the University and the Partnership. For fiscal year 2011-2012, the revenue generated from this arrangement totaled \$0.00 to the University. Phases 1 and 2 of Privateer Place have a total of 816 beds in a combination of efficiency apartments, 2-bedroom and 4-bedroom units. For the 2011-2012 fiscal year, the cost of an efficiency apartment (1 bed) was \$699 per month, a 2-bedroom was \$599 per month per person and a 4-bedroom was \$499 per month per person. Revenues received from student tenants by the Partnership are not deemed Auxiliary Revenues.

The following table reflects the capacity, occupancy and percent of occupancy of the University residence halls and apartments for the Fall semesters 2007 to 2012:

**RESIDENCE HALL AND APARTMENT OCCUPANCY
FALL 2007 THROUGH FALL 2012**

	<u>Capacity</u>	<u>Occupancy</u>	<u>Percent Occupancy</u>
FALL 2007			
Residence Halls	740	494	66.76%
Apartments*	120	0	0.00%
Total	<u>860</u>	<u>494</u>	57.44%
FALL 2008			
Residence Halls **	740	605	81.76%
Apartments*	120	0	0.00%
Total	<u>860</u>	<u>605</u>	70.35%
FALL 2009			
Residence Halls **	740	729	98.51%
Apartments*	120	0	0.00%
Total	<u>860</u>	<u>729</u>	84.77%
FALL 2010			
Residence Halls **	740	689	93.11%
Apartments*	120	0	0.00%
Total	<u>860</u>	<u>689</u>	80.12%
FALL 2011			
Residence Halls **	740	673	90.95%
Apartments*	120	0	0.00%
Total	<u>860</u>	<u>673</u>	78.26%
FALL 2012			
Residence Halls **	740	593	80.14%
Apartments*	120	53	44.17%
Total	<u>860</u>	<u>646</u>	75.12%

* Lafitte Village Apartments suffered flood and wind damage from Hurricane Katrina. The facility reopened in Fall 2012.

** In late fall 2007 the University replaced Bienville Hall, a high-rise dormitory, with the Pontchartrain Hall facility in order to upgrade and modernize its housing

The following table shows the relative revenue contribution of each Auxiliary Enterprise for the fiscal years 2007-08 through 2011-12:

**HISTORICAL AUXILIARY ENTERPRISE REVENUES
for fiscal years 2007-2008 to 2011-12**

	FY 2011-12		FY 2010-11		FY 2009-10		FY 2008-09		FY 2007-08	
	<u>Amount</u>	<u>% Total</u>	<u>Amount</u>	<u>% Total</u>	<u>Amount</u>	<u>% Total</u>	<u>Amount</u>	<u>% Total</u>	<u>Amount</u>	<u>% Total</u>
Student Housing (1)	3,610,020	32.60%	3,545,549	32.04%	3,790,991	31.42%	3,195,524	29.01%	2,678,098	26.94%
Food and Vending Services (2)	2,698,494	24.36%	2,684,702	24.25%	2,808,480	23.28%	1,504,606	13.66%	1,236,090	12.43%
University Center (3)	4,099,111	37.01%	4,078,013	36.84%	4,692,424	38.89%	5,517,827	50.09%	5,339,451	53.69%
Campus Copy Center (4)	24,139	0.22%	24,051	0.22%	24,000	0.20%	26,500.00	0.24%	17,256	0.17%
Parking, Traffic and Safety Services	<u>644,968</u>	<u>5.82%</u>	<u>737,148</u>	<u>6.65%</u>	<u>\$749,948</u>	<u>6.21%</u>	<u>\$771,397</u>	<u>7.00%</u>	<u>674,261</u>	<u>6.77%</u>
Total	<u>\$11,076,732</u>	<u>100.01%</u>	<u>\$11,069,463</u>	<u>100.00%</u>	<u>\$12,065,843</u>	<u>100.00%</u>	<u>\$11,015,854</u>	<u>100.00%</u>	<u>\$9,945,156</u>	<u>100.00%</u>

(1) Includes Bienville Hall Dormitory and Lafitte Village Apartments through 2006-2007--Pontchartrain Hall replaced Bienville Hall (BH) and BH became a general purpose building. Lafitte Village Apartments due to Hurricane Katrina damage in August 2005 did not reopen until Fall 2012.

(2) Includes The Cove (which has been closed since Hurricane Katrina-August 2005, reopened in Spring semester 2012), University Center Cafeteria, Flambeau Room, catering and campus-wide vending. The food services operation is under contract with ARAMARK.

(3) Includes the University Center (UC) Bookstore and UC Building operations.

(4) The printing and copying services are contracted with IKON Office Solutions, Inc.

Tables 1 through 5 present analyses of revenues, expenditures and debt service of the Auxiliary Enterprises for the fiscal years ended June 30, 2008 through 2012:

**UNIVERSITY OF NEW ORLEANS
AUXILIARY ENTERPRISES**

**Table 1
STUDENT HOUSING
ANALYSIS OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30TH**

	Audited				
	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
Revenues	\$ 3,610,020	\$ 3,545,549	\$ 3,790,991	\$ 3,195,524	\$ 2,678,098
Expenditures	3,732,188	1,456,658	3,812,303	3,695,627	3,363,192
Debt Service	34,152	19,817	10,236	25,184	50,532
Total Expenditures	<u>3,766,340</u>	<u>1,476,475</u>	<u>3,822,539</u>	<u>3,720,811</u>	<u>3,413,724</u>
Excess of Revenues over/(under) Expenditures	<u>\$ (156,320)</u>	<u>\$ 2,069,074</u>	<u>\$ (31,548)</u>	<u>\$ (525,287)</u>	<u>\$ (735,626)</u>

NOTE: Student Housing as presented above includes the Pontchartrain Hall (opened in late 2007), Lafitte Village Apartments (Reopen until Fall 2012; closed after Hurricane Katrina, August 2005), and Privateer Place. See "Housing and Meals" herein. The losses in 05-06 can be attributed to the decline in enrollment and closed facilities since Hurricane Katrina; and in 08-09 to the added cost of operating the new dormitory, Pontchartrain Hall.

**Table 2
FOOD AND VENDING SERVICES
ANALYSIS OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30TH**

	Audited				
	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
Revenues	\$ 2,698,494	\$ 2,684,702	\$ 2,808,480	\$ 1,504,606	\$ 1,236,090
Expenditures	2,474,026	2,465,137	2,741,404	1,054,748	868,197
Debt Service	5,545	7,091	5,409	4,777	9,129
Total Expenditures	<u>2,479,571</u>	<u>2,472,228</u>	<u>2,746,813</u>	<u>1,059,525</u>	<u>877,326</u>
Excess of Revenues over/(under) Expenditures	<u>\$ 218,923</u>	<u>\$ 212,474</u>	<u>\$ 61,667</u>	<u>\$ 445,081</u>	<u>\$ 358,764</u>

NOTE: Food and vending services include The Cove (which reopened in Spring semester 2012), The University Center Cafeteria and Flambeau Room, Catering and campus wide vending. The food services are currently contracted to ARAMARK. Students purchase a dining card utilizing a declining balance plan whereby charges are deducted from the value of the card.

**Table 3
UNIVERSITY CENTER
(exclusive of University Center Food Services)
ANALYSIS OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30TH**

	Audited				
	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
Revenues	\$ 4,099,111	\$ 4,078,013	\$ 4,692,424	\$ 5,517,827	\$ 5,339,451
Expenditures	3,994,208	4,100,350	4,682,807	5,488,243	5,254,109
Debt Service	34,568	46,112	57,920	25,369	42,766
Total Expenditures	<u>4,028,776</u>	<u>4,146,462</u>	<u>4,740,727</u>	<u>5,513,612</u>	<u>5,296,875</u>
Excess of Revenues over/(under) Expenditures	<u>\$ 70,335</u>	<u>\$ (68,449)</u>	<u>\$ (48,303)</u>	<u>\$ 4,215</u>	<u>\$ 42,576</u>

NOTE: The University Center (UC) includes the Bookstore, UC administration, building services and miscellaneous activities. The food services operation has been combined with Food and Vending Services above.

Table 4
CAMPUS COPY CENTER
ANALYSIS OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30TH

	Audited				
	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
Revenues	\$ 24,139	\$ 24,051	\$ 24,000	\$ 26,500	\$ 17,256
Expenditures	8,323	7,916	18,769	10,446	11,806
Debt Service	1,377	1,704	2,088	1,060	2,020
Total Expenditures	9,700	9,620	20,857	11,506	13,826
Excess of Revenues over/(under) Expenditures	<u>\$ 14,439</u>	<u>\$ 14,431</u>	<u>\$ 3,143</u>	<u>\$ 14,994</u>	<u>\$ 3,430</u>

NOTE: Printing and copying services are contracted with IKON Office Solutions, Inc.

Table 5
PARKING, TRAFFIC AND SAFETY SERVICES
ANALYSIS OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30TH

	Audited				
	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
Revenues	\$ 644,968	\$ 737,148	\$ 749,948	\$ 771,397	\$ 674,261
Expenditures	376,207	123,706	248,069	410,438	311,372
Debt Service	325,918	325,000	325,000	325,000	300,000
Total Expenditures	702,125	448,706	573,069	735,438	611,372
Excess of Revenues over Expenditures	<u>\$ (57,157)</u>	<u>\$ 288,442</u>	<u>\$ 176,879</u>	<u>\$ 35,959</u>	<u>\$ 62,889</u>

The following is a summary of revenue and expenditures of the Auxiliary Enterprises of the University for the fiscal years ended June 30, 2008 through 2012 excluding debt service:

HISTORICAL AUXILIARY ENTERPRISE REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30TH

	Audited				
	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
Total Revenues	\$ 11,076,732	\$ 11,069,463	\$ 12,065,843	\$ 11,015,854	\$ 9,945,156
Total Expenditures	10,584,952	8,153,767	11,503,352	10,659,502	9,808,677
Excess of Revenues over/(under) Expenditures	<u>\$ 491,780</u>	<u>\$ 2,915,696</u>	<u>\$ 562,491</u>	<u>\$ 356,352</u>	<u>\$ 136,479</u>