



**LOUISIANA STATE UNIVERSITY SYSTEM
and
UNIVERSITY OF NEW ORLEANS
Financial Report**

As of and for the Year Ended June 30, 2009





**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

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

As of and for the Year Ended June 30, 2009

LOUISIANA STATE UNIVERSITY SYSTEM
A COMPONENT UNIT OF THE
STATE OF LOUISIANA



FINANCIAL STATEMENT AUDIT
FOR THE YEAR ENDED JUNE 30, 2009
ISSUED APRIL 7, 2010

**LEGISLATIVE AUDITOR
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	Page
Independent Auditor's Report on the Financial Statements	3
Management's Discussion and Analysis	5

Statement

Basic Financial Statements:

Louisiana State University System	
Statement of Net Assets	A15
Component Units	
Statement of Financial Position	B18
Louisiana State University System	
Statement of Revenues, Expenses, and Changes in Net Assets	C23
Component Units	
Statement of Activities	D26
Louisiana State University System	
Statement of Cash Flows.....	E31
Notes to the Financial Statements	33

Schedule

Required Supplementary Information Schedule -	
Schedule of Funding Progress for the	
Other Postemployment Benefits Plans	193
Supplemental Information Schedules -	
Louisiana State University System:	
Combining Schedule of Net Assets, by University	296
Combining Schedule of Revenues, Expenses, and Changes	
in Net Assets, by University	3100
Combining Schedule of Cash Flows, by University	4104

Exhibit

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

Appendix

Management’s Corrective Action Plans and Responses
to the Findings and Recommendations..... A



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA

March 24, 2010

Independent Auditor's Report on the Financial Statements

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Louisiana State University (LSU) System, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of management of the LSU System. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Louisiana State University School of Medicine in New Orleans Faculty Group Practice doing business as LSU Healthcare Network and Subsidiaries, the Eunice Student Housing Foundation, Inc., and the Health Care Services Foundation and its subsidiary, which are nonprofit corporations included as blended component units in the basic financial statements representing approximately 2.0% of total assets, 3.1% of total liabilities, 2.1% of total revenues, and 2.0% of total expenses of the LSU System. We also did not audit the financial statements of the LSU Foundation, the Tiger Athletic Foundation, the Pennington Medical Foundation, the Foundation for the LSU Health Sciences Center, and the University of New Orleans Research and Technology Foundation, which are all of the discretely presented component units presented in the basic financial statements of the LSU 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 included for these component units, are based on 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 LSU Foundation and the Pennington Medical Foundation were not audited 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 the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the 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 aggregate discretely presented component units of the LSU System as of June 30, 2009, and the respective changes in its financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

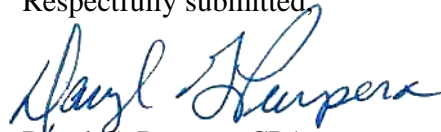
As discussed in note 1-Q to the financial statements, the LSU System implemented Governmental Accounting Standards Board (GASB) Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, for the year ended June 30, 2009. In addition, as discussed in note 1-Q to the financial statements, the LSU System changed its classification of Pell grant revenues from operating revenues to nonoperating revenues for the year ended June 30, 2009, as a result of recent actions of the GASB.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2010, on our consideration of LSU 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.

Management's discussion and analysis on pages 5 through 13 and the Schedule of Funding Progress for the Other Postemployment Benefits Plans on page 93 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise LSU System's basic financial statements. The accompanying supplementary 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 96 through 107 are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Daryl G. Purpera, CPA
Legislative Auditor - Elect

INTRODUCTION

The following discussion and analysis has been prepared by management and is written to provide an overview of the financial position and activities of the Louisiana State University System (the System) for the year ended June 30, 2009. It should be read in conjunction with the financial statements and the notes thereto which follow this section.

The annual report consists of a series of financial statements prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended by GASB Statements Nos. 37 and 38.

Effective for the year ended June 30, 2004, the System implemented GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This statement addresses which support organizations, such as foundations, should be included as component units and how these component units should be presented in the financial statements. The State of Louisiana has set a threshold for including component units if their total assets equal 3% or more of the total assets of the university system they support. A component unit that falls below this threshold may be excluded if it has been included in the financial report for at least three consecutive years and currently does not meet the reporting threshold.

The System has five foundations that will be discretely presented in its financial statements. These are the LSU Foundation, the Tiger Athletic Foundation, the Pennington Medical Foundation, the University of New Orleans Research and Technology Foundation, and the Foundation for the LSU Health Sciences Center. The financial data of each of these foundations are presented separately in the Statement of Financial Position and Statement of Activities. Additional information about the foundations is contained in the notes to the financial statements.

BACKGROUND

The System is the state's flagship system. It is also one of the most diverse and comprehensive higher education systems in the country. Headcount enrollment during the fall 2008 semester was 53,770, up 2.5% from the 52,468 reported in the previous year.

Degrees conferred by System campuses range from associate degree to doctor of philosophy. In addition, professional degrees in law, veterinary medicine, medicine, dentistry, and the complete spectrum of allied health professions are conferred.

The System also includes such dedicated centers as the Pennington Biomedical Research Center, which specializes in nutrition research and preventive medicine, and the LSU Agricultural Center, which plays a vital and integral role in supporting agricultural industries, sustaining rural areas, and encouraging efficient use of resources through research and educational programs conducted by its 20 experiment stations and extension service.

The System is also charged with the responsibility of administering 10 public hospitals. These hospitals are the primary source of health care services for the indigent population of the state and account for over one million in-patient and out-patient visits each year. In addition, these hospitals are used by the LSU Health Sciences Centers as teaching hospitals wherein the medical and dental faculty and medical education students are used to provide the necessary medical care to patients.

FINANCIAL HIGHLIGHTS

GENERAL

Total operating revenues increased from the prior fiscal year by \$149.2 million, while operating expenses increased by \$214.9 million, thereby increasing the operating loss by \$65.7 million.

To explain the change in the operating loss one has to review the activity in both operating revenues and operating expenses. Major changes in operating revenues occurred from increases in hospital income of \$101 million, additional net student tuition and fee revenue of \$21 million, and additions produced from auxiliary enterprise operations of \$19 million.

Similar to last year, a major factor in the increase in operating expenses this year can be attributed to the implementation of GASB Statement No. 45. This statement requires an accompanying operating expense be recorded for the Other Postemployment Benefit (OPEB) liability recorded each year. The OPEB liability increased by \$182 million from FY 2007-2008 and the accompanying operating expense recorded represents the majority of the change in total operating expenses.

If you include nonoperating revenues and expenses, the System shows a loss before other revenues, expenses, gains, and losses of \$145 million. This loss increased by \$73.5 million from the previous year.

Net assets, which represent the residual interest in the System's assets after liabilities, are deducted, declined by \$43 million from the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The System's financial report consists of three sections: Management's Discussion and Analysis (this section), the basic financial statements including the notes to the financial statements, and supplementary information. The basic financial statements are the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows, as well as the financial statements related to the discrete component units.

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the System as a whole. The Statement of Net Assets presents the financial position of the System at the end of the fiscal year and includes all assets and liabilities of the System. The difference between total assets and total liabilities is

one way to measure the System's financial health or position, while the change in net assets is a useful indicator of whether the financial condition of the System is improving or deteriorating. Over time, increases or decreases in the System's net assets can be useful in assessing whether its financial health is improving. Other non-financial factors such as the trend in enrollment and the condition of the physical plant are also useful in evaluating the overall financial health of the System. Finally, the Statement of Cash Flows presents the significant sources and uses of cash.

STATEMENT OF NET ASSETS

Net assets are divided into three major categories.

Invested in capital assets, net of related debt represents the university 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.

Restricted net assets represent the university system's assets that are available for spending only as legally or contractually obligated by legislative requirements, donor agreements, grant requirements, etc.

Unrestricted net assets represent the university system's assets that may be used at the discretion of the governing board to meet current expenses and for any lawful purpose.

From the data presented, readers of the Statement of Net Assets are able to determine the following:

- Assets available to continue the operations of the System
- Liabilities of the System that include the amount owed vendors and lending institutions
- Net assets and their availability for expenditure by the System

Current assets total \$1.1 billion and consist primarily of cash and cash equivalents, net receivables, investments, amounts due from state treasury, and inventories. Current liabilities total \$492.6 million and consist primarily of accounts payable and accrued liabilities, deferred revenues, notes payable, bonds payable, capital lease obligations, and a contingent amount for uncompensated absences.

Noncurrent assets total \$2.0 billion and include capital assets of \$1.6 billion. Other noncurrent assets include cash and investments that are externally restricted to make debt service payments or to maintain sinking or reserve funds and total \$367.1 million.

Noncurrent liabilities total \$950.0 million and include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not

be paid within the next fiscal year; and (3) other liabilities that while scheduled to be paid within one year are to be paid from funds classified as noncurrent assets.

Restricted nonexpendable net assets total \$169.3 million and consist of endowment and similar type funds, which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained intact and invested for the purpose of producing income that may either be expended or added to principal.

Restricted expendable net assets total \$284.2 million and include resources that the System is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. A summarized listing of the System's assets, liabilities, and net assets at June 30, 2009, and June 30, 2008, is shown below.

Statement of Net Assets

	As of		Change	Percentage Change
	June 30, 2009	June 30, 2008 (Restated)		
Assets:				
Current assets	\$1,083,332,294	\$1,060,831,650	\$22,500,644	2.1%
Capital assets	1,649,468,702	1,548,062,867	101,405,835	6.6%
Other assets	367,064,084	430,144,107	(63,080,023)	14.7%
Total Assets	3,099,865,080	3,039,038,624	60,826,456	2.0%
Liabilities:				
Current liabilities	492,606,098	557,588,845	(64,982,747)	11.7%
Noncurrent liabilities	949,996,244	781,219,943	168,776,301	21.6%
Total Liabilities	1,442,602,342	1,338,808,788	103,793,554	7.8%
Net Assets:				
Invested in capital assets, net of related debt	1,239,959,925	1,174,549,737	65,410,188	5.6%
Restricted - nonexpendable	169,318,002	174,224,464	(4,906,462)	2.8%
Restricted - expendable	284,234,639	258,710,069	25,524,570	9.9%
Unrestricted	(36,249,828)	92,745,566	(128,995,394)	139.1%
Total Net Assets	\$1,657,262,738	\$1,700,229,836	(\$42,967,098)	2.5%

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

The Statement of Revenues, Expenses, and Changes in Net Assets displays information on how the System's assets changed as a result of current year operations. This statement presents the revenues received by the System, both operating and nonoperating, and the expenses paid by the System, both operating and nonoperating.

Generally, operating revenues are received for providing goods and services to various customers and constituencies of the System. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to

carry out the mission of the System. Nonoperating revenues are revenues received for which goods and services are not provided as an exchange transaction. For example, state appropriations are required to be reported as nonoperating because they are provided by the legislature to the System without the legislature directly receiving commensurate goods and services for those revenues.

The consolidated SRECNA at June 30, 2009, for the System indicates a net operating loss of \$1.1 billion determined without including state appropriations, gifts, or investment earnings and before subtracting interest expenses on debt. As mentioned earlier, the net operating loss increased from the prior year by \$65.7 million.

While operating revenues increased by some \$149.2 million, operating expenses increased even more, by \$214.9 million. This larger growth in operating expenses is the primary factor in the change in the operating loss. Explanations for the major changes in operating revenues and operating expenses are provided in the paragraphs that follow.

After including nonoperating revenues such as state appropriations (\$826.5 million), gifts (\$30.1 million), federal nonoperating revenues (\$32.6 million), investment income (\$30.3 million), and after subtracting interest expense (\$21.1 million), and including other nonoperating revenues and expenses, the System had a loss before other revenues, expenses, gains, or losses of \$145.0 million.

Summarized below is the Statement of Revenues, Expenses, and Changes in Net Assets.

Statement of Revenues, Expenses, and Changes in Net Assets

	As of		Change	Percentage Change
	June 30, 2009	June 30, 2008 (Restated)		
Operating revenues	\$2,439,968,565	\$2,290,750,894	\$149,217,671	6.5%
Operating expenses	3,491,820,539	3,276,907,799	214,912,740	6.6%
Operating loss	(1,051,851,974)	(986,156,905)	(65,695,069)	6.7%
Nonoperating revenues (expenses)	906,832,536	914,722,725	(7,890,189)	0.9%
Income (loss) before other revenues, expenses, gains, and losses	(145,019,438)	(71,434,180)	(73,585,258)	103.0%
Other revenues, expenses, gains, and losses	102,052,340	142,098,096	(40,045,756)	28.2%
(Decrease) increase in net assets	(42,967,098)	70,663,916	(113,631,014)	160.8%
Net assets at beginning of year - restated	1,700,229,836	1,629,565,920	70,663,916	4.3%
Net assets at end of year	\$1,657,262,738	\$1,700,229,836	(\$42,967,098)	2.5%

Operating Revenues

Operating revenues for the System total nearly \$2.4 billion at June 30, 2009. Major components of operating revenues are hospital income, representing 54.5% of the total; grants and contracts, 18.2% of the total; and net tuition and fees, 10.4% of the total.

As of June 30, 2009, hospital income increased by \$100.5 million. Of this amount, \$53.5 million was from an increase in inpatient admissions and outpatient services at the Health Care Service Division hospitals, and \$33 million was associated with an increase in Medicaid and UCC cost report accruals at the LSU Health Sciences Shreveport Hospital, E.A. Conway Hospital, and Huey P. Long Memorial Hospital. Net tuition and fees increased by 8.8% or almost \$21 million mainly because of increases of \$13 million at LSU and nearly \$3 million at the University of New Orleans. The following table summarizes the System's operating revenue for the years ending June 30, 2009 and June 30, 2008.

Operating Revenues (in millions)

	As of		Change	Percentage Change
	June 30, 2009	June 30, 2008 (Restated)		
Tuition and fees, net	\$254.8	\$234.2	\$20.6	8.8%
Federal appropriations	12.5	12.0	0.5	4.2%
Grants and contracts	442.7	453.0	(10.3)	2.3%
Sales and services of educational departments	199.6	186.3	13.3	7.1%
Auxiliary enterprises, net	179.0	160.3	18.7	11.7%
Hospital income	1,329.6	1,229.1	100.5	8.2%
Other	20.8	15.9	4.9	30.8%
Total operating revenues	<u>\$2,439.0</u>	<u>\$2,290.8</u>	<u>\$148.2</u>	6.5%

Operating Expenses

Total operating expenses for the System amounted to almost \$3.5 billion as of June 30, 2009. Hospital expenses represented 39.6% of all operating expenses and represented the largest functional component. Other major components are instructional expenses, 18.0%; research expenses, 10.6%; and public service expenses, 10.7%. Shown on the following page in tabular format is a summary of the System's operating expenses for the fiscal years ending June 30, 2009 and June 30, 2008.

Operating Expenses (in millions)

	As of		Change	Percentage Change
	June 30, 2009	June 30, 2008 (Restated)		
Instruction	\$627.8	\$596.1	\$31.7	5.3%
Research	371.2	355.5	15.7	4.4%
Public service	373.3	342.2	31.1	9.1%
Academic support	136.5	142.0	(5.5)	3.9%
Student services	43.0	39.5	3.5	8.9%
Institutional support	150.2	141.0	9.2	6.5%
Operation and maintenance of plant	193.9	197.3	(3.4)	1.7%
Scholarships and fellowships	48.3	41.8	6.5	15.6%
Auxiliary enterprises	163.1	150.0	13.1	8.7%
Hospital	1,384.5	1,271.5	113.0	8.9%
	<u>\$3,491.8</u>	<u>\$3,276.9</u>	<u>\$214.9</u>	6.6%
Total operating expenses	<u>\$3,491.8</u>	<u>\$3,276.9</u>	<u>\$214.9</u>	6.6%

CAPITAL ASSET AND DEBT ADMINISTRATION

At June 30, 2009, the System has \$1.6 billion (including \$75.4 million in assets under capital leases) invested in a broad range of capital assets including land, buildings and improvements, equipment, and infrastructure, which is net of accumulated depreciation of \$1.8 billion (see the following table).

Capital Asset Summary

	As of		Change	Percentage Change
	June 30, 2009	June 30, 2008 (Restated)		
Capital assets not being depreciated	\$333,648,772	\$299,964,662	\$33,684,110	11.2%
Other Capital Assets:				
Infrastructure	68,197,202	67,942,455	254,747	0.4%
Land improvements	73,876,738	71,770,670	2,106,068	2.9%
Buildings	1,868,932,739	1,745,803,680	123,129,059	7.1%
Equipment	918,922,513	880,282,896	38,639,617	4.4%
Library books	214,768,759	210,965,903	3,802,856	1.8%
Total Other Capital Assets	<u>3,144,697,951</u>	<u>2,976,765,604</u>	<u>167,932,347</u>	5.6%
Total cost of capital assets	3,478,346,723	3,276,730,266	201,616,457	6.2%
Less accumulated depreciation	<u>(1,828,878,021)</u>	<u>(1,728,666,861)</u>	<u>(100,211,160)</u>	5.8%
Capital assets, net	<u>\$1,649,468,702</u>	<u>\$1,548,063,405</u>	<u>\$101,405,297</u>	6.6%

Capital assets not being depreciated total \$333.6 million. This represents land, capitalized collections, and construction-in-progress.

Capital additions at the Health Sciences Center New Orleans include a \$7.2 million renovation of the Lions Eye Learning Center, a \$3.5 million renovation of the Medical Education Building, a \$2.6 million renovation of the multidisciplinary labs, a \$2.3 million renovation at the New Orleans Adolescent Hospital, and \$1.6 million of library renovations.

Major capital expenditures at the HCSD include \$15 million in construction-in-progress for the new University Medical Center; \$8.2 million in construction-in-progress for reconstruction of the Medical Office Building for the Medical Center of Louisiana at New Orleans (Interim Public Hospital); \$7.6 million in construction-in-progress for a new North Baton Rouge Clinic for E.K. Long Medical Center; \$4.3 million for a new obstetric wing for the Washington-St. Tammany Regional Medical Center; and \$2.4 million for purchases of cardiovascular x-ray system and a CT imaging scanner for the University Medical Center at Lafayette.

At LSU, major capital expenditures that were recorded in fiscal year 2009 were \$18.4 million for the Student Union renovation project; \$18 million for the construction of the new Alex Box Baseball Stadium; \$7.1 million for the renovation of the Pete Maravich Assembly Center; \$5.4 million for construction of the Women's Softball Complex; \$3.3 million for renovation of the Music and Dramatic Arts Building; and \$3.2 million for the Laville Honors College renovations.

At the LSU Pennington Biomedical Research Center, \$3.3 million in capital assets were recorded for construction of the new clinical research facility. At the LSU Agricultural Center \$7 million in construction of the Animal & Food Science facility was recorded.

At June 30, 2009, the System has \$377.0 million in bonds outstanding, \$24.7 million in notes payable outstanding, and \$89.9 million in capital lease obligations outstanding.

ECONOMIC OUTLOOK

Like much of the country Louisiana has been impacted to some extent by the deep, national recession. A mid-year budget reduction that occurred in FY 2008-2009 was followed by a larger reduction in state support for FY 2009-2010. However, this reduction was mitigated to a large extent by a combination of additional state support from one time funds, federal stimulus funds, and additional authority to increase student tuition and fees.

Looking forward, the economic forecast indicates that state government in FY 2010-2011 will be facing a revenue shortfall of approximately \$900 million and another \$994 million for the fiscal year thereafter. The state is currently conducting reviews to streamline its operations with the goal of reducing expenses and operating more efficiently.

As of now, it is uncertain how the projected shortfall will impact the LSU System campuses. Legislation enacted during the 2008 legislative session allows for tuition increases under certain conditions for FY11 and FY12. Additional revenue from this process will help mitigate any reduction in state appropriations that may occur during that time period.

**CONTACTING THE LOUISIANA STATE
UNIVERSITY SYSTEM'S MANAGEMENT**

This financial report is designed to provide our residents, taxpayers, customers, and investors and creditors with a general overview of the LSU System's finances and to show the LSU System's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at 3810 West Lakeshore Drive, Suite 111, Baton Rouge, Louisiana 70808.

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

Statement of Net Assets, June 30, 2009

ASSETS

Current Assets:

Cash and cash equivalents (note 2)	\$477,442,682
Investments (note 3)	251,839,379
Receivables, net (note 4)	294,359,473
Due from state treasury, net (note 15)	8,558,133
Inventories	40,388,783
Deferred charges and prepaid expenses	4,795,637
Notes receivable	4,506,217
Other current assets	1,441,990
Total current assets	<u>1,083,332,294</u>

Noncurrent Assets:

Restricted Assets:

Cash and cash equivalents (note 2)	76,160,690
Investments (note 3)	241,852,729
Receivables, net (note 4)	595,000
Notes receivable	26,693,927
Other restricted assets	13,329,335
Investments (note 3)	2,545,077
Other noncurrent assets	5,887,326
Capital assets, net (note 5)	1,649,468,702
Total noncurrent assets	<u>2,016,532,786</u>

Total assets

3,099,865,080

LIABILITIES

Current Liabilities:

Accounts payable and accrued liabilities (note 7)	367,727,957
Deferred revenues	77,249,628
Amounts held in custody for others (note 14)	5,060,117
Compensated absences (note 11)	10,298,540
Capital lease obligations (note 14)	2,900,873
Notes payable (note 14)	9,811,576
Bonds payable (note 14)	18,115,417
Other current liabilities	1,441,990
Total current liabilities	<u>492,606,098</u>

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Statement of Net Assets, June 30, 2009

LIABILITIES (CONT.)

Noncurrent Liabilities:

Compensated absences (note 11)	\$129,449,286
Capital lease obligations (note 14)	87,047,259
Notes payable (note 14)	14,936,631
Other postemployment benefits payable (note 9)	357,936,538
Bonds payable (note 14)	358,852,500
Other noncurrent liabilities	1,774,030
Total noncurrent liabilities	<u>949,996,244</u>
Total liabilities	<u><u>1,442,602,342</u></u>

NET ASSETS

Investment in capital assets, net of related debt	1,239,959,925
Restricted for:	
Nonexpendable (note 16)	169,318,002
Expendable (note 16)	284,234,639
Unrestricted	<u>(36,249,828)</u>
Total net assets	<u><u>\$1,657,262,738</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

COMPONENT UNITS

Statement of Financial Position, June 30, 2009

	LSU Foundation	Tiger Athletic Foundation*	Pennington Medical Foundation*
ASSETS			
Current Assets:			
Cash and cash equivalents (note 2)	\$26,071,429	\$2,695,865	\$284,594
Restricted cash (note 2)		47,410,067	
Investments (note 3)	4,855,029		34,118,559
Accrued interest receivable	957,354		9,069
Accounts receivable, net	95,017	2,479,256	11,028
Unconditional promises to give, net (note 27)	10,331,058	5,675,522	
Deferred charges and prepaid expenses	254,349	569,770	58,427
Other current assets		10,946,118	23,212
Total current assets	42,564,236	69,776,598	34,504,889
Noncurrent Assets:			
Restricted assets:			
Cash and cash equivalents (note 2)		106,358	2,352,627
Investments (note 3)	346,631,103	3,552,927	
Other	924,617		
Investments (note 3)	18,836,471		
Unconditional promises to give, net (note 27)	21,684,437	8,768,397	
Property and equipment, net (note 5)	14,904,418	129,979,869	39,775,392
Other noncurrent assets	568,538	16,641,439	269,431
Total noncurrent assets	403,549,584	159,048,990	42,397,450
Total assets	\$446,113,820	\$228,825,588	\$76,902,339
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	\$3,265,836	\$3,546,556	\$1,355,270
Deferred revenues		19,830,232	
Amounts held in custody for others (note 25)	8,266,347	6,012,347	
Compensated absences payable (note 14)	228,618		
Current portion of notes payable (note 14)			
Current portion of bonds payable (note 14)	628,395	1,775,000	
Line of credit (note 14)	6,081,300		
Other current liabilities	38,880	286,431	16,769
Total current liabilities	18,509,376	31,450,566	1,372,039

(Continued)

The accompanying notes are an integral part of this statement.

Statement B

	Foundation for the LSU Health Sciences Center	University of New Orleans Research and Technology Foundation	Total Foundations
ASSETS			
Current Assets:			
Cash and cash equivalents (note 2)	\$10,725	\$2,945,689	\$32,008,302
Restricted cash (note 2)	93,304		47,503,371
Investments (note 3)	4,304,270	4,058,714	47,336,572
Accrued interest receivable			966,423
Accounts receivable, net	1,952,046	4,395,859	8,933,206
Unconditional promises to give, net (note 27)	17,520		16,024,100
Deferred charges and prepaid expenses			882,546
Other current assets		452,381	11,421,711
Total current assets	6,377,865	11,852,643	165,076,231
Noncurrent Assets:			
Restricted assets:			
Cash and cash equivalents (note 2)			2,458,985
Investments (note 3)		3,123,296	353,307,326
Other			924,617
Investments (note 3)	72,496,948		91,333,419
Unconditional promises to give, net (note 27)	22,927		30,475,761
Property and equipment, net (note 5)	1,459,375	106,808,144	292,927,198
Other noncurrent assets	23,863	1,052,618	18,555,889
Total noncurrent assets	74,003,113	110,984,058	789,983,195
Total assets	\$80,380,978	\$122,836,701	\$955,059,426
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	\$340,331	\$5,130,245	\$13,638,238
Deferred revenues		440,906	20,271,138
Amounts held in custody for others (note 25)		49,725	14,328,419
Compensated absences payable (note 14)			228,618
Current portion of notes payable (note 14)		194,051	194,051
Current portion of bonds payable (note 14)	80,000	175,000	2,658,395
Line of credit (note 14)			6,081,300
Other current liabilities	6,795	18,098	366,973
Total current liabilities	427,126	6,008,025	57,767,132

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
COMPONENT UNITS
Statement of Financial Position, June 30, 2009**

	<u>LSU Foundation</u>	<u>Tiger Athletic Foundation*</u>	<u>Pennington Medical Foundation*</u>
LIABILITIES (CONT.)			
Noncurrent Liabilities:			
Amounts held in custody for others (note 25)	\$71,273,940		
Notes payable (note 14)			
Bonds payable (note 14)	7,526,605	\$127,110,000	\$18,755,000
Other noncurrent liabilities	<u>5,038,730</u>	<u>17,465,610</u>	<u>435,986</u>
Total noncurrent liabilities	<u>83,839,275</u>	<u>144,575,610</u>	<u>19,190,986</u>
Total liabilities	<u>102,348,651</u>	<u>176,026,176</u>	<u>20,563,025</u>
NET ASSETS			
Unrestricted	30,096,633	32,280,273	56,339,314
Temporarily restricted (note 16)	124,648,487	14,497,135	
Permanently restricted (note 16)	<u>189,020,049</u>	<u>6,022,004</u>	
Total net assets	<u>343,765,169</u>	<u>52,799,412</u>	<u>56,339,314</u>
Total liabilities and net assets	<u>\$446,113,820</u>	<u>\$228,825,588</u>	<u>\$76,902,339</u>

*As of December 31, 2008

(Concluded)

The accompanying notes are an integral part of this statement.

Statement B

	Foundation for the LSU Health Sciences Center	University of New Orleans Research and Technology Foundation	Total Foundations
LIABILITIES			
Noncurrent Liabilities:			
Amounts held in custody for others (note 25)	\$17,505,727		\$88,779,667
Notes payable (note 14)		\$7,105,516	7,105,516
Bonds payable (note 14)	1,590,000	38,190,000	193,171,605
Other noncurrent liabilities	53,866	1,305,519	24,299,711
Total noncurrent liabilities	19,149,593	46,601,035	313,356,499
Total liabilities	19,576,719	52,609,060	371,123,631
NET ASSETS			
Unrestricted	(1,425,831)	70,227,641	187,518,030
Temporarily restricted (note 16)	19,185,496		158,331,118
Permanently restricted (note 16)	43,044,594		238,086,647
Total net assets	60,804,259	70,227,641	583,935,795
Total liabilities and net assets	\$80,380,978	\$122,836,701	\$955,059,426

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

**Statement of Revenues, Expenses, and
Changes in Net Assets
For the Year Ended June 30, 2009**

OPERATING REVENUES

Student tuition and fees	\$301,527,636
Less scholarship allowances	(46,696,189)
Net student tuition and fees	<u>254,831,447</u>
Federal appropriations	12,524,824
Federal grants and contracts	193,296,167
State and local grants and contracts	120,804,916
Nongovernmental grants and contracts	129,519,097
Sales and services of educational departments	199,564,616
Hospital income	1,329,613,805
Auxiliary enterprise revenues (including revenues pledged to secure debt per note 23)	188,440,270
Less scholarship allowances	(9,423,793)
Net auxiliary revenues	<u>179,016,477</u>
Other operating revenues	<u>20,797,216</u>
Total operating revenues	<u><u>2,439,968,565</u></u>

OPERATING EXPENSES

Educational and general:	
Instruction	627,841,952
Research	371,165,244
Public service	373,322,648
Academic support	136,473,598
Student services	42,981,840
Institutional support	150,191,551
Operation and maintenance of plant	193,905,867
Scholarships and fellowships	48,253,046
Auxiliary enterprises	163,123,537
Hospital	<u>1,384,561,256</u>
Total operating expenses	<u><u>3,491,820,539</u></u>

Operating Loss (1,051,851,974)

(Continued)

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Statement of Revenues, Expenses, and
Changes in Net Assets, June 30, 2009**

NONOPERATING REVENUES (Expenses)	
State appropriations	\$826,505,764
Gifts	30,112,406
Federal nonoperating revenues	32,579,628
Net investment income	30,339,082
Interest expense	(21,133,747)
Other nonoperating revenues	628,926
Other nonoperating revenues - FEMA	23,669,748
Other nonoperating expenses - FEMA	(15,869,271)
Net nonoperating revenues	<u>906,832,536</u>
Loss Before Other Revenues, Expenses, Gains, and Losses	(145,019,438)
Capital appropriations	74,502,546
Capital gifts and grants	10,228,499
Additions to permanent endowments	5,059,962
Other additions, net	<u>12,261,333</u>
Decrease in Net Assets	(42,967,098)
Net Assets at Beginning of Year, Restated (note 17)	<u>1,700,229,836</u>
Net Assets at End of Year	<u><u>\$1,657,262,738</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

**COMPONENT UNITS
Statement of Activities
For the Year Ended June 30, 2009**

	LSU Foundation	Tiger Athletic Foundation*	Pennington Medical Foundation*
Changes in unrestricted net assets:			
Contributions	\$701,506	\$19,508,821	\$2,000
Investment earnings (loss), net	1,197,972	(4,296,424)	(31,145,871)
Grants and contracts			
Gain on repurchase of bonds			2,336,093
Other revenues	964,645	6,705,127	174,446
Total unrestricted revenues	<u>2,864,123</u>	<u>21,917,524</u>	<u>(28,633,332)</u>
Net assets released from restrictions - satisfaction of program expenses	23,789,624	7,768,168	
Total unrestricted revenues and other support	<u>26,653,747</u>	<u>29,685,692</u>	<u>(28,633,332)</u>
Expenses:			
Amounts paid to benefit Louisiana State University for:			
Projects specified by donors	19,868,567		
Projects specified by the Board of Directors	1,757,115	10,648,537	3,361,227
Other:			
Grants and contracts			
Property operations			
Other		9,257,534	
Total program expenses	<u>21,625,682</u>	<u>19,906,071</u>	<u>3,361,227</u>
Supporting services:			
Salaries and benefits	5,456,789	1,648,247	33,744
Occupancy	137,088	137,663	
Office operations	704,274	115,545	4,685
Travel	120,883		
Professional services	663,526	64,245	946,544
Dues and subscriptions	87,049	22,211	
Meetings and development	715,969	17,946	6,823
Depreciation	102,490		1,481,765
Other		530,612	2,404,976
Total supporting services	<u>7,988,068</u>	<u>2,536,469</u>	<u>4,878,537</u>
Fund-raising expenses	NONE	1,648,786	NONE
Total expenses	<u>29,613,750</u>	<u>24,091,326</u>	<u>8,239,764</u>
Increase (decrease) in unrestricted net assets	<u>(2,960,003)</u>	<u>5,594,366</u>	<u>(36,873,096)</u>

(Continued)

The accompanying notes are an integral part of this statement.

Statement D

	Foundation for the LSU Health Sciences Center	University of New Orleans Research and Technology Foundation	Total Foundations
Changes in unrestricted net assets:			
Contributions	\$9,169		\$20,221,496
Investment earnings (loss), net	(3,535,664)	\$83,430	(37,696,557)
Grants and contracts		9,479,473	9,479,473
Gain on repurchase of bonds			2,336,093
Other revenues	208,017	8,489,465	16,541,700
Total unrestricted revenues	(3,318,478)	18,052,368	10,882,205
Net assets released from restrictions - satisfaction of program expenses	6,391,752		37,949,544
Total unrestricted revenues and other support	3,073,274	18,052,368	48,831,749
Expenses:			
Amounts paid to benefit Louisiana State University for:			
Projects specified by donors	5,109,360		24,977,927
Projects specified by the Board of Directors			15,766,879
Other:			
Grants and contracts		2,530,360	2,530,360
Property operations		4,063,056	4,063,056
Other		3,034,462	12,291,996
Total program expenses	5,109,360	9,627,878	59,630,218
Supporting services:			
Salaries and benefits	635,188		7,773,968
Occupancy	9,042		283,793
Office operations	49,648		874,152
Travel	5,225	3,675	129,783
Professional services	207,598	707,213	2,589,126
Dues and subscriptions	20,233		129,493
Meetings and development	11,107		751,845
Depreciation	1,591	3,352,737	4,938,583
Other	361,588	140,959	3,438,135
Total supporting services	1,301,220	4,204,584	20,908,878
Fund-raising expenses	NONE	NONE	1,648,786
Total expenses	6,410,580	13,832,462	82,187,882
Increase (decrease) in unrestricted net assets	(3,337,306)	4,219,906	(33,356,133)

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
COMPONENT UNITS
Statement of Activities, June 30, 2009**

	LSU Foundation	Tiger Athletic Foundation*	Pennington Medical Foundation*
Changes in temporarily restricted net assets:			
Contributions	\$16,851,887	\$7,854,336	
Investment earnings	(56,224,843)		
Changes in value of split interest agreements	(332,194)		
Other	(853,409)		
Total temporarily restricted revenues	(40,558,559)	7,854,336	NONE
Net assets released from restrictions - satisfaction of program expenses	(23,789,624)	(7,768,168)	NONE
Increase (decrease) in temporarily restricted net assets	(64,348,183)	86,168	NONE
Changes in permanently restricted net assets:			
Contributions	2,719,804	853,548	
Investment earnings	178,646		
Other			
Increase (decrease) in permanently restricted net assets	2,898,450	853,548	NONE
Increase (decrease) in net assets	(64,409,736)	6,534,082	(\$36,873,096)
Net assets at beginning of year	408,174,905	46,265,330	93,212,410
Net assets at end of year	<u>\$343,765,169</u>	<u>\$52,799,412</u>	<u>\$56,339,314</u>

*For the year ended December 31, 2008

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

	Foundation for the LSU Health Sciences Center	University of New Orleans Research and Technology Foundation	Total Foundations
Changes in temporarily restricted net assets: (Cont.)			
Contributions	\$1,949,604		\$26,655,827
Investment earnings	(14,467,602)		(70,692,445)
Changes in value of split interest agreements			(332,194)
Other	(221,202)		(1,074,611)
Total temporarily restricted revenues	(12,739,200)	NONE	(45,443,423)
Net assets released from restrictions - satisfaction of program expenses	(6,391,752)		(37,949,544)
Increase (decrease) in temporarily restricted net assets	(19,130,952)	NONE	(83,392,967)
Changes in permanently restricted net assets:			
Contributions	2,231,877		5,805,229
Investment earnings			178,646
Other	2,888,588		2,888,588
Increase (decrease) in permanently restricted net assets	5,120,465	NONE	8,872,463
Increase (decrease) in net assets	(17,347,793)	\$4,219,906	(107,876,637)
Net assets at beginning of year	78,152,052	66,007,735	691,812,432
Net assets at end of year	\$60,804,259	\$70,227,641	\$583,935,795

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**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

**Statement of Cash Flows
For the Year Ended June 30, 2009**

Cash flows from operating activities	
Student tuition and fees	\$253,727,054
Federal appropriations	13,137,549
Grants and contracts	455,247,910
Sales and services of educational departments	182,533,396
Hospital income	1,312,541,493
Auxiliary enterprise receipts	176,156,510
Payments for employee compensation	(1,611,823,915)
Payments for benefits	(378,708,198)
Payments for utilities	(68,224,526)
Payments for supplies and services	(1,089,006,354)
Payments for scholarships and fellowships	(48,298,552)
Loans to students	(2,478,925)
Collection of loans to students	3,114,757
Other receipts	30,925,100
Net cash used by operating activities	<u>(771,156,701)</u>
Cash flows from noncapital financing activities	
State appropriations	839,591,817
Gifts and grants for other than capital purposes	29,429,590
Private gifts for endowment purposes	4,638,155
TOPS receipts	54,549,689
TOPS disbursements	(54,377,832)
FEMA receipts	25,223,577
FEMA disbursements	(15,806,464)
Other receipts	34,187,579
Net cash provided by noncapital financing sources	<u>917,436,111</u>
Cash flows from capital financing activities	
Proceeds from capital debt	8,810,430
Capital appropriations received	5,666,712
Capital gifts and grants received	8,746,912
Purchase of capital assets	(157,777,041)
Principal paid on capital debt and leases	(29,199,105)
Interest paid on capital debt and leases	(21,275,982)
Other sources	13,084,281
Net cash used by capital financing activities	<u>(171,943,793)</u>
Cash flows from investing activities	
Proceeds from sales and maturities of investments	112,848,181
Interest received on investments	26,019,243
Purchase of investments	(100,016,986)
Net cash provided by investing activities	<u>38,850,438</u>

(Continued)

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows
For the Year Ended June 30, 2009**

Net increase in cash and cash equivalents	\$13,186,055
Cash and cash equivalents at the beginning of the year, restated	540,417,317
Cash and cash equivalents at the end of the year	<u>\$553,603,372</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating loss	(\$1,051,851,974)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	138,755,675
Changes in assets and liabilities:	
Decrease in accounts receivable	8,812,076
Increase in inventories	(153,622)
Decrease in deferred charges and prepaid expenses	745,204
Decrease in notes receivable	937,969
Decrease in other assets	44,665
Decrease in accounts payable and accrued liabilities	(55,786,639)
Decrease in deferred revenue	(2,171,598)
Decrease in amounts held in custody for others	(21,633)
Increase in compensated absences	8,261,333
Increase in other postemployment benefits payable	181,936,475
Decrease in other liabilities	(664,632)
Net cash used by operating activities	<u>(\$771,156,701)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets:	
Cash and cash equivalents classified as current assets	\$477,442,682
Cash and cash equivalents classified as noncurrent assets	76,160,690
Cash and cash equivalents at the end of the year	<u>\$553,603,372</u>
Schedule of Noncash Investing, Capital and Financing Activities:	
Capital appropriations	\$75,280,079
Capital gifts	1,040,906

(Concluded)

The accompanying notes are an integral part of this statement.

INTRODUCTION

The Louisiana State University (LSU) System is a publicly supported institution of higher education. The university is a component unit of the State of Louisiana, within the executive branch of government. The system is under the management and supervision of the LSU Board of Supervisors; however, certain items such as the annual budgets of the universities and changes to the degree programs and departments of instruction require the approval of the Board of Regents for Higher Education. The Board of Supervisors is comprised of 15 members appointed for a six-year term by the governor, with the consent of the Senate, and one student member appointed for a one-year term by a council composed of the student body presidents of the universities. 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 university system is the president.

The university system is comprised of 11 campuses in five cities and 10 state hospitals. The system includes LSU and A&M College (LSU), the Paul M. Hebert Law Center, and the Pennington Biomedical Research Center, all in Baton Rouge; the LSU Agricultural Center (including the Louisiana Agricultural Experiment Station and the Louisiana Cooperative Extension Service) with headquarters in Baton Rouge; the University of New Orleans; LSU Shreveport; LSU Alexandria; LSU Eunice, a two-year institution; the LSU Health Sciences Center in New Orleans, which includes schools of Medicine, Dentistry, Nursing, and Allied Health Professions, and a Graduate School in New Orleans, the Louisiana State University School of Medicine in New Orleans Faculty Group Practice (a Louisiana nonprofit corporation doing business as LSU Healthcare Network), and the Health Care Services Division; and the LSU Health Sciences Center in Shreveport, which includes a School of Medicine in Shreveport with hospitals in Shreveport, Monroe, and Pineville. Student enrollment as of the fourteenth class day for the university system for the 2008 fall semester totaled approximately 54,000. As of November 1, 2008, the university system had approximately 5,400 full and part-time faculty members with the academic rank of instructor or above, including those positions with equivalent rank.

Louisiana Revised Statute 17:1519.1 provides for the operation of Louisiana's public hospitals by the LSU Health Sciences Center - Health Care Services Division, under the overall management of the LSU Board of Supervisors. The LSU Health Sciences Center - Health Care Services Division is comprised of seven hospitals throughout the state and a central administrative unit located in Baton Rouge. The state hospitals include Earl K. Long Medical Center in Baton Rouge, University Medical Center in Lafayette, W.O. Moss Regional Medical Center in Lake Charles, Lallie Kemp Regional Medical Center in Independence, Washington-St. Tammany Regional Medical Center in Bogalusa, Leonard J. Chabert Medical Center in Houma, and Medical Center of Louisiana at New Orleans.

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 discrete component unit foundations, which are the LSU Foundation, the Tiger Athletic Foundation, the Pennington Medical Foundation, the Foundation for the LSU Health Sciences Center, and the University of New Orleans Research and Technology Foundation, follow the provisions of the Financial Accounting Standards Board for not-for-profit organizations.

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The university 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) a 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) state appropriations provide the largest percentage of total revenues; (4) the state issues bonds to finance certain construction; and (5) the university system primarily serves state residents. The accompanying financial statements present information only as to the transactions of the programs of the LSU System.

Blended Component Units

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

The governing board of LSUHN was established in August 1995 and is comprised of 15 members, seven of whom are appointed by LSU and eight of whom are from the community and not members or employees of the LSU Board of Supervisors. LSUHN began operations in March 1997 providing health care to the general public.

A cooperative endeavor agreement, dated November 1, 2000, documents the relationship between the LSU Health Sciences Center and LSUHN. The agreement provides for the LSU Health Sciences Center and LSUHN to continue as autonomous organizations with separate but complementary missions. The agreement establishes a relationship in which the LSU Health Sciences Center will lease certain faculty, staff, and specific office space and equipment to LSUHN as its part of the agreement. LSUHN will reimburse the LSU Health Sciences Center for the use of its employees, facilities, and equipment; provide support to the academic programs; and provide access to a patient base that would not otherwise be available, as its part of the agreement.

To obtain the latest audit report of the LSU Healthcare Network, write to the LSU Healthcare Network, 1340 Poydras Street, Suite 1640, New Orleans, Louisiana 70112.

The Eunice Student Housing Foundation, a nonprofit corporation with an August 31 fiscal year-end, is considered a blended component unit of the university system and is included in the basic financial statements. The component unit is included in the reporting entity because it is fiscally dependent on the LSU System and LSU Eunice. Although the Eunice Student Housing Foundation is a legally separate, not-for-profit organization as outlined in the Internal Revenue Code Section 501(c)(3), it is reported as a part of the university system because its purpose is to assist LSU Eunice in carrying out its educational functions.

The foundation constructed a student apartment complex, known as Bengal Village, on the LSU Eunice campus. Bengal Village consists of 58 units and is managed by Century Development Housing Management, L.P. (Century). The management agreement between the foundation and Century commenced August 1, 2002, and ends July 31, 2017. Thereafter, the agreement shall be automatically renewed for one-year periods unless terminated. All personnel employed in the leasing, management, maintenance, and operation of Bengal Village are employees of Century.

To obtain the latest audit report of the Eunice Student Housing Foundation, write to the Eunice Student Housing Foundation, 2048 Johnson Highway, Eunice, Louisiana 70535.

The Health Care Services Foundation (HCSF) and its subsidiary, Bogalusa Community Medical Center (BCMC), are blended component units of the university system and are included in the financial statements. The component units are included in the reporting entity because they are fiscally dependent on the LSU System and the LSU Health Care Services Division. HCSF is a nonprofit organization, incorporated in the State of Louisiana, that provides support and appropriate services to the Health Care Services Division, including purchasing, leasing, owning, operating, managing, and selling property and

services to maximize healthcare capabilities in Louisiana. BCMC is a nonprofit, nonstock corporation, incorporated in Louisiana. On April 25, 2002, HCSF became the sole member of the BCMC, which leases the hospital's facilities to the Health Care Services Division. Although HCSF and BCMC are legally separate entities, they are reported as a part of the university system because their purposes are to assist the LSU Health Care Services Division in carrying out its medical, educational, and research functions.

To obtain the latest audit report of the HCSF and the BCMC, write to Health Care Services Foundation, Post Office Box 91308, Baton Rouge, Louisiana 70821-1308.

Discretely Presented Component Units

The LSU Foundation, the Tiger Athletic Foundation, the Pennington Medical Foundation, the Foundation for the LSU Health Sciences Center, and the University of New Orleans Research and Technology Foundation are included as discretely presented component units of the university system in the system's basic financial statements, in accordance with the criteria outlined in GASB Statement 14, as amended by GASB Statement 39. The foundations are legally separate, tax-exempt organizations supporting the university system. The foundations have been organized to solicit, receive, hold, invest, and transfer funds for the benefit of the university system. In addition, the foundations assist the university in meeting the criteria for accreditation as outlined by the Commission on Colleges for the Southern Association of Colleges and Schools. The university and the LSU Foundation and the Foundation for the LSU Health Sciences Center are also in management agreements related to endowed chairs and professorships. These agreements are in compliance with Board of Regents policy and allow the foundations to manage funds on behalf of the university.

Each of these foundations is a nonprofit organization that reports under the Financial Accounting Standards Board (FASB) standards, including FASB Statement 117, *Financial Statements of Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to the foundations' financial information in the university system's financial report for these differences.

Furthermore, each of these foundations is a legally separate, tax-exempt organization supporting the LSU System. They are included in the university's financial statements because their assets, individually, equaled 3% or more of the assets of the university system or the assets had equaled 3% or more of the assets of the university system in the past three years.

Each discretely presented component unit is described as follows:

The LSU Foundation supports LSU A&M. During the year ended June 30, 2009, the foundation made distributions to or on behalf of the university for both restricted and unrestricted purposes for \$21,625,682. Complete financial statements for the foundation can be obtained at 3838 West Lakeshore Drive, Baton Rouge, Louisiana 70808.

The Tiger Athletic Foundation (TAF) supports LSU A&M. During the year ended December 31, 2008, TAF made distributions to or on behalf of the university for both restricted and unrestricted purposes for \$10,648,537. Complete financial statements for TAF can be obtained from Post Office Box 711, Baton Rouge, Louisiana 70821, or from the foundation's Web site at www.lsutaf.org.

The Pennington Medical Foundation supports the Pennington Biomedical Research Center. During the year ended December 31, 2008, the foundation made distributions to or on behalf of the university for both restricted and unrestricted purposes for \$3,510,433. Complete financial statements for the foundation can be obtained from the Chief Financial Officer, 6400 Perkins Road, Baton Rouge, Louisiana 70808.

The Foundation for the LSU Health Sciences Center supports the LSU Health Sciences Center in New Orleans. During the year ended June 30, 2009, the foundation made distributions to or on behalf of the university for both restricted and unrestricted purposes for \$5,109,360. Complete financial statements for the foundation can be obtained at 450A S. Claiborne Avenue, New Orleans, Louisiana 70112, or from the foundation's Web site at www.lsuhsfoundation.org.

The University of New Orleans Research and Technology Foundation supports the University of New Orleans. During the year ended June 30, 2009, the foundation made distributions to or on behalf of the university for either restricted or unrestricted purposes for \$10,114,221. Complete financial statements for the foundation can be obtained at 2021 Lakeshore Drive, Suite 307, New Orleans, Louisiana 70122.

The LSU System is a component unit of the State of Louisiana. Annually, the State of Louisiana issues a comprehensive annual financial report, which includes the activity contained in the accompanying financial statements. These financial statements are audited by the Louisiana Legislative Auditor.

C. BASIS OF ACCOUNTING

For financial reporting purposes, the university system is considered a special-purpose government engaged only in business-type activities (enterprise fund). Accordingly, the university 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-campus transactions have been eliminated.

The university system has the option to apply all FASB pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The university system has elected to not apply FASB pronouncements issued after the applicable date. However, in the current fiscal year, the university system has included five nongovernmental discrete component units that follow FASB 117.

Discrete Component Units

The foundations follow the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, 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 foundation is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the foundation pursuant to those stipulations.
- Permanently Restricted - Net assets whose use by the foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the foundation.

D. BUDGET PRACTICES

The appropriations made for the General Fund of the LSU System are annual lapsing appropriations established by legislative action and by Title 39 of the Louisiana Revised Statutes. The statute requires that the budget be approved by the Board of Regents for Higher Education and certain legislative and executive agencies of state government. The Joint Legislative Committee on the Budget grants budget revisions. 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 and other postemployment

benefits 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 in the General Fund are recorded as expenditures at the time of purchase.

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

Original approved budget	\$1,659,012,866
Increases (decreases):	
State General Fund	(28,359,637)
Self-generated	10,571,793
Interagency transfers	917,501
Interim emergency board	1,425,669
Federal funds	6,884,979
Statutory dedications	6,316,785
	<u>6,316,785</u>
Final budget	<u>\$1,656,769,956</u>

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

**E. CASH AND CASH EQUIVALENTS
AND INVESTMENTS**

Cash includes cash on hand, demand deposits, and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and money market funds. Under state law, the LSU 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.

The university system may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In accordance with Louisiana Revised Statute (R.S.) 49:327, the university system is authorized to invest funds in direct U.S. government obligations, U.S. government agency obligations, mutual funds, direct security repurchase agreements, and time certificates of deposit. In addition, funds derived from gifts and grants, endowments, and reserve funds established in accordance with bond issues may be invested as stipulated by the conditions of the gift instrument or bond indenture. The majority of these investments are U.S. Treasury securities, mutual funds, and investments held by private foundations and are reported at fair value on the balance sheet. Changes in the carrying value of investments, resulting in unrealized gains or losses, are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Assets.

In accordance with provisions of Article VII, Section 14 of the Louisiana Constitution and R. S. 49:327(C)(3)(b), the university may invest publicly funded permanently endowed funds in the stock of any corporation listed on the New York Stock Exchange, the American Stock Exchange, or authorized for quotations display on the National Association of Securities Dealers Automated Quotations System, provided that the total investment in such stocks at any one time shall not exceed 35% of the market value of all publicly endowed funds of the university. The university system's investment of endowed chairs and professorships funded by the Board of Regents and maintained by the foundations are authorized by policies and procedures established by the Board of Regents.

F. INVENTORIES

Inventories are valued at cost or replacement cost, except for livestock at LSU and the LSU Agricultural Center and the inventory of the Dental School of the LSU Health Sciences Center in New Orleans. These inventories are valued at current market prices. The university system uses periodic and perpetual inventory systems and values its various other inventories using the first-in, first-out and weighted-average valuation methods. The university system accounts for its 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 university 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 total \$100,000 or more and significantly increase the value or extend the useful life of the structure are 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, and 3 to 10 years for most movable property. Depreciation expense is charged directly to the various functional categories of operating expenses on the Statement of Revenues, Expenses, and Changes in Net Assets. The LSU System uses the group or composite method for library book depreciation if the books are considered to have a useful life of greater than one year.

Hospitals and medical units within the LSU Health Sciences Centers are subject to federal cost reporting requirements and use capitalization and depreciation policies of the Centers for Medicare and Medicaid Services (CMS) to ensure compliance with federal regulations. These capitalization policies include capitalizing all assets above \$5,000, depreciable lives greater than 40 years on some assets, and recognizing one-half year of depreciation in the year of acquisition and in the final year of useful life.

I. DEFERRED REVENUES

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities before the end of the fiscal year that 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. NONCURRENT LIABILITIES

Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other postemployment benefit liabilities that will not be paid within the next fiscal year; and (3) other liabilities that will not be paid within the next fiscal year.

K. COMPENSATED ABSENCES

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

L. NET ASSETS

The university system's net assets are classified as follows:

- (1) Invested in Capital Assets, Net of Related Debt
This represents the university 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 university 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 certain auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the university 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 university system's policy is to first apply the expense toward unrestricted resources, and then toward restricted resources.

M. CLASSIFICATION OF REVENUES

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

- (a) Operating Revenue - 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; (3) hospital income; and (4) most federal, state, and local grants and contracts and federal appropriations.

- (b) Nonoperating Revenue - Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as gifts and contributions, state appropriations, investment income, and grants that do not have the characteristics of exchange transactions.

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 goods and services provided by the university and the amount that is paid by students and/or third parties making payments on the student's behalf.

O. ELIMINATING INTERFUND ACTIVITY

All activities among departments, campuses, and auxiliary units of the LSU System are eliminated for purposes of preparing the Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets.

P. 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.

Q. ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the year ended June 30, 2009, the LSU System implemented GASB Statement No. 49, *Pollution Remediation Obligations* and GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. These pronouncements became effective for governments for years beginning after December 15, 2007 and June 15, 2008, respectively. However, Statement 49 had no impact on reporting for the LSU System.

Because of recent actions by the GASB, beginning in fiscal year 2009, Pell grant revenues are considered nonoperating revenues and are reported in the Statement of Revenues, Expenses, and Changes in Net Assets as nonoperating federal grants.

2. CASH AND CASH EQUIVALENTS

At June 30, 2009, the university system has cash and cash equivalents (book balances) of \$553,603,372 as follows:

Petty cash	\$1,071,699
Demand deposits	409,612,602
Certificates of deposit	128,018,600
Money market funds	11,078,227
Open-end mutual fund	<u>3,822,244</u>
Total	<u>\$553,603,372</u>

Custodial credit risk is the risk that in the event of a bank failure, the system's deposits may not be recovered. Under state law, the system's deposits 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, 2009, \$7,783,174 of the system's bank balance of \$612,933,183 was exposed to custodial credit risk as these balances were uninsured and uncollateralized.

Disclosures required for the open-end mutual fund reported above as cash equivalents are included in note 3.

CASH AND CASH EQUIVALENTS - COMPONENT UNITS

Cash and cash equivalents of the component units totaling \$81,970,658, as shown on the Statement of Financial Position, are reported under FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*, which does not require the disclosures of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

The LSU Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Occasionally, the LSU Foundation has deposits in excess of Federal Deposit Insurance Corporation (FDIC) insured limits. The Foundation's management believes the credit risk associated with these deposits is minimal.

The Tiger Athletic Foundation (TAF) periodically maintains cash in bank accounts in excess of insured limits. The Foundation has not experienced any losses and does not believe that significant credit risk exists as a result of this practice. Restricted cash and cash equivalents are available for the following purposes:

	December 31, 2008
Bond Restrictions:	
Maintenance reserve and escrow accounts	\$7,708,569
Tiger Den Suites tower account	916,199
West Side Upper Deck - Stadium Club deposits	585,878
TAF MRA	1,251,869
Alex Box Suites	704,794
Board designated	21,887,701
Donor restrictions	5,461,411
Restricted for Construction	2,881,299
Amounts held in custody for others	6,012,347
Endowment funds	106,358
Total	\$47,516,425

The Foundation for the LSU Health Sciences Center maintains its cash accounts in several financial institutions. Accounts are insured by FDIC and insured for greater amounts by agreement with some institutions. Cash restricted for debt service totaled \$93,304.

The UNO Research & Technology Foundation maintains its cash accounts in financial institutions. Cash and cash equivalents exceeded federally insured limits by \$2,816,000 as of June 30, 2009.

3. INVESTMENTS

At June 30, 2009, the system has investments totaling \$496,237,185.

The system's established investment policy follows state law (R.S. 49:327), which authorizes the system 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. In addition, 35% of the university's publicly funded permanent endowment funds may be invested in common stocks listed on the New York Stock Exchange, the American Stock Exchange, or authorized for quotations on the National Association of Securities Dealers Automated Quotations System.

A summary of the system's investments follows:

	Percentage of Investments	Credit Quality Rating*	Fair Value
Type of Investment:			
Repurchase agreements	1.90%	(4)	\$9,444,487
U.S. government securities:			
Bonds and Notes:			
Federal Home Loan Mortgage Corporation	3.80%	Aaa	18,854,155
Federal National Mortgage Association	11.13%	Aaa	55,234,958
Federal Home Loan Bank	17.95%	Aaa	89,057,360
Federal Farm Credit Bank	5.75%	Aaa	28,522,009
Collateralized Mortgage Obligations:			
Federal Home Loan Mortgage Corporation	5.59%	(2)	27,723,065
Federal National Mortgage Association	2.04%	(2)	10,147,834
Federal National Mortgage Association	0.45%	AAA (6)	2,210,524
Government National Mortgage Association	0.06%	(1)	303,339
Federal Home Loan Bank	2.61%	Aaa	12,927,425
Federal Home Loan Bank	0.35%	AAA (6)	1,744,029
Mortgage-backed Securities:			
Federal Home Loan Mortgage Corporation	3.81%	(2)	18,907,817
Federal National Mortgage Association	3.11%	(2)	15,450,578
Government National Mortgage Association	0.16%	(1)	788,842
Mutual Funds:			
Blackrock Mutual Fund	0.00%	(5)	16,172
Money market mutual funds	14.19%	Aaa	70,393,956
Other:			
Investments held by foundations	21.50%	(5)	
U.S. Agency Securities:			
Bonds and notes			5,996,995
Collateralized mortgage obligations			13,354,757
Mortgage-backed securities			1,818,402
Mutual funds			42,433,999
Common and preferred stock			11,264,472
Municipal obligations			2,114,316
Corporate obligations			17,573,516
U.S. Treasury securities			836,361
Other			11,285,144
Common and preferred stock	0.52%	(3)	2,589,924
Realty investments	1.82%	(2)	9,044,550
Certificates of deposit	0.42%	(7)	2,100,000
Interest receivable	0.59%	(3)	2,906,344
LSUE Housing Foundation	0.09%	(3)	453,606
Corporate Obligations	0.10%	Aaa	513,930
Corporate Obligations	0.41%	Aa	2,022,445
BCMC Foundation	1.14%	(3)	5,670,661
New Orleans Regional Physician	0.51%	(3)	2,531,213
Total investments	<u>100.00%</u>		<u>\$496,237,185</u>

*Credit quality ratings obtained from Moody's Investors Service, unless otherwise noted.

⁽¹⁾ Credit quality ratings are not required for U.S. government and agency securities that are explicitly guaranteed by the U.S. government.

⁽²⁾ Securities are implicitly guaranteed by the U.S. government but are not rated by Moody's Investors Service.

⁽³⁾ Credit quality ratings are not required for these investments, which do not have specified maturities.

⁽⁴⁾ The investments and the underlying securities are not rated by Moody's Investors Service; however, the underlying securities are implicitly guaranteed by the U.S. government

⁽⁵⁾ The investment is not rated by Moody's Investors Service.

⁽⁶⁾ The investment is not rated by Moody's Investors Service; however, it is rated by Standard and Poor's.

⁽⁷⁾ Credit quality ratings are not required for certificates of deposit.

NOTES TO THE FINANCIAL STATEMENTS

	Investment Maturities in Years				
	Less Than 1	1-5 Years	6-10	11-20	21-30
Type of Investment:					
Repurchase agreements	\$9,444,487				
U.S. government securities:					
Bonds and Notes:					
Federal Home Loan Mortgage Corporation	2,558,475	\$14,293,500	\$2,002,180		
Federal National Mortgage Association	17,535,259	9,813,300	27,886,399		
Federal Home Loan Bank	37,265,325	25,386,355	26,405,680		
Federal Farm Credit Bank		2,574,054	25,947,955		
Collateralized Mortgage Obligations:					
Federal Home Loan Mortgage Corporation		13,676,643	14,046,422		
Federal National Mortgage Association		4,137,276	6,010,558		
Federal National Mortgage Association		2,210,524			
Government National Mortgage Association			303,339		
Federal Home Loan Bank		3,587,571	9,339,854		
Federal Home Loan Bank	1,744,029				
Mortgage-backed Securities:					
Federal Home Loan Mortgage Corporation	2,217,992	2,047,751	14,642,074		
Federal National Mortgage Association		12,787,106	2,663,472		
Government National Mortgage Association		757,986		\$10,730	\$20,126
Mutual Funds:					
Blackrock Mutual Fund		16,172			
Money market mutual funds	70,393,956				
Other:					
Investments held by foundations					
U.S. Agency Securities:					
Bonds and notes		1,617,578	4,313,901	65,518	
Collateralized mortgage obligations		1,619,280	93,045	5,380,598	6,261,834
Mortgage-backed securities			34,159	877,600	906,643
Mutual funds	30,601,878	11,832,121			
Common and preferred stock					
Municipal obligations		106,086	1,071,680	936,550	
Corporate obligations	2,066,734	6,087,856	7,504,150	1,637,913	276,863
U.S. Treasury securities	380,225	268,328	187,808		
Other	1,614,261				
Common and preferred stock					
Realty investments					
Certificates of deposit	2,100,000				
Interest receivable					
LSUE Housing Foundation					
Corporate Obligations					
Corporate Obligations		513,930			
BCMC Foundation		504,610	1,517,835		
New Orleans Regional Physician					
 Total investments	 <u>\$177,922,621</u>	 <u>\$113,838,027</u>	 <u>\$143,970,511</u>	 <u>\$8,908,909</u>	 <u>\$7,465,466</u>

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 by type as described previously. The system does 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. Of the system's \$496,237,185 in total investments, \$9,448,616 of underlying securities are held by counterparties, not in the name of the system. For U.S. Treasury obligations and U.S. government agency obligations, the system's 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. 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. The system has a policy to limit concentration of credit risk with regard to the investment of equities. However, it does not have a policy to limit interest rate risk or the concentration of debt securities with any one issuer.

The open-end mutual fund amount of \$3,822,244, included in cash and cash equivalents, consists of \$2,304,498 invested in the Federated Investors Government Obligations Fund; \$1,542 invested in Federated Prime Obligations Fund; \$504,964 invested in Fidelity Treasury Money Market; and \$1,011,240 invested in JPMorgan U.S. Government Plus Money Market Fund. The holdings for the Federated Investors Government Obligations Fund, the Fidelity Treasury Money Market Fund, and the JPMorgan U.S. Government Money Market Fund consist primarily of short-term U.S. Treasury and U.S. government agency securities, including repurchase agreements collateralized fully by U.S. Treasury and government agency securities. The holdings for the Federated Prime Obligations Fund consist primarily of a portfolio of short-term, high quality, fixed income securities issued by banks, corporations, and the U.S. government. These funds all minimize interest rate risk with the purchase of short-term securities.

The investments in mortgage-backed securities are based on flows from payments on the underlying mortgages that contain prepayment options that cause them to be highly sensitive to changes in interest rates. Generally, when interest rates fall, obligees tend to prepay the assets, thus eliminating the stream of interest payments that would have been received under the original amortization schedule. This reduced cash flow diminishes the fair value of the asset-backed investment.

Investments held by private foundations in external investment pools are managed in accordance with the terms outlined in management agreements executed between the university and the foundations. Each university is a voluntary participant. The foundations hold and manage funds received by the university as state matching funds for the Eminent Scholars Endowed Chairs and Endowed Professorship Programs. All of these investments are held by the university's discretely presented component units.

INVESTMENTS - COMPONENT UNITS

Component units' investments totaling \$491,977,317, as shown on the Statement of Financial Position, are reported under FASB Statement No. 117, *Financial Statements of Not-for-Profit Organizations*, which does not require the disclosures of GASB Statement No. 40. The fair value of investments held by the foundations at June 30, 2009, follows:

Type of Investment	LSU Foundation	Tiger Athletic Foundation*	Pennington Medical Foundation*	Foundation for the LSU Health Sciences Center	UNO Research and Technology Foundation	Total Investments
Money markets/certificates of deposit	\$395,000			\$4,108,865	\$699,998	\$5,203,863
Government obligations	52,408,896			23,009,645		75,418,541
Corporate obligations	60,014,870					60,014,870
Corporate stocks, common stocks, and indexed mutual funds	37,404,019					37,404,019
Mortgage-backed securities and CMOs				3,425,334		3,425,334
Shaw Center for the Performing Arts	18,836,471					18,836,471
Royalty interest	149,577					149,577
Equities			\$10,832,762			10,832,762
Mineral interests			443,425			443,425
Corporate bonds and notes	4,336,241			8,286,853		12,623,094
Mutual funds	133,252,651			29,990,875		163,243,526
Bond reserves					3,123,296	3,123,296
LSU Foundation investment pool ¹		\$3,517,167				3,517,167
Charitable Gift Annuity		35,760				35,760
Fixed Income - International Fund			5,722,775			5,722,775
Short-term investments	2,236,919				3,358,716	5,595,635
Private equity	8,929,021					8,929,021
Hedged funds	51,881,078		16,611,894	7,979,646		76,472,618
Venture capital	48,058		507,703			555,761
Real estate investment trusts	429,802					429,802
Total investments	\$370,322,603	\$3,552,927	\$34,118,559	\$76,801,218	\$7,182,010	\$491,977,317

*As of December 31, 2008

¹Investments consist primarily of equity funds, corporate bonds, collateralized mortgage obligations, and government agency securities.

The LSU Foundation is a 50% investor in the Shaw Center for the Arts, LLC. The investment recorded on the Statement of Financial Position for \$18,836,471 at June 30, 2009, is accounted for by the equity method. The summarized unaudited financial information of the Shaw Center for the Arts, LLC, is as follows:

Total assets	<u>\$37,770,361</u>
Total liabilities	<u>\$97,419</u>
Net income (loss)	<u>(\$1,031,947)</u>

The LSU Foundation serves as trustee for various charitable remainder trusts for which the Foundation is not the irrevocable beneficiary. The funds are held and administered by a third-party financial institution as an agent of the Foundation. The fair market value of the funds held is reported as an asset and corresponding liability in the statements of financial position. As of June 30, 2009, the fair market value of these charitable remainder trusts totaled \$529,535.

The LSU Foundation is also the irrevocable beneficiary of three split-interest agreements for which the funds are held and administered by third parties. The Foundation's interest in the funds held by the third parties is measured at present value and reported as an asset in the statements of financial position as other restricted noncurrent assets. As of June 30, 2009, the fair market value of the beneficial interests totaled \$395,082.

The Pennington Medical Foundation's investments are secured by the Securities Investor Protection Corporation (SIPC) for up to \$60 million through insurance purchased by the investment company. However, the \$60 million of protection does not insure the quality of investments or protect the Foundation against losses from fluctuating market values.

The Foundation for the LSU Health Sciences Center has entered into two charitable gift annuity agreements that provide for the payment of distributions to the grantor or designated beneficiaries over the trust's term. In consideration of the contribution, the Foundation shall pay an annual annuity of \$6,795 paid in quarterly installments to the donor so long as he/she is living. The Foundation's obligation will terminate upon the donor's death. The present value of the estimated future payments (\$60,661 at June 30, 2009) is calculated using a discount rate of 2.8% and the applicable mortality rates. The Foundation made payments to the donor in the amount of \$6,795 for the year ended June 30, 2009.

4. RECEIVABLES

Receivables, most of which are scheduled for collection within one year, are shown on Statement A net of an allowance for doubtful accounts as follows:

	Receivables	Doubtful Accounts	Net Receivables
Student tuition and fees	\$13,623,661	\$81,721	\$13,541,940
Auxiliary enterprises	5,687,529	16,715	5,670,814
Contributions and gifts	2,357,239		2,357,239
Federal, state, and private grants and contracts	100,183,637		100,183,637
Federal appropriations	277,013		277,013
Sales and services/other	22,854,999	5,707	22,849,292
Clinics	41,398,840	26,112,139	15,286,701
Federal Emergency Management Agency	9,392,287		9,392,287
Other - BOR State Funded Endowment	80,000		80,000
Hospital	564,286,087	438,970,537	125,315,550
Other - UCC	204,019,933	204,019,933	
Total	<u>\$964,161,225</u>	<u>\$669,206,752</u>	<u>\$294,954,473</u>

Accounts receivable and doubtful accounts include \$64,094,021 for fiscal year 2004; \$108,813,600 for fiscal year 2005; \$19,042,693 for fiscal year 2008; and \$12,069,619 for fiscal year 2009 in uncompensated care cost (disproportionate share) on the "Other - UCC" line that was earned by the public hospitals administered by the LSU System. Because of the federal cap and Medicaid State Plan ceiling, it has been determined that this amount is uncollectible and therefore an allowance for doubtful accounts should be established for the full amount included in Accounts Receivable and Doubtful Accounts.

5. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

LSU SYSTEM

	Balance June 30, 2008	Prior Period Adjustment	Restated Balance June 30, 2008	Additions	Transfers	Retirements	Balance June 30, 2009
Capital assets not being depreciated:							
Land	\$119,522,242		\$119,522,242				\$119,522,242
Capitalized collections	\$2,812,133	\$102,550	2,914,683	\$275,937			3,190,620
Construction-in-progress	175,416,435	2,111,302	177,527,737	107,947,901	(\$74,405,100)	(\$134,628)	210,935,910
Total capital assets not being depreciated	\$297,750,810	\$2,213,852	\$299,964,662	\$108,223,838	(\$74,405,100)	(\$134,628)	\$333,648,772
Other capital assets:							
Infrastructure	\$67,942,455		\$67,942,455	\$254,747			\$68,197,202
Less accumulated depreciation	(24,728,109)		(24,728,109)	(1,600,054)			(26,328,163)
Total infrastructure	43,214,346	NONE	43,214,346	(1,345,307)	NONE	NONE	41,869,039
Land improvements	71,778,045	(\$7,375)	71,770,670	1,211,727	\$1,043,560	(\$149,219)	73,876,738
Less accumulated depreciation	(47,517,021)	(7,955)	(47,524,976)	(1,938,334)		149,219	(49,314,091)
Total land improvements	24,261,024	(15,330)	24,245,694	(726,607)	1,043,560	NONE	24,562,647
Buildings	1,738,560,808	7,242,872	1,745,803,680	52,390,894	72,553,977	(1,815,812)	1,868,932,739
Less accumulated depreciation	(878,795,644)	(9,565,782)	(888,361,426)	(49,210,172)	(51,385)	1,597,604	(936,025,379)
Total buildings	859,765,164	(2,322,910)	857,442,254	3,180,722	72,502,592	(218,208)	932,907,360
Equipment	880,232,922	49,974	880,282,896	76,364,732	807,563	(38,532,678)	918,922,513
Less accumulated depreciation	(571,820,680)	32,110	(571,788,570)	(78,238,922)	51,385	35,365,083	(614,611,024)
Total equipment	308,412,242	82,084	308,494,326	(1,874,190)	858,948	(3,167,595)	304,311,489
Library books	210,965,903		210,965,903	4,642,141		(839,285)	214,768,759
Less accumulated depreciation	(196,263,780)		(196,263,780)	(7,165,048)		829,464	(202,599,364)
Total library books	14,702,123	NONE	14,702,123	(2,522,907)	NONE	(9,821)	12,169,395
Total other capital assets	\$1,250,354,899	(\$2,256,156)	\$1,248,098,743	(\$3,288,289)	\$74,405,100	(\$3,395,624)	\$1,315,819,930
Capital asset summary:							
Capital assets not being depreciated	\$297,750,810	\$2,213,852	\$299,964,662	\$108,223,838	(\$74,405,100)	(\$134,628)	\$333,648,772
Other capital assets, at cost	2,969,480,133	7,285,471	2,976,765,604	134,864,241	74,405,100	(41,336,994)	3,144,697,951
Total cost of capital assets	3,267,230,943	9,499,323	3,276,730,266	243,088,079	NONE	(41,471,622)	3,478,346,723
Less accumulated depreciation	(1,719,125,234)	(9,541,627)	(1,728,666,861)	(138,152,530)	NONE	37,941,370	(1,828,878,021)
Capital assets, net	\$1,548,105,709	(\$42,304)	\$1,548,063,405	\$104,935,549	NONE	(\$3,530,252)	\$1,649,468,702

The prior period adjustments represent corrections of errors in recorded capital assets from prior years. As discussed in note 6, certain capital assets were idle at year-end.

COMPONENT UNITS

	Balance June 30, 2008	Additions	Transfers	Retirements	Balance June 30, 2009
Capital assets not being depreciated:					
Land	\$9,902,440	\$504,905		(\$5,250)	\$10,402,095
Capitalized collections	4,873,275	71,315		(206,925)	4,737,665
Livestock	100,000		(\$100,000)		
Construction-in-progress	6,959,191	15,292,716	(1,259,825)	(850,882)	20,141,200
Total capital assets not being depreciated	<u>\$21,834,906</u>	<u>\$15,868,936</u>	<u>(\$1,359,825)</u>	<u>(\$1,063,057)</u>	<u>\$35,280,960</u>
Other capital assets:					
Infrastructure	\$304,410				\$304,410
Less accumulated depreciation	(109,337)	(28,736)			(138,073)
Total infrastructure	<u>195,073</u>	<u>(28,736)</u>	NONE	NONE	<u>166,337</u>
Land improvements	1,883,852	4,015			1,887,867
Less accumulated depreciation	(424,612)	(103,692)			(528,304)
Total land improvements	<u>1,459,240</u>	<u>(99,677)</u>	NONE	NONE	<u>1,359,563</u>
Buildings	289,680,986	240,806	\$733,393		290,655,185
Less accumulated depreciation	(29,011,397)	(6,621,839)			(35,633,236)
Total buildings	<u>260,669,589</u>	<u>(6,381,033)</u>	<u>733,393</u>	NONE	<u>255,021,949</u>
Equipment	25,659,198	158,031	100,000	(\$153,199)	25,764,030
Less accumulated depreciation	(24,305,975)	(481,869)		122,203	(24,665,641)
Total equipment	<u>1,353,223</u>	<u>(323,838)</u>	<u>100,000</u>	<u>(30,996)</u>	<u>1,098,389</u>
Total other capital assets	<u>\$263,677,125</u>	<u>(\$6,833,284)</u>	<u>\$833,393</u>	<u>(\$30,996)</u>	<u>\$257,646,238</u>
Capital asset summary:					
Capital assets not being depreciated	\$21,834,906	\$15,868,936	(\$1,359,825)	(\$1,063,057)	\$35,280,960
Other capital assets, at cost	317,528,446	402,852	833,393	(153,199)	318,611,492
Total cost of capital assets	<u>339,363,352</u>	<u>16,271,788</u>	<u>(526,432)</u>	<u>(1,216,256)</u>	<u>353,892,452</u>
Less accumulated depreciation	(53,851,321)	(7,236,136)	NONE	122,203	(60,965,254)
Capital assets, net	<u>\$285,512,031</u>	<u>\$9,035,652</u>	<u>(\$526,432)</u>	<u>(\$1,094,053)</u>	<u>\$292,927,198</u>

6. IMPAIRMENT OF CAPITAL ASSETS

In November 2003, the GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. It establishes accounting and financial reporting standards for impairment of capital assets. It requires evaluation of prominent events or changes in circumstances to determine whether an impairment loss should be recorded and that any insurance recoveries be netted with the impairment loss.

A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset.

Hurricanes Katrina and Rita destroyed several buildings including the largest HCSD hospital (the Medical Center of Louisiana at New Orleans), which management believes cannot be repaired for use as a medical facility. Many of these buildings were old and largely depreciated.

Information about the carrying amount of impaired capital assets idle at year-end is disclosed, regardless of whether the impairment is considered permanent or temporary. The carrying value of impaired movable property assets for fiscal year 2009 is \$337,561.

7. DISAGGREGATION OF ACCOUNTS PAYABLE

Accounts payable at June 30, 2009, were as follows:

<u>Activity</u>	<u>Amount</u>
Vendors	\$99,995,133
Salaries and benefits	90,561,177
Accrued interest	226,538
Uncompensated care payable	171,464,432
Other payables	<u>5,480,677</u>
Total	<u><u>\$367,727,957</u></u>

8. PENSION PLANS

Plan Description. Substantially all employees of the university system are members of two statewide, public employee retirement systems. Academic and unclassified employees are generally members of the Teachers’ Retirement System of Louisiana (TRSL), and classified state employees are members of the Louisiana State Employees’ Retirement System (LASERS). Both plans are administered by separate boards of trustees. TRSL is a cost-sharing, multiple-employer defined benefit pension plan and LASERS is considered a single-employer plan because the material portion of its activity is with one employer--the State of Louisiana. TRSL and LASERS provide retirement, disability, and survivors’ benefits to plan members and beneficiaries. Benefits granted by the retirement systems are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after five years of service for TRSL and 10 years of service for LASERS. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual publicly available financial reports that include financial statements and required supplementary information for the systems. The reports may be obtained by writing to the Teachers’ Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446, and/or the Louisiana State Employees’ Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600.

Funding Policy. The contribution requirements of employee plan members and the university 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% (TRSL) and 7.5% (LASERS) of covered salaries. Act 75 of the 2005 Regular Legislative Session now requires that employees hired on or after July 1, 2006, must contribute 8% of covered salaries to LASERS. In fiscal year 2009, the state contributed 15.5% of covered salaries to TRSL and 17.8% of covered salaries to LASERS. The employer contribution is funded by the State of Louisiana through the annual appropriation to the university system. The employer contributions to TRSL for the years ended June 30, 2009, 2008, and 2007, were \$42,274,974; \$38,961,184; and \$33,574,093, respectively, and to LASERS for the years ended June 30, 2009, 2008, and 2007, were \$99,098,078; \$101,162,799; and \$82,094,484, respectively, equal to the required contributions for each year.

Optional Retirement System

R.S. 11:921 created an optional retirement plan for academic and administrative employees of public institutions of higher education. This program was designed to aid universities in recruiting employees who may not be expected to remain in 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 university system are 15.5% of the covered payroll. 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 \$60,737,879 and \$31,373,855, respectively, for the year ended June 30, 2009.

9. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The LSU System (System) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the System's 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 Office of Group Benefits (OGB) which also offers a life insurance plan, and the other plan is with the LSU System Health Plan. 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 each of these two plans is presented below.

Plan Descriptions

LSU System Health Plan

The System administers and offers eligible employees, retirees, and their beneficiaries the opportunity to participate in comprehensive health and preventive care coverage under its Health Plan that gives members a unique, consumer-driven health-care approach to pay routine health expenses and provides coverage for major healthcare expenses. Within the Health Plan, members have a choice of selecting Option 1 or Option 2. Option 1, shown in the schedule of total monthly premium rates on page 57, is more costly, but features both lower yearly deductibles and out-of-network coinsurance requirements.

Employees in a limited number of other state agencies may also participate but that participation is not material and, as such, the plan is identified as a single-employer defined benefit healthcare plan that is not administered as a trust or equivalent arrangement.

The System selects claim and pharmaceutical administrators to administer its program. Both claim and pharmacy administrators are selected through a formal Request for Proposals process followed by negotiations between the System and qualified vendors.

The Health Plan originally began as a pilot program within OGB, the office that provides health benefits to state employees pursuant to the provisions of R.S. 42:851. The Health Plan does not issue a publicly available financial report, but it is included in the System's audited financial report. The financial report may be obtained from the System's Web site at <http://www.lsusystem.lsu.edu/>.

State OGB Plan

System employees may also participate in the state's other OPEB Plan, an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees, and their beneficiaries. OGB administers the plan. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report of the OPEB Plan; however, it 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 Web site at www.doa.la.gov/osrap.

Funding Policy

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 which usually occurs in April.

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.

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 healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. OGB offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Exclusive Provider Organization (EPO) Plan, and the Health Maintenance Organization (HMO) Plan. Retired employees who have Medicare Part A and Part B coverage also have access to two OGB Medicare Advantage plans which includes one HMO plan and one private fee-for-service (PFFS) plans.

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. 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 dismemberment coverage ceasing at age 70 for retirees.

Employees hired before January 1, 2002, pay approximately 25% of cost of medical coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). For both plans, employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on the following schedule:

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

NOTES TO THE FINANCIAL STATEMENTS

Shown below are the total monthly premium rates in effect for plan year 2008-09.

	LSU System Health Plan		State OGB Plans					
			PPO		EPO		HMO	
	Option 1	Option 2					Humana FFS	Humana HMO
<u>Active</u>								
Single	\$532.38	\$460.32	\$542.36	\$564.12	\$520.72		N/A	N/A
With Spouse	949.84	821.26	1,152.00	1,198.09	1,105.92		N/A	N/A
With Children	653.22	583.68	661.48	687.96	635.04		N/A	N/A
Family	1,135.54	993.44	1,214.92	1,263.52	1,166.36		N/A	N/A
<u>Retired, No Medicare and Re-employed Retiree</u>								
Single	\$1,010.94	\$924.02	\$1,009.00	\$1,049.32	\$968.64		N/A	N/A
With Spouse	1,785.15	1,631.60	1,781.72	1,852.96	1,710.40		N/A	N/A
With Children	1,126.06	1,024.72	1,123.92	1,168.84	1,079.00		N/A	N/A
Family	1,776.52	1,619.30	1,773.12	1,844.04	1,702.20		N/A	N/A
<u>Retired, with 1 Medicare</u>								
Single	\$309.86	\$267.90	\$328.12	\$341.24	\$314.96	\$174.00		\$137.00
With Spouse	1,070.14	925.30	1,212.32	1,260.80	1,163.76	N/A		N/A
With Children	588.60	529.74	567.92	590.64	545.24	N/A		N/A
Family	1,518.40	1,327.48	1,615.32	1,679.92	1,550.68	N/A		N/A
<u>Retired, with 2 Medicare</u>								
With Spouse	\$540.74	\$467.56	\$589.76	\$613.32	\$566.16	\$348.00		\$274.00
Family	734.24	641.94	730.24	759.44	701.04	N/A		N/A

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of each plan's annual OPEB cost for the year ending June 30, 2009, the amount actually contributed to the plan, and changes in the plan's net OPEB obligation to the retiree health plan.

	LSU System Health Plan	State OGB Plan	Total
Annual required contribution	\$55,265,970	\$169,613,400	\$224,879,370
Interest on Net OPEB Obligation (NOO)	1,982,318	5,539,006	7,521,324
ARC Adjustment	(1,527,604)	(5,213,424)	(6,741,028)
Annual OPEB cost	55,720,684	169,938,982	225,659,666
Employer contributions	(11,296,109)	(32,427,082)	(43,723,191)
Increase in net OPEB obligation	44,424,575	137,511,900	181,936,475
Net OPEB obligation - beginning of year	39,646,365	136,353,698	176,000,063
Net OPEB obligation - end of year	\$84,070,940	\$273,865,598	\$357,936,538

Funding Trend

	LSU System Health Plan		State OGB Plan	
	2009	2008	2009	2008
OPEB cost	\$55,720,684	\$49,787,000	\$169,938,982	\$168,149,900
Percent contributed	20.27%	20.48%	19.08%	18.90%
Ending NOO	84,070,940	39,646,365	273,865,598	136,353,698

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2008, was as follows:

	LSU System Health Plan	State OGB Plan
Actuarial accrued liability (AAL)	\$470,940,000	\$2,029,000,000
Actuarial value of plan assets	NONE	NONE
Unfunded actuarial accrued liability (UAAL)	<u>\$470,940,000</u>	<u>\$2,029,000,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Annual covered payroll (active plan members)	\$612,457,990	\$430,129,638
UAAL as a percentage of covered payroll	76.9%	471.7%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Furthermore, actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability 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 benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

A summary of the actuarial assumptions are presented as follows:

	LSU System Health Plan	State OGB Plan
Actuarial valuation date	July 1, 2007	July 1, 2008
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percentage of payroll	Level percentage of payroll
Amortization period	30 years, open	30 years, open
Asset valuation method	None	None
Actuarial assumptions:		
Investment rate of return	5% annual rate	4% annual rate
Projected salary increases	4% per annum	5% per annum
Healthcare inflation rate	11.0% initial 6.0% ultimate	9.0% - 10.1% initial 5.0% ultimate

10. CONTINGENT LIABILITIES, RISK MANAGEMENT, AND CLAIMS LIABILITY

Losses arising from judgments, claims, and similar contingencies are paid by either private insurance companies or through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by General Fund appropriation. The university system is involved in seventeen lawsuits that are handled by contract attorneys at June 30, 2009. The attorneys have estimated a possible liability of \$951,053 relating to two of the lawsuits. All other lawsuits are handled by either the Office of Risk Management or the Attorney General's Office.

In addition, the university is exposed to various risks of losses related to the self-insured and self-funded LSU System Health Plan, which provides health insurance benefits to active and retired university employees and which began as a pilot program for the fiscal year ended June 30, 2003. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. According to the requirements of GASB Statement No. 10, as amended by Statements 17 and 30, total claims expenditures were \$97,171,995. Changes in the reported liability for the last three periods are summarized as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Recoveries From Settled and Unsettled Claims	Balance at Fiscal Year-End
2006-07	\$8,700,000	\$81,369,101	\$75,473,574	\$4,295,527	\$10,300,000
2007-08	10,300,000	86,236,899	82,990,970	6,264,929	7,281,000
2008-09	7,281,000	105,819,002	97,171,995	7,305,007	8,623,000

CONTINGENCIES - COMPONENT UNITS

The New Orleans city property tax assessor has assessed the UNO Research and Technology Foundation with real estate property taxes, interest, and penalties for certain buildings owned by the foundation in the total amount of \$12,000,000 as of August 2009. The UNO Research and Technology Foundation believes that it is entitled to property tax exemptions under present law and jurisprudence because of its nonprofit status and because of the use of these buildings to further the nonprofit goals of the foundation. The foundation is engaged in ongoing discussions with the assessor. The foundation has begun litigation proceedings regarding this matter. Although the foundation believes that it has adequate defenses against the assessment, if not successful, the assessment, interest, and penalties may have a significant impact on the financial condition of the foundation. The foundation's counsel is unable to predict the eventual outcome of this matter or the potential loss contingencies, if any, to which the foundation may be subject. However, to begin litigation, the foundation has paid \$196,733 in protest of the property tax assessment.

11. COMPENSATED ABSENCES

At June 30, 2009, employees of the university have accumulated and vested annual, sick, and compensatory leave benefits of \$102,150,369; \$29,420,796; and \$8,176,661, respectively, which were computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements.

12. OPERATING LEASES

For the year ended June 30, 2009, the total rental expenses for all operating leases, except those with terms of a month or less that were not renewed, is \$14,694,054. The following is a schedule by years of future minimum annual rental payments required under operating leases that have initial or noncancelable lease terms in excess of one year as of June 30, 2009:

Nature of Operating Lease	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015- FY2019	FY2020- thereafter	Total Minimum Payments Required
Office space	\$10,552,438	\$9,634,129	\$8,991,977	\$6,934,428	\$4,113,663	\$4,064,472	\$493,300	\$44,784,407
Equipment	1,445,600	449,531	410,554	354,571	244,313			2,904,569
Land	40,606	40,606						81,212
Other	1,324,576	884,359	747,702	717,875	687,716	968,051	2,000,000	7,330,279
Total	<u>\$13,363,220</u>	<u>\$11,008,625</u>	<u>\$10,150,233</u>	<u>\$8,006,874</u>	<u>\$5,045,692</u>	<u>\$5,032,523</u>	<u>\$2,493,300</u>	<u>\$55,100,467</u>

The lease agreements have non-appropriation exculpatory clauses that allow lease cancellation if the legislature does not make an appropriation for its continuation during any future fiscal period.

OPERATING LEASES - COMPONENT UNITS

**Property, Facility and Equipment Lease Agreements -
UNO Research and Technology Foundation**

UNO/Avondale Maritime Technology Center for Excellence - On May 16, 1997, the UNO Research and Technology Foundation and Avondale Industries, Inc., entered into a sub-lease agreement that provides for Avondale Industries, Inc., to lease from the Foundation, the land located in Jefferson Parish together with the facilities to be constructed on the land, the facility equipment and the right of uninterrupted access to and from all streets and roads adjoining the land.

The terms of the sub-lease agreement during the first 12 years (1997-2009) provides for Avondale Industries, Inc., to pay as rental the sum of \$100,000 per year by September 1 of each year provided that the state has made the annual appropriation provided for in the Cooperative Endeavor Agreement (note 24). Beginning September 1, 2009, and for each year thereafter during the term of the sub-lease, rent for \$100,000 is due and payable by September 1 of each year without regard to the state appropriation.

Naval Reserve Information System Office - On January 15, 1998, the UNO Research and Technology Foundation entered into a sub-lease agreement (whose terms have been amended since that date) with the United States of America (the government) to lease from the Foundation, approximately 300,000 square feet of administrative space, 700 hard surface parking spaces, and 15.71 acres of land located at the UNO Research and Technology Park. The terms of the facility lease agreement provide that the government will have and hold the noted facility for the term beginning on the date of completion of the facility for an initial 10-year term with 15 individual one-year renewal terms. The lease agreement requires the government to pay a nominal amount for the lease of the premises and an amount for maintenance services. The annual rent for the premises and maintenance services was \$1 and \$2,246,193, respectively for the year ended June 30, 2009.

Pennington Medical Foundation

The Pennington Medical Foundation leases the Basic Science Building to the Pennington Biomedical Research Center under an operating lease which expires in 2036 or when the related debt for the building is paid in full. The lease requires an annual payment of \$100 and monthly payments of \$8,213.

13. LESSOR LEASES

The System's leasing operations consist primarily of leasing property for the purposes of providing food services to students; bookstore operations; land for fraternity and sorority houses and parking spaces to foundations; office space for postal services, banking services, and university affiliated organizations; space on rooftops for communication towers; and mineral leases.

The following schedule provides an analysis of the cost and carrying amount of the university system's investment in property on operating leases and property held for lease as of June 30, 2009:

<u>Nature of Lease</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Amount</u>
Office space	\$20,253,797	(\$6,499,392)	\$13,754,405
Land	3,461,269		3,461,269
Total	<u>\$23,715,066</u>	<u>(\$6,499,392)</u>	<u>\$17,215,674</u>

The following is a schedule by years of minimum future rentals on noncancelable operating leases as of June 30, 2009:

<u>Fiscal Year Ending June 30,</u>	<u>Nature of Lease</u>			
	<u>Office Space</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2010	\$2,611,643	\$170,841	\$421,706	\$3,204,190
2011	1,318,529	188,857	396,759	1,904,145
2012	1,045,007	213,444	372,540	1,630,991
2013	556,017	213,344	293,212	1,062,573
2014	449,300	210,833	101,448	761,581
2015-2019	2,230,000	1,041,320	98,572	3,369,892
2020-2024	1,338,000	871,271		2,209,271
2025-2029		814,921		814,921
2030-2034		814,921		814,921
2035-2039		813,254		813,254
2040-2044		812,921		812,921
2045-2049		808,146		808,146
2050-2054		794,888		794,888
2055-2059		502,146		502,146
2060-2064		32,351		32,351
2065-2069		32,351		32,351
2070-2074		32,311		32,311
2075-2079		32,301		32,301
2080-2084		32,301		32,301
2085-2089		32,301		32,301
2090-2093		2,850		2,850
Total	<u>\$9,548,496</u>	<u>\$8,467,873</u>	<u>\$1,684,237</u>	<u>\$19,700,606</u>

Minimum future rentals do not include contingent rentals, which may be received as stipulated in the lease contracts. These contingent rental payments occur as a result of sales volume, customer usage of services provided, or the drilling operations on mineral leases. Contingent rentals amounted to \$1,598,338 for the year ended June 30, 2009.

14. LONG-TERM LIABILITIES

The following is a summary of bond and other long-term debt transactions of the university for the year ended June 30, 2009:

University

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Amounts Due Within One Year
Notes and bonds payable:					
Notes payable	\$23,077,357	\$10,462,866	\$8,792,016	\$24,748,207	\$9,811,576
Bonds payable	393,928,333		16,960,416	376,967,917	18,115,417
Subtotal	<u>417,005,690</u>	<u>10,462,866</u>	<u>25,752,432</u>	<u>401,716,124</u>	<u>27,926,993</u>
Other liabilities:					
Compensated absences payable	131,459,851	25,162,542	16,874,567	139,747,826	10,298,540
Capital lease obligations	93,100,128		3,151,996	89,948,132	2,900,873
OPEB payable	176,000,063	225,659,666	43,723,191	357,936,538	
Amounts held in custody for others	5,081,750	61,450,533	61,472,166	5,060,117	5,060,117
Subtotal	<u>405,641,792</u>	<u>312,272,741</u>	<u>125,221,920</u>	<u>592,692,613</u>	<u>18,259,530</u>
Total long-term liabilities	<u>\$822,647,482</u>	<u>\$322,735,607</u>	<u>\$150,974,352</u>	<u>\$994,408,737</u>	<u>\$46,186,523</u>

Component Units

	Restated Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Amounts Due Within One Year
Notes and bonds payable:					
Notes payable	\$9,987,535	\$78,830	\$2,766,798	\$7,299,567	\$194,051
Bonds payable	225,395,000		29,565,000	195,830,000	2,658,395
Subtotal	<u>235,382,535</u>	<u>78,830</u>	<u>32,331,798</u>	<u>203,129,567</u>	<u>2,852,446</u>
Other liabilities:					
Compensated absences payable	233,157		4,539	228,618	228,618
Amounts held in custody for others	106,283,014	1,062,543	4,237,471	103,108,086	14,328,419
Subtotal	<u>106,516,171</u>	<u>1,062,543</u>	<u>4,242,010</u>	<u>103,336,704</u>	<u>14,557,037</u>
Total long-term liabilities	<u>\$341,898,706</u>	<u>\$1,141,373</u>	<u>\$36,573,808</u>	<u>\$306,466,271</u>	<u>\$17,409,483</u>

Certain prior year liability account balances, presented above and in the component unit financial statements, have been reclassified for presentation purposes. The reclassifications had no effect on net assets.

Notes Payable

The university has entered into a number of installment purchase agreements for the purchase of computer equipment, copiers, vehicles, et cetera. These agreements require scheduled payments either on a monthly, semiannual, or annual basis and have interest rates ranging from 1.158% to 6.50%.

The following is a summary of future minimum installment payments as of June 30, 2009:

<u>Fiscal Year Ending June 30:</u>	
2010	\$10,436,836
2011	8,145,755
2012	4,562,019
2013	1,405,263
2014	395,796
2015-2019	1,189,387
2020-2024	<u>170,944</u>
Total minimum installment payments	26,306,000
Less - amount representing interest	<u>(1,557,793)</u>
Total	<u><u>\$24,748,207</u></u>

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

NOTES PAYABLE - COMPONENT UNITS

The component units have entered into a number of notes payable agreements for various purposes. These agreements require scheduled payments either on a monthly, semiannual, or annual basis with interest rates ranging from zero to 7.25%. The following is a summary of notes payable by component unit as of June 30, 2009:

<u>Component Unit</u>	<u>Principal Outstanding June 30, 2008</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Principal Outstanding June 30, 2009</u>
Tiger Athletic Foundation*	\$1,736,336		(\$1,736,336)	
UNO Research and Technology Foundation	7,401,099	\$78,830	(180,362)	\$7,299,567
Pennington Medical Foundation*	850,100		(850,100)	
Total	<u>\$9,987,535</u>	<u>\$78,830</u>	<u>(\$2,766,798)</u>	<u>\$7,299,567</u>

*For the year ended December 31, 2008

The unamortized discount relative to the note payable for the UNO Research and Technology Foundation totaled \$290,615 at June 30, 2009, which is reported by the foundation as a reduction of the note payable.

The following is a summary of future minimum installment payments, net of unamortized discount for the component units as of June 30, 2009:

Fiscal Year Ending June 30:	
2010	\$194,051
2011	6,008,147
2012	NONE
2013	NONE
2014	1,097,369
Total	\$7,299,567

Line of Credit

In December 2007, the LSU Foundation entered into an agreement with a financial institution for an unsecured \$10,000,000 revolving line of credit of which \$6,081,300 had been drawn upon and \$3,918,700 was unused as of June 30, 2009. Interest payments are required annually. Any unpaid principal and accrued interest is due on June 20, 2010. The line of credit has a variable interest rate determined at the per annum LIBOR for United States Dollars established by the British Bankers Association for interest periods of thirty days plus 0.63%. The interest rate as of June 30, 2009 was 0.94%. Total interest expense incurred on the line of credit for the year ended June 30, 2009, was \$260,631.

On January 26, 2006, the Tiger Athletic Foundation established a \$6,500,000 line of credit with Capital One for the purpose of financing additional construction costs associated with the West Side stadium expansion above what was originally budgeted. The line of credit is secured by a pledge of all existing and future cash, current and future pledges and proceeds thereof in the Capital Programs Donor Restricted Fund; accordingly, the cash and pledges in this fund must equal 100% of the commitment amount on the proposed facility at all times. The line of credit bears interest at 30-day LIBOR plus 110 basis points and expired March 31, 2009. As of December 31, 2008, there was no outstanding balance associated with this line of credit.

On June 25, 2008, the Tiger Athletic Foundation established a \$6,300,000 line of credit with Capital One for the purpose of financing the construction and equipment costs associated with the upgrades/replacements to the scoreboards for the LSU athletic facilities. The line of credit allows for draws over an 11-month period with interest payable monthly. Interest is based on the 30-day LIBOR plus 110 basis points. Upon expiration, the Foundation may convert this line of credit into a term loan of up to 65 months. Repayment will be made from the total revenues, receipts, rentals, premiums, proceeds, contributions, donations, profits and income received by the Foundation on a parri passu basis with the existing bond issues. As of December 31, 2008, there was no outstanding balance associated with this line of credit.

Also on June 25, 2008, the Tiger Athletic Foundation established a \$2,500,000 line of credit with Capital One for the purpose of financing the construction of a vehicle parking lot adjoining the new Alex Box stadium. This line of credit allows for draws over an 11-month period with interest payable monthly, and is convertible into a 72-month term loan. Interest is based on the 30-day LIBOR plus 110 basis points. The line of credit is secured by a pledge of all existing and

future cash, current and future pledges and proceeds thereof in the Make Your Pitch Donation Fund. As of December 31, 2008, there was no outstanding balance associated with this line of credit.

The Foundation for the LSU Health Sciences Center has a line of credit from a bank, totaling \$2,600,000, at an interest rate calculated by adding 1.5% to the LIBOR rate as published. The note matured during February 2009 and the Foundation did not renew the agreement. The Foundation has taken no advances during the year.

The Pennington Medical Foundation has an uninsured \$2,500,000 line of credit due on demand which was unfunded as of December 31, 2008.

Bonds and Contracts Payable - System

Detailed summaries, by issues, of all bond and reimbursement contract debt outstanding at June 30, 2009, including future interest payments of \$212,401,334 for LSU; \$26,917,651 for the LSU Health Sciences Center in New Orleans; \$12,579,837 for the University of New Orleans; \$3,405,038 for LSU at Alexandria; and \$8,844,540 for LSU at Eunice follow:

Bonds Payable

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2008</u>
LSU			
2002 Auxiliary Revenue Bonds	October 3, 2002	\$11,435,000	\$10,775,000
2004 Auxiliary Revenue Refunding Bonds	April 6, 2004	16,035,000	11,965,000
2004 Auxiliary Revenue Bonds - Series B	October 26, 2004	51,885,000	50,220,000
2005 Auxiliary Revenue Bonds - Series A	June 2, 2005	18,905,000	13,055,000
2006 Auxiliary Revenue Bonds	August 9, 2006	97,095,000	96,765,000
2007 Auxiliary Revenue Bonds	December 11, 2007	71,130,000	70,915,000
2008 Auxiliary Revenue Bonds	June 27, 2008	52,815,000	51,965,000
LSU Health Sciences Center			
New Orleans - Building Revenue Bonds - Series 2000	January 1, 2000	15,910,000	14,015,000
Health Care Services Division - Revenue Bonds, Series 2002	December 1, 2002	36,600,000	14,990,000
Bogalusa Community Medical Center Project Series 2007 A & B	September 1, 2007	17,500,000	17,500,000
Health Care Services Mid-City Clinic Project Series 2003B	October 1, 2003	2,500,000	1,855,000
University of New Orleans			
Revenue Bonds of 1998	August 15, 1998	15,915,000	14,030,000
Revenue Bonds of 2004 - Series A	June 17, 2004	9,440,000	6,015,000
Revenue Bonds of 2004 - Series B	October 19, 2004	8,480,000	7,690,000
LSU at Alexandria			
2008 Auxiliary Revenue Bonds	March 18, 2008	4,200,000	4,200,000
LSU at Eunice			
1998 Auxiliary Revenue Bonds	June 1, 1998	1,650,000	1,018,333
2002 Auxiliary Revenue Bonds	January 17, 2002	7,000,000	6,955,000
Total Bonds Payable		<u>\$438,495,000</u>	<u>\$393,928,333</u>

Bonds Payable

<u>Issue</u>	<u>Redeemed</u>	<u>Outstanding June 30, 2009</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Future Interest Payments June 30, 2009</u>
LSU					
2002 Auxiliary Revenue Bonds	\$185,000	\$10,590,000	2010-2032	floating	\$7,879,704
2004 Auxiliary Revenue Refunding Bonds	1,470,000	10,495,000	2010-2015	4% to 5.25%	1,983,166
2004 Auxiliary Revenue Bonds - Series B	1,160,000	49,060,000	2010-2030	2% to 5.25%	34,467,700
2005 Auxiliary Revenue Bonds - Series A	1,510,000	11,545,000	2010-2034	3% to 5%	2,090,174
2006 Auxiliary Revenue Bonds	1,005,000	95,760,000	2010-2036	4% to 5%	80,500,438
2007 Auxiliary Revenue Bonds	890,000	70,025,000	2010-2034	4% to 5%	58,359,240
2008 Auxiliary Revenue Bonds	3,680,000	48,285,000	2010-2034	2% to 5%	27,120,912
LSU Health Sciences Center					
New Orleans - Building Revenue Bonds - Series 2000	295,000	13,720,000	2009-2031	5.30%	12,080,914
Health Care Services Division - Revenue Bonds, Series 2002	4,790,000	10,200,000	2009-2011	3.12%	463,950
Bogalusa Community Medical Center Project Series 2007 A & B		17,500,000	2015-2038	.2466% - 7.88%	14,368,663
Health Care Services Mid-City Clinic Project Series 2003B	230,000	1,625,000	2014	1.36%	4,124
University of New Orleans					
Revenue Bonds of 1998	345,000	13,685,000	2010-2031	3.9%-5%	8,832,590
Revenue Bonds of 2004 - Series A	910,000	5,105,000	2010-2014	3%-4.125%	630,175
Revenue Bonds of 2004 - Series B	310,000	7,380,000	2010-2026	3%-4.67%	3,117,072
LSU at Alexandria					
2008 Auxiliary Revenue Bonds	50,000	4,150,000	2010-2034	4.0% - 5.5%	3,405,038
LSU at Eunice					
1998 Auxiliary Revenue Bonds	80,416	937,917	2010-2018	5%	247,313
2002 Auxiliary Revenue Bonds	50,000	6,905,000	2010-2033	7.375%	8,597,227
Total Bonds Payable	<u>\$16,960,416</u>	<u>\$376,967,917</u>			<u>\$264,148,400</u>

BONDS PAYABLE - COMPONENT UNITS

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2008</u>
LSU Foundation			
Pooled Loan Program Revenue Bonds, Series 2003A	April 1, 2003	\$12,725,000	\$8,785,000
The Foundation for the LSU Health Sciences Center			
Equipment and Capital Facilities Pooled Loan Program Revenue Bonds, Series 2002A	January 1, 2002	2,035,000	1,750,000
UNO Research and Technology Foundation			
LPFA Revenue Bonds, Series 2006	August 8, 2006	38,500,000	38,500,000
Tiger Athletic Foundation*			
Revenue Bonds, Series 1999	March 4, 1999	43,575,000	43,575,000
Revenue Bonds, Series 2001	July 26, 2001	10,200,000	700,000
Revenue Bonds, Series 2004	March 23, 2004	90,000,000	87,000,000
Pennington Medical Foundation*			
Series 2006 Bonds	April 1, 2006	45,175,000	45,085,000
Total Bonds Payable		<u>\$242,210,000</u>	<u>\$225,395,000</u>

*As of December 31, 2008

In March 2004, the Tiger Athletic Foundation issued Revenue Bonds Series 2004 for a principal amount of \$90,000,000. The bonds are secured by the pledged revenues on a parity with the Series 1999 and 2001 bonds. The proceeds of the loan are being used to finance or reimburse a portion of the costs of the acquisition and construction of certain improvements and renovations to Tiger Stadium and a football operations center at LSU, including funding the interest and costs associated with the project. On March 15, 2007, an amendment was made to the original loan agreement which waived the principal due on September 1, 2007, and extended the payment schedule an additional year, through 2034, with the intent that the 2007 principal payment will be paid on September 1, 2034.

The Foundation for the LSU Health Sciences Center financed the renovation of a building (2000 Tulane Avenue) purchased on May 15, 2003, with bond proceeds of \$2,035,000 over a 20-year period through the LPFA Capital Facilities Pool Program. The bond issue is supported by a bank letter of credit. The Foundation's ability to service this debt will be based on its ability to raise funds and earn other revenue from lease payments from the occupants. The building was heavily damaged by Hurricane Katrina on August 29, 2005. The roof has been replaced and the building has been gutted. It remains unoccupied and the Foundation has not yet determined when it will be renovated. The Foundation has budgeted future reductions in certain expenditures and foundation management believes it will be able to meet this obligation even with the loss of the rental income from the building.

BONDS PAYABLE - COMPONENT UNITS

<u>Issue</u>	<u>Redeemed</u>	<u>Outstanding June 30, 2009</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Future Interest Payments June 30, 2009</u>
LSU Foundation					
Pooled Loan Program Revenue Bonds, Series 2003A	\$630,000	\$8,155,000	2009-2022	Variable	\$965,011
The Foundation for the LSU Health Sciences Center					
Equipment and Capital Facilities Pooled Loan Program Revenue Bonds, Series 2002A	80,000	1,670,000	2009-2024	2.20%	
UNO Research and Technology Foundation					
LPFA Revenue Bonds, Series 2006	135,000	38,365,000	2009-2037	3.75% - 5.25%	38,823,269
Tiger Athletic Foundation*					
Revenue Bonds, Series 1999		43,575,000	2010-2028	Variable	
Revenue Bonds, Series 2001	700,000		2009-2011	Variable	
Revenue Bonds, Series 2004	1,690,000	85,310,000	2009-2034	Variable	
Pennington Medical Foundation*					
Series 2006 Bonds	26,330,000	18,755,000	2009-2034	4.99%	15,357,215
Total Bonds Payable	<u>\$29,565,000</u>	<u>\$195,830,000</u>			<u>\$55,145,495</u>

*As of December 31, 2008

The bond proceeds were used to finance the renovation of the new building. Bond proceeds available at June 30, 2009, are held by the trustee in restricted cash accounts. Restricted cash at June 30, 2009, totals \$93,304. Principal payments of \$80,000 were made on the bond in the year ended June 30, 2009. Interest was paid on the bonds for \$38,167 for the fiscal year ended June 30, 2009.

The Pennington Medical Foundation paid its 2001 and 2005 Series bonds in full with the proceeds from its 2006 Series bonds of \$45,175,000 and a line of credit. The bonds were issued with a premium of \$1,257,183 and a weighted-average interest rate of 4.99%. The bonds are secured by a security interest in the Foundation's assets. Principal on the bonds is due in annual payments on July 1 and interest is due in biannual payments on January 1 and July 1. On December 11, 2008, the Foundation redeemed \$26,130,000 of its outstanding tax-exempt Series 2006 bonds.

On August 8, 2006, the LPFA issued \$38,500,000 of LPFA Revenue Bonds (Series 2006) to the UNO Research and Technology Foundation. The proceeds of the bonds are being used for the financing, planning, design, construction, furnishing and equipping of resident facilities for use by UNO, including all equipment, furnishings, fixtures and facilities incidental or necessary in connection therewith. The proceeds were also used to pay the costs associated with the issuance of the bonds. The bond agreement provides for interest on the outstanding bonds at rates ranging from 3.75% to 5.25% per annum. Bond funds totaling \$3,123,296 have been deposited with the bond trustee at June 30, 2009. The bonds were issued at a premium, which totaled \$1,400,442 at the bond issuance date. The premium will be amortized over the life of the bonds. The total amount of the premium amortized during the year ended June 30, 2009, totaled \$48,242.

Debt Service Requirements

The annual requirements to amortize all university bonds outstanding at June 30, 2009, are presented in the following schedule. The schedule uses rates as of June 30, 2009, for debt service requirements of the variable-rate bonds and interest rate swap payments, assuming current interest rates remain the same for their term. As rates vary, variable-rate bond interest payments and net swap payments will vary.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$18,115,417	\$17,806,015	\$35,921,432
2011	16,140,417	17,035,724	33,176,141
2012	11,540,417	16,478,031	28,018,448
2013	12,035,417	15,999,287	28,034,704
2014	12,570,417	15,450,614	28,021,031
2015-2019	56,440,832	69,208,191	125,649,023
2020-2024	67,215,000	54,735,636	121,950,636
2025-2029	74,945,000	36,868,775	111,813,775
2030-2034	74,020,000	17,877,542	91,897,542
2035-2039	33,945,000	2,688,585	36,633,585
Total	<u>\$376,967,917</u>	<u>\$264,148,400</u>	<u>\$641,116,317</u>

The annual requirements to amortize all component unit bonds outstanding at June 30, 2009, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
2010	\$2,658,395	\$3,032,223	\$5,690,618
2011	4,263,395	3,015,021	7,278,416
2012	4,483,395	2,996,320	7,479,715
2013	5,013,395	2,974,682	7,988,077
2014	5,273,395	2,935,943	8,209,338
2015-2019	31,016,975	13,935,342	44,952,317
2020-2024	40,681,050	12,068,865	52,749,915
2025-2029	50,930,000	8,629,564	59,559,564
2030-2034	41,080,000	4,636,656	45,716,656
2035-2039	10,430,000	920,879	11,350,879
Total	<u>\$195,830,000</u>	<u>\$55,145,495</u>	<u>\$250,975,495</u>

*Excludes floating interest rate amounts for Tiger Athletic Foundation Revenue Bond Series 1999 and Series 2004 as well as for the Foundation for the LSU Health Sciences Center Equipment and Capital Facilities Pooled Loan Program Revenue Bonds, Series 2002A.

The following is a summary of the system debt service reserve requirements of the various bond issues at June 30, 2009:

<u>Bond Issue</u>	Cash/ Investment Reserves Available	Reserve Requirement	Excess
Auxiliary Plant - LSU at Alexandria	\$313,918	\$313,050	\$868
Total	<u>\$313,918</u>	<u>\$313,050</u>	<u>\$868</u>
Educational Plant:			
LSU Health Sciences Center - New Orleans	\$1,176,841	\$1,176,841	
LSU Health Sciences Center - Health Care Services Division	<u>4,931,578</u>	<u>4,931,578</u>	_____
Total	<u>\$6,108,419</u>	<u>\$6,108,419</u>	<u>NONE</u>

As permitted by the Bond Resolution for the Auxiliary Bonds of 2008, LSU obtained a municipal bond debt service reserve fund policy as a substitute for the reserve requirement for the bonds. The municipal bond debt service reserve fund policy meets the definition as a “Reserve Fund Investment” and guarantees payment of an amount not to exceed \$3,955,306 to fund the Reserve Requirement.

As permitted by the Bond Resolution for the Auxiliary Bonds of 2007, LSU obtained a municipal bond debt service reserve fund policy as a substitute for the reserve requirement for the bonds. The municipal bond debt service reserve fund policy meets the definition as a “Reserve Fund Investment” and guarantees payment of an amount not to exceed \$4,590,705 to fund the Reserve Requirement.

As permitted by the Bond Resolution for the Auxiliary Revenue Bonds of 2006, LSU obtained a municipal bond debt service reserve fund policy as a substitute for the reserve requirement for the bonds. The municipal bond debt service reserve fund policy meets the definition as a “Reserve Fund Investment” and guarantees payment of an amount not to exceed \$6,825,940 to fund the Reserve Requirement.

As permitted by the Bond Resolution for the Auxiliary Revenue Bonds of 2005 Series A, LSU obtained a surety bond 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.

As permitted by the Bond Resolution for the Revenue Bonds of 2004, Series B, the University of New Orleans obtained a Municipal Bond Debt Service Reserve Fund Policy issued by an insurance company as a substitute for the reserve requirement for the bonds. The insurance

policy 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.

As permitted by the Bond Resolution for the Revenue Bonds of 2004, Series A, the University of New Orleans obtained a Municipal Bond Debt Service Reserve Fund Policy issued by an insurance company as a substitute for the reserve requirement for the bonds. The insurance policy 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.

As permitted by the Bond Resolution for the Auxiliary Revenue Refunding Bonds, Series 2004, LSU obtained a surety bond 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.

As permitted by the Bond Resolution for the Auxiliary Revenue Bonds, Series 2002, the university system obtained an irrevocable letter of credit issued by a bank as a substitute for the reserve requirement for the bonds. The letter of credit meets the definition as a “Reserve Fund Investment” and guarantees payment of an amount not to exceed \$11,833,502 in the aggregate for the payment of principal and interest.

As permitted by the Bond Resolution for the Revenue Bonds, Series 2000, the LSU Health Sciences Center obtained a surety bond 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 an amount not to exceed \$1,176,841 to fund the reserve requirement.

As permitted by the Bond Resolution for the Revenue and Refunding Bonds, (UNO Wellness Center Project) Series 1998, the university system obtained a surety bond 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 an amount not to exceed \$1,041,250 to fund the reserve requirement.

As permitted by the Bond Resolution for the Auxiliary Revenue Bonds, Series 1998 (LSU at Eunice Project), the university system obtained a surety bond 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 an amount not to exceed \$134,750 to fund the reserve requirement.

Capital Leases

The university system records items under capital leases as assets and obligations in the accompanying financial statements. Assets under capital lease are included as capital assets in note 5. The following is a schedule of future minimum lease payments under capital leases, together with the present value of minimum lease payments at June 30, 2009:

Fiscal Year Ending June 30:	
2010	\$7,406,501
2011	7,301,012
2012	7,188,001
2013	7,211,370
2014	7,343,989
2015-2019	39,444,808
2020-2024	34,468,305
2025-2029	15,016,763
2030-2034	15,602,524
2035-2039	9,358,000
Total minimum lease payments	<u>150,341,273</u>
Less - amount representing interest	<u>(60,393,141)</u>
Present value of net minimum lease payments	<u><u>\$89,948,132</u></u>

15. DUE FROM STATE TREASURY

As shown on Statement A, the university system has a total of \$8,558,133 (net) due from the state treasury at June 30, 2009. This amount consists of the following:

Restricted Expendable Net Assets

<u>Description</u>	<u>Due (to)/from</u>
State appropriations	\$6,475,512
Tobacco Tax funds	5,964,408
Statutory dedications - SELF	1,552,286
Statutory dedications - Overcollections	262,783
HCSO - DHH funds (Medicaid & WIC)	706,099
HCSO - DHH funds (UCC)	1,932,032
Facility Planning and Control	885,830
Due from state treasury	<u>17,778,950</u>
Refund from prior year orders	(17,026)
HCSO - DHH funds (Medicaid & WIC)	(63,513)
Unclaimed property	(140,278)
Repayment of seed advance	<u>(9,000,000)</u>
Due to state treasury	<u>(9,220,817)</u>
Total	<u><u>\$8,558,133</u></u>

16. RESTRICTED NET ASSETS

The university system's restricted nonexpendable net assets of \$169,318,002 as of June 30, 2009, are comprised entirely of endowment funds.

The university system had the following restricted expendable net assets as of June 30, 2009:

Restricted Expendable Net Assets

<u>Account Title</u>	<u>Amount</u>
Student fees	\$12,251,763
Grants and contracts	37,542,009
Gifts	15,582,377
Endowment earnings	47,394,364
Auxiliary enterprises	13,831,253
Student loan funds	39,379,812
Capital construction	41,972,829
Debt service	315,855
Legislative restrictions	20,646,675
LSU System Health Plan	39,168,907
Indirect costs	15,489,709
Sponsored projects	119,673
Other	<u>539,413</u>
Total	<u><u>\$284,234,639</u></u>

Of the total restricted net assets reported on Statement A for the year ended June 30, 2009, a total of \$21,816,380 is restricted by enabling legislation.

LSU Health Sciences Center in Shreveport has donor restricted endowments. If a donor has not provided specific instructions, state law permits the Board of Regents to authorize for expenditure the net appreciation (realized and unrealized) of the investments of endowment funds. The center's endowments are composed of approximately 85% private and 15% Board of Regents. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established. At June 30, 2009, net appreciation of \$1,615,533 is available to be spent and is restricted to specific purposes.

RESTRICTED NET ASSETS - COMPONENT UNITS

Restricted net assets for the LSU Foundation, Tiger Athletic Foundation, and the Foundation for the LSU Health Sciences Center are as follows:

	LSU Foundation	Tiger Athletic Foundation*	Foundation for the LSU Health Sciences Center
Temporarily restricted:			
Chairs and professorships	\$17,778,171		\$6,528,884
Scholarships and fellowships	12,774,793		
Specific academic and research projects	17,008,384		
Academic support	33,797,878		
Capital outlay and improvements	29,212,027		
Research support	4,286,562		
Institutional support	9,790,672		12,656,612
Donor restrictions		\$14,497,135	
	<u>\$124,648,487</u>	<u>\$14,497,135</u>	<u>\$19,185,496</u>
Total temporarily restricted			
	LSU Foundation	Tiger Athletic Foundation*	Foundation for the LSU Health Sciences Center
Permanently restricted:			
Chairs and professorships	\$102,186,241		\$28,051,182
Scholarships and fellowships	45,966,489		
Specific academic and research projects	21,979,358		
Academic support	16,198,541		
Capital outlay and improvements	185,448		
Research support	1,729,565		
Institutional support	774,404		
Endowment funds		\$6,022,004	14,993,412
	<u>\$189,020,046</u>	<u>\$6,022,004</u>	<u>\$43,044,594</u>
Total permanently restricted			

*As of December 31, 2008

At December 31, 2008, the Pennington Medical Foundation reported no restricted net assets. At June 30, 2009, the UNO Research and Technology Foundation reports no restricted net assets.

17. RESTATEMENT OF BEGINNING NET ASSETS

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

Net assets at June 30, 2008	\$1,701,710,363
Capitalization adjustments - LSU & Related	565,641
Health insurance expenses - LSUHSC New Orleans	1,257,745
Facility costs - LSUHSC New Orleans	(563,248)
Capital assets/renovations - LSUHSC New Orleans	(127,912)
Adjustments - LSUHSC New Orleans	(2,119,884)
Capital assets - LSUHSC Shreveport	654,455
Unbilled charges - LSUHSC Shreveport	136,009
Adjustments - UNO	<u>(1,283,333)</u>
Net assets at June 30, 2008, as restated	<u><u>\$1,700,229,836</u></u>

18. FUNCTIONAL VERSUS NATURAL CLASSIFICATION OF EXPENSES

<u>Function</u>	<u>Employee Compensation</u>	<u>Benefits</u>	<u>Utilities</u>	<u>Supplies and Services</u>
Instruction	\$403,978,294	\$95,416,150	\$336,784	\$75,918,293
Research	187,564,980	50,440,349	2,244,469	91,605,549
Public service	205,370,104	36,275,287	1,382,441	101,612,716
Academic support	70,879,849	19,615,656	303,628	26,455,984
Student services	24,004,176	5,992,664	629,570	8,801,281
Institutional support	74,017,744	13,137,386	115,878	51,225,665
Operations and maintenance of plant	47,414,495	13,498,146	36,568,283	51,693,607
Scholarships and fellowships				
Auxiliary enterprises	51,530,231	12,863,870	9,273,689	82,301,685
Hospital	596,649,728	146,316,713	16,982,559	502,712,305
Total operating expenses	<u><u>\$1,661,409,601</u></u>	<u><u>\$393,556,221</u></u>	<u><u>\$67,837,301</u></u>	<u><u>\$992,327,085</u></u>

NOTES TO THE FINANCIAL STATEMENTS

<u>Function</u>	Scholarships and Fellowships	Depreciation	Compensated Absences	OPEB Expense	Total
Instruction		\$10,707,473	\$1,447,026	\$40,037,932	\$627,841,952
Research		15,934,725	484,882	22,890,290	371,165,244
Public service		9,671,727	1,092,661	17,917,712	373,322,648
Academic support		10,876,228	383,263	7,958,990	136,473,598
Student services		536,574	211,449	2,806,126	42,981,840
Institutional support		2,950,542	492,970	8,251,366	150,191,551
Operations and maintenance of plant		39,013,991	314,005	5,403,340	193,905,867
Scholarships and fellowships	\$48,253,046				48,253,046
Auxiliary enterprises		1,400,944	138,014	5,615,104	163,123,537
Hospital		47,147,274	3,697,063	71,055,614	1,384,561,256
	<u>\$48,253,046</u>	<u>\$138,239,478</u>	<u>\$8,261,333</u>	<u>\$181,936,474</u>	<u>\$3,491,820,539</u>
Total operating expenses					

19. FOUNDATIONS

The accompanying financial statements do not include the accounts of the following foundations, which do not meet the criteria for discretely presented component units as described in note 1-B:

- LSU Alumni Association
- Pennington Biomedical Research Foundation
- LSU Medical Alumni Association
- LSU School of Dentistry Alumni Association
- LSU School of Nursing Alumni Association
- LSU in Shreveport Foundation
- LSU in Shreveport Alumni Association
- LSU in Shreveport Realty, L.L.C.
- LSU Health Sciences Center in Shreveport Foundation
- University of New Orleans Foundation
- UNO Alumni Association
- Privateer Athletic Foundation
- UNO Property and Housing Development Foundation
- Medical Center of Louisiana Foundation
- Louisiana State University at Alexandria Foundation
- Louisiana State University at Eunice Foundation
- Louisiana State University System Research and Technology Foundation
- LSU Property Foundation
- Biomedical Research Foundation of Northwest Louisiana
- University Energy Equipment Corporation

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

20. DEFERRED COMPENSATION PLAN

Certain employees of the LSU 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 from the Louisiana Legislative Auditor's Web site at www.lla.la.gov.

21. ON-BEHALF PAYMENTS

On-behalf payments for fringe benefits and salaries 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. The amount of on-behalf payments for fringe benefits and salaries included in Statement C for fiscal year ended June 30, 2009, was \$576,373. There were no on-behalf payments made as contributions to a pension plan for which the university is legally responsible.

22. IMPROVEMENTS TO PLANT ON BEHALF OF THE UNIVERSITY

Improvements at University of New Orleans

The UNO Research and Technology Foundation, a separate corporation created for or on behalf of the University of New Orleans, issued long-term debt instruments for research park improvements as follows:

Land improvements	\$258,573
Building and Parking Garage - Navy Facilities	57,081,824
Building - Advanced Technology Center	<u>9,228,399</u>
Total	<u><u>\$66,568,796</u></u>

The infrastructure improvements and the construction of facilities on land owned by the university and leased to the foundation were completely financed by the UNO Research and Technology Foundation through private lending and the sale of bonds through the LPFA, the Louisiana Local Government Environmental Facilities and Community Development Authority, and bank notes. The university leases the land to the UNO Research and Technology Foundation in accordance with terms outlined in the ground leases. The improvements are owned by the UNO Research and Technology Foundation but will revert to the university after 99 years, in November 2097, unless the ground lease is terminated earlier.

Expansion of Tiger Stadium

On December 21, 1998, LSU entered into a cooperative endeavor agreement with the Tiger Athletic Foundation (TAF) for an addition to the east side of Tiger Stadium. TAF agrees to lease a parcel of land located adjacent to Tiger Stadium for up to 50 years and to construct additional seats on the land as part of Tiger Stadium, including approximately 70 sky boxes. LSU will lease these stadium improvements from TAF for \$2 million per year for a 35-year lease term or until TAF donates such improvements to LSU. The estimated value to LSU of this addition over the term of the agreement is approximately \$49,000,000. The cooperative endeavor agreement will end on April 4, 2049.

On September 26, 2003, LSU entered into a cooperative endeavor agreement with TAF for the expansion and renovation of the west side of Tiger Stadium. TAF agrees to lease land and certain existing improvements for expanding and renovating facilities and to complete general stadium improvements. Effective September 1, 2005, LSU leased these improvements from TAF for \$2.5 million per year for a 35-year lease term or until TAF donates such improvements to LSU. The estimated value to LSU of this addition over the term of the agreement is approximately \$100,000,000. This agreement is scheduled to expire on March 31, 2041.

**LSU Health Sciences Center - New Orleans
Cooperative Endeavor for District Energy Services**

Effective November 1, 1998, the LSU Board of Supervisors on behalf of the LSU Health Sciences Center - New Orleans (LSUHSC) entered into a cooperative endeavor agreement with Entergy Thermal (Entergy), a division of Entergy Business Solutions, Inc., and New Orleans Medical Complex, Inc. (NORMC), a Louisiana private, nonprofit corporation. The term of the agreement ends September 30, 2020, with options to renew the lease for two 5-year periods.

Under the agreement, the LSUHSC leases to NORMC a parcel of land located in New Orleans at the northeastern corner of South Claiborne Avenue and Gravier Street. NORMC pays the LSU Health Sciences Center \$40,000 annually for the lease, which may be adjusted every five years for inflation. NORMC is responsible for the construction of a combined use facility, which is comprised of its office, a multi-level parking garage, and a thermal energy production facility. For the period of the agreement, LSUHSC and NORMC entered into a reciprocal lease, which, in lieu of rent, gives each the right of occupancy of the combined use facility. Upon the expiration or sooner termination of the ground lease, the title to the combined use facility will automatically become vested in the LSU Board of Supervisors.

NORMC is subleasing the combined use facility to Entergy, who is responsible for constructing and financing the thermal energy production facility within the combined use facility. Under the terms of the reciprocal lease, Entergy is also responsible for the operations, repair, replacement, and maintenance of the central plants located at the Medical Center of Louisiana at New Orleans and LSUHSC (the central plants). For the term of the agreement, LSUHSC is obligated to purchase its thermal energy from Entergy. The LSUHSC total monetary obligation is not determinable since the obligation will be based on energy consumption.

During the term of the agreement, title to the thermal equipment within the combined use facility is vested in Entergy. Upon the expiration or termination of the agreement, Entergy will have the right, but not the obligation, to remove equipment it has installed provided that the removal of the equipment does not materially damage the thermal energy production facility space in the combined use facility. The LSU Board of Supervisors has the option to purchase the equipment upon expiration or termination of the agreement. The title to the thermal equipment installed within the central plants is vested in NORMC until the expiration or termination of the agreement, at which time title shall automatically pass to and become vested in the LSU Board of Supervisors.

**23. REVENUE USED AS SECURITY
FOR REVENUE BONDS**

The revenues of certain auxiliary enterprises at LSU, LSU at Alexandria (LSUA), LSU at Eunice (LSUE), the University of New Orleans, and the LSU Health Sciences Center are restricted by terms in the covenants of certain debt instruments.

LSU, LSUA, and LSUE have pledged future auxiliary revenues of approximately \$532,403,828 to secure outstanding debt of \$307,752,917 in Auxiliary Revenue Bonds. Proceeds from the bonds provided for the financing of construction and renovation of various auxiliary facilities. All auxiliary revenues of LSU have been pledged to secure the debt, which is payable through 2036. Pledged auxiliary revenues recognized during the period were \$166,076,326. All LSUA Union, Bookstore, and Athletic revenues, totaling \$621,684 for the current period, are pledged to secure the debt of the 2008 bond, which matures in 2034. All LSUE Union and Bookstore revenues, totaling \$2,007,302 for the current period, are pledged to secure the debt of the auxiliary revenues bonds payable through 2033. Required principal and interest payments for the current year on the bonds were \$24,882,785.

LSU Health Sciences Center - New Orleans has pledged future auxiliary revenues, dedicated student fee revenues, and University Enterprise Revenues of approximately \$25,800,914 to secure its 2000 Series Bond. Proceeds from the bonds provided for the planning, financing, design, construction, operation, maintenance, equipping, and renewal and replacement for the Wellness Center, Day Care Center, Campus Health Services, and Student Housing in the Old Charity Nursing School Building. The bonds are payable through 2031. Principal and interest paid and dedicated student fee and University Enterprise Revenues for the current year were \$1,172,361 and \$17,077,217, respectively.

UNO has pledged approximately \$38,749,835 of its Student Housing, Student Union, Miscellaneous Auxiliaries/Student Recreation Center/Facility Use and Maintenance Fee revenues to secure the debt of its Series 1998, 2004A, and 2004B bonds. Proceeds from the bonds provided for the refunding of Bond Series 1996A and 1997A, construction of the student recreation center, and the renovation and maintenance of campus buildings. The bonds are payable through 2031. Student Housing, Student Union, Miscellaneous Auxiliaries/Student Recreation Center/Facility Use and Maintenance Fee revenues were \$14,192,442 in the current period. Principal and interest payments for the current year were \$2,798,294.

24. COOPERATIVE ENDEAVOR AGREEMENTS

On October 1, 2003, the LSUHSC-New Orleans entered into two cooperative endeavor agreements with the Louisiana Cancer Research Center of LSU Health Sciences Center in New Orleans/Tulane Health Sciences Center. These agreements are for research and smoking cessation programs.

The Louisiana Cancer Research Center of LSU Health Sciences Center in New Orleans/Tulane Health Sciences Center was authorized by Act 41 of the First Extraordinary Session of 2002. The funds that are passed through to the consortium are available as a result of an increase in tobacco taxes enacted into law via Act 19 of the Regular Session of 2002. Act 19 has specific provisions including:

Subject to an annual appropriation by the legislature, 42.8% of the monies collected under authority of R.S. 47:841(B)(4) in the fund shall be used solely for the purpose of providing funding for the Louisiana Cancer Research Center of LSU Health Sciences Center in New Orleans/Tulane Health Sciences Center, and 29.2% of monies collected under authority of R.S. 47:841(B)(4) shall be used solely for the purposes of funding for

the creation of smoking prevention mass media programs and evidence-based tobacco control programs within the public hospital system and the public school system and community development programs directed at cessation among children and pregnant women and the screening, prevention, and treatment of tobacco use and dependence among individuals with diseases caused or exacerbated by tobacco use.

The funds are budgeted in Other Charges for flow through to the Louisiana Cancer Research Center via cooperative endeavor agreement. The Louisiana Cancer Research Center is responsible for spending the funds in accordance with the General Appropriations Act, Act 19 of the 2002 Regular Session, Act 41 of the First Extraordinary Session of 2002, and the terms and conditions of the cooperative endeavor. The two cooperative endeavor agreements will expire on June 30, 2010.

COOPERATIVE ENDEAVOR AGREEMENTS - COMPONENT UNITS

Tiger Athletic Foundation

In 1999, the Tiger Athletic Foundation (TAF) entered into a cooperative endeavor agreement with LSU that obligated TAF to acquire, construct, and maintain new scoreboards in LSU athletic venues at a total cost of approximately \$5.2 million. In return for its fulfillment of this obligation, TAF was given an eight-year license to solicit certain qualified corporate sponsorship contracts. In connection with its issuance of the Series 2004 Revenue Bonds, LSU extended TAF's rights to solicit qualified corporate sponsorship contracts for a period of approximately 35 years. Effective July 1, 2005, TAF, with approval of LSU, entered into a ten-year lease agreement with Viacom Outdoor Advertising, Inc., d/b/a LSU Sports Properties, whereby TAF leased its rights to the scoreboards to Viacom in return for an annual guaranteed rental payment. The rental payment, which was \$1.4 million in year one and will increase by \$25,000 annually each year during the life of the lease agreement, is due in two equal installments payable in July and October of each year.

University of New Orleans 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 amendment 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 UNO Research and Technology 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.

University of New Orleans Research and Technology Foundation/National Center for Advanced Manufacturing/ NASA Facilities Modifications and Equipment Acquisition

General

Effective July 15, 2007, the State of Louisiana (the State), the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the University), the University of New Orleans Research and Technology Foundation (the Foundation), and the National Aeronautics and Space Administration's George C. Marshall Space Flight Center (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 approximately \$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 the 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 structures 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 project).

Obligations

NASA will provide physical and operational access to MAF for use by NCAM and other users and 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 see 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 will arrange for the design and construction of the MAF facilities modifications to support the installation of the new equipment. The Foundation will also manage the use of the new equipment and shall enter into agreements with other entities as necessary for the use of NCAM and the new equipment.

University of New Orleans Research and Technology Foundation/National Center for Advanced Manufacturing/ NASA Supplemental Equipment and Facilities Modifications

General

The State of Louisiana (the State), The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the University), the University of New Orleans Research and Technology Foundation (the Foundation), and the National Aeronautics and Space Administration's George C. Marshall Space Flight Center (NASA) entered into a Supplemental Cooperative Endeavor Agreement/Space Act Agreement (the Supplemental Agreement) effective October 1, 2008, for an initial period of ten years with four options to renew for periods of five years each.

Expanding on the Cooperative Endeavor Agreement (CEA) 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 \$32 million of supplemental equipment, additional changes MAF/NCAM facilities and installation of the supplemental 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.

University of New Orleans Research and Technology Foundation/National Center for Advanced Manufacturing/ MAF Research and Development Administration Building

General

On December 18, 2007, the State of Louisiana, the University of New Orleans Research and Technology 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 recovery of the New Orleans Metropolitan area from Hurricane Katrina.

Obligations

The University of New Orleans Research and Technology 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.

25. AMOUNTS HELD IN CUSTODY FOR OTHERS - COMPONENT UNITS

The discretely presented component units reported amounts held in custody for others as follows:

<u>Entity</u>	<u>LSU Foundation</u>	<u>Tiger Athletic Foundation*</u>	<u>Foundation for the LSU Health Sciences Center</u>	<u>UNO Research and Technology Foundation</u>	<u>Total</u>
LSU at Alexandria Foundation	\$10,077,336				\$10,077,336
LSU at Eunice Foundation	1,519,864				1,519,864
State matching funds	61,786,912		\$17,505,727		79,292,639
Split-interest agreements	1,916,264				1,916,264
Tiger Athletic Foundation	4,239,911				4,239,911
Coaches' escrow accounts		\$1,576,661			1,576,661
LSU Athletic department		4,435,686			4,435,686
Building tenant security deposits				\$49,725	49,725
Total temporarily restricted	\$79,540,287	\$6,012,347	\$17,505,727	\$49,725	\$103,108,086

*As of December 31, 2008

26. RELATED PARTY TRANSACTIONS - COMPONENT UNIT

The Pennington Medical Foundation paid Pennington Biomedical Research Foundation a total fee of \$56,994 for accounting services and administrative support for the year ended December 31, 2008.

The University of New Orleans Foundation provides certain payroll management functions, as well as office space, meeting space, utilities, and use of all office furniture and equipment to the University of New Orleans Research and Technology Foundation for a nominal monthly fee. The University of New Orleans Research and Technology Foundation has paid \$413,041 to the University of New Orleans Foundation for the aforementioned services.

The LSU Foundation pays annual rental fees of \$4,500,000 to the Tiger Athletic Foundation for rental of facilities at LSU Tiger Stadium.

27. UNCONDITIONAL PROMISES TO GIVE - COMPONENT UNITS

The discretely presented component units reported unconditional promises to give as follows:

	<u>LSU Foundation</u>	<u>Tiger Athletic Foundation*</u>	<u>Foundation for the LSU Health Sciences Center</u>
Promises to give expected to be collected in:			
Less than one year	\$14,498,936	\$5,675,522	\$17,520
One to five years	16,976,274		37,300
More than five years	<u>9,251,500</u>	<u>10,905,608</u>	<u>20,000</u>
Subtotal	<u>40,726,710</u>	<u>16,581,130</u>	<u>74,820</u>
Less discount on promises to give	(4,543,337)	(1,280,711)	(8,186)
Less allowance for uncollectible accounts	<u>(4,167,878)</u>	<u>(856,500)</u>	<u>(26,187)</u>
Subtotal	<u>(8,711,215)</u>	<u>(2,137,211)</u>	<u>(34,373)</u>
Net unconditional promises to give	<u>\$32,015,495</u>	<u>\$14,443,919</u>	<u>\$40,447</u>

*As of December 31, 2008

At December 31, 2008, and June 30, 2009, respectively, the Pennington Medical Foundation and the UNO Research and Technology Foundation report no unconditional promises to give. Total unconditional promises to give (current and noncurrent) of \$46,499,861 are reported on Statement B.

28. CONDITIONAL PROMISES TO GIVE - COMPONENT UNITS

The E. J. Ourso College of Business of Louisiana State University has embarked on a capital campaign for the construction of a new business education complex. The LSU Foundation has received conditional and unconditional pledges relating to this campaign. Conditional pledges received to date for the construction of the complex totaled \$6.4 million as of June 30, 2009. As of the year ended June 30, 2009, the LSU Foundation has received payments of approximately \$5,039,000 on these conditional pledges. Given these pledges do not meet the revenue recognition criteria under generally accepted accounting principles, they are not reflected as contributions in the statement of activity and the pledge payments received to date for these pledges will be reflected as refundable advances until the condition of the pledge agreements are met.

29. SUBSEQUENT EVENTS

At the March 18, 2010, the State Bond Commission approved the issuance of \$130,000,000 in Auxiliary Revenue Bonds, Series 2010, by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the Board), on behalf of LSU in Baton Rouge. The proceeds of the bonds will be used to finance the costs of planning, acquisition, construction, and equipping of renovations and additions to the Lavoie Honors College, Phase II of the Residential College One, and a new parking garage facility; to refund the Board's Auxiliary Revenue Bonds, Series 2002; to fund a capitalized interest fund; to fund a reserve fund or pay the premium for a reserve fund insurance policy or surety bond; and to pay the costs of issuance of the bonds.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress for the
Other Postemployment Benefits Plans

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

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

**Schedule of Funding Progress for the
Other Postemployment Benefits Plans
Fiscal Year Ended June 30, 2009**

LSU System Health Plan

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit Method (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
FY 2008	07/01/2007	NONE	\$470,940,000	\$470,940,000	0.0%	\$551,739,992	85.4%
FY 2009	07/01/2007	NONE	470,940,000	470,940,000	0.0%	612,457,990	76.9%

State Office of Group Benefits Plan

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit Method (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
FY 2008	07/01/2007	NONE	\$1,930,040,000	\$1,930,040,000	0.0%	\$410,372,403	470.3%
FY 2009	07/02/2008	NONE	2,029,000,000	2,029,000,000	0.0%	430,129,638	471.7%

Note to the Schedule:

GASB Statement No. 45 was implemented prospectively during the fiscal year ended June 30, 2008; therefore, only two years of information are presented.

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The material presented in this section is designed to provide the reader with additional information supporting the financial statements.

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 within the LSU System. Included in Schedule 2 are amounts due to and due from the other campuses and the state treasury. While these due to and due from amounts have been reported at net or eliminated in the consolidated statements, they are shown when presenting individual campus financial information.

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

Schedule 3 presents information showing how the net 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.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Assets, by University
June 30, 2009**

	Board and System Administration	Pennington Biomedical Research Center	LSU	LSU at Alexandria	LSU at Eunice	Paul M. Hebert Law Center	Agricultural Center
ASSETS							
Current assets:							
Cash and cash equivalents	\$85,087,822	\$9,044,325	\$5,342,725	\$982,865	\$4,290,029	\$2,183,647	\$19,532,800
Investments	6,766	233,078	190,536,388	54,686	35,095	142,809	145,906
Receivables (net)	1,839,237	3,120,247	44,215,324	3,707,858	2,720,575	71,558	5,770,433
Due from other campuses	638,929						
Due from state treasury		7,496	657,916	21,355	19,875	31,747	1,099,001
Inventories		209,466	2,326,595		296,695		4,156,362
Deferred charges and prepaid expenses	603	4,062	2,745,908	1,264	3,052	55,965	24,149
Notes receivable (net)			2,637,338		53,298		
Other current assets			1,441,990				
Total current assets	<u>87,573,357</u>	<u>12,618,674</u>	<u>249,904,184</u>	<u>4,768,028</u>	<u>7,418,619</u>	<u>2,485,726</u>	<u>30,728,651</u>
Noncurrent assets:							
Restricted:							
Cash and cash equivalents		4,262	47,946,497	731,620	422,904	258,673	3,981,112
Investments		4,920,000	141,020,629	2,719,617	691,942	2,313,837	2,344,768
Receivables (net)			515,000				
Notes receivable (net)			12,329,771		558,481		
Other			12,988,629	250,540			90,166
Investments							
Other noncurrent assets							
Capital assets (net)	<u>377,375</u>	<u>54,959,761</u>	<u>649,456,880</u>	<u>17,184,573</u>	<u>18,150,938</u>	<u>14,559,854</u>	<u>48,935,753</u>
Total noncurrent assets	<u>377,375</u>	<u>59,884,023</u>	<u>864,257,406</u>	<u>20,886,350</u>	<u>19,824,265</u>	<u>17,132,364</u>	<u>55,351,799</u>
Total assets	<u>87,950,732</u>	<u>72,502,697</u>	<u>1,114,161,590</u>	<u>25,654,378</u>	<u>27,242,884</u>	<u>19,618,090</u>	<u>86,080,450</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accruals	9,301,220	194,091	42,935,098	209,845	544,421	435,681	545,345
Due to other campuses	11,654,079		60,786,132				
Due to state treasury			2,830			914	
Deferred revenues		2,687,930	48,495,920	2,394,785	2,181,896	370,900	3,719,744
Amounts held in custody for others	152,851		3,515,393	139,708	146,551	135,182	37,714
Compensated absences payable	124,885	208,472	2,274,044	66,041	64,014	67,077	650,469
Capital lease obligations			1,042,344				
Notes payable							
Bonds payable			10,720,000	75,000	155,417		
Other current liabilities			1,441,990				
Total current liabilities	<u>21,233,035</u>	<u>3,090,493</u>	<u>171,213,751</u>	<u>2,885,379</u>	<u>3,092,299</u>	<u>1,009,754</u>	<u>4,953,272</u>
Noncurrent liabilities:							
Compensated absences payable	850,556	2,445,665	26,996,805	688,628	679,648	981,839	9,628,263
Capital lease obligations			35,225,305				
Notes payable							
OPEB payable	317,041	5,969,729	83,699,735	5,351,543	1,715,051	2,441,163	24,629,519
Bonds payable			285,040,000	4,075,000	7,687,500		
Other noncurrent liabilities			1,580,179		50,169		88,654
Total noncurrent liabilities	<u>1,167,597</u>	<u>8,415,394</u>	<u>432,542,024</u>	<u>10,115,171</u>	<u>10,132,368</u>	<u>3,423,002</u>	<u>34,346,436</u>
Total liabilities	<u>22,400,632</u>	<u>11,505,887</u>	<u>603,755,775</u>	<u>13,000,550</u>	<u>13,224,667</u>	<u>4,432,756</u>	<u>39,299,708</u>

(Continued)

Schedule 2

	University of New Orleans	LSU in Shreveport	LSU Health Sciences Center in New Orleans	LSU Health Sciences Center in Shreveport	Eliminations	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$2,135,106	\$3,904,956	\$184,649,684	\$160,288,723		\$477,442,682
Investments		2,101,005	18,279,776	40,303,870		251,839,379
Receivables (net)	26,155,631	1,370,568	126,199,500	79,188,542		294,359,473
Due from other campuses			60,922,265	11,660,166	(\$73,221,360)	
Due from state treasury	203,492	50,261	10,465,084	5,222,723		17,778,950
Inventories	1,224,570	430,052	20,320,876	11,424,167		40,388,783
Deferred charges and prepaid expenses	511,200	584,739	658,076	206,619		4,795,637
Notes receivable (net)	662,589		941,685	211,307		4,506,217
Other current assets						1,441,990
Total current assets	<u>30,892,588</u>	<u>8,441,581</u>	<u>422,436,946</u>	<u>308,506,117</u>	<u>(73,221,360)</u>	<u>1,092,553,111</u>
Noncurrent assets:						
Restricted:						
Cash and cash equivalents	4,019,123	384,387	3,621,300	14,790,812		76,160,690
Investments	13,358,003	3,549,368	22,178,274	48,756,291		241,852,729
Receivables (net)	80,000					595,000
Notes receivable (net)	4,634,153		7,883,238	1,288,284		26,693,927
Other						13,329,335
Investments	13,864		2,531,213			2,545,077
Other noncurrent assets			5,887,326			5,887,326
Capital assets (net)	202,939,840	26,674,856	488,240,438	127,988,434		1,649,468,702
Total noncurrent assets	<u>225,044,983</u>	<u>30,608,611</u>	<u>530,341,789</u>	<u>192,823,821</u>	<u>NONE</u>	<u>2,016,532,786</u>
Total assets	<u>255,937,571</u>	<u>39,050,192</u>	<u>952,778,735</u>	<u>501,329,938</u>	<u>(73,221,360)</u>	<u>3,109,085,897</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accruals	10,737,057	1,618,062	256,231,356	44,975,781		367,727,957
Due to other campuses			623,083	158,066	(73,221,360)	
Due to state treasury		13,282	9,096,099	107,692		9,220,817
Deferred revenues	4,273,481	795,226	10,368,852	1,960,894		77,249,628
Amounts held in custody for others	330,248	116,714	449,324	36,432		5,060,117
Compensated absences payable	630,051	98,309	4,498,378	1,616,800		10,298,540
Capital lease obligations	845,610		113,185	899,734		2,900,873
Notes payable			9,130,459	681,117		9,811,576
Bonds payable	1,620,000		5,545,000			18,115,417
Other current liabilities						1,441,990
Total current liabilities	<u>18,436,447</u>	<u>2,641,593</u>	<u>296,055,736</u>	<u>50,436,516</u>	<u>(73,221,360)</u>	<u>501,826,915</u>
Noncurrent liabilities:						
Compensated absences payable	7,434,513	2,284,996	52,118,246	25,340,127		129,449,286
Capital lease obligations	45,885,051		141,466	5,795,437		87,047,259
Notes payable			13,854,161	1,082,470		14,936,631
OPEB payable	25,163,397	4,208,878	125,692,670	78,747,812		357,936,538
Bonds payable	24,550,000		37,500,000			358,852,500
Other noncurrent liabilities	55,028					1,774,030
Total noncurrent liabilities	<u>103,087,989</u>	<u>6,493,874</u>	<u>229,306,543</u>	<u>110,965,846</u>	<u>NONE</u>	<u>949,996,244</u>
Total liabilities	<u>121,524,436</u>	<u>9,135,467</u>	<u>525,362,279</u>	<u>161,402,362</u>	<u>(73,221,360)</u>	<u>1,451,823,159</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Combining Schedule of Net Assets, by University
June 30, 2009**

	Board and System Administration	Pennington Biomedical Research Center	LSU	LSU at Alexandria	LSU at Eunice	Paul M. Hebert Law Center	Agricultural Center
NET ASSETS							
Invested in capital assets, net of related debt	\$377,375	\$54,959,761	\$392,463,933	\$14,411,515	\$12,770,109	\$14,559,854	\$48,935,753
Restricted for:							
Nonexpendable		4,920,000	55,598,874	1,342,675	255,669	2,571,785	2,344,768
Expendable	57,429,546	5,045,403	109,575,694	2,025,896	2,378,796	375,186	6,621,213
Unrestricted	7,743,179	(3,928,354)	(47,232,686)	(5,126,258)	(1,386,357)	(2,321,491)	(11,120,992)
Total net assets	\$65,550,100	\$60,996,810	\$510,405,815	\$12,653,828	\$14,018,217	\$15,185,334	\$46,780,742

(Concluded)

Schedule 2

	University of New Orleans	LSU in Shreveport	LSU Health Sciences Center in New Orleans	LSU Health Sciences Center in Shreveport	Eliminations	Total System
NET ASSETS						
Invested in capital assets, net of related debt	\$131,731,814	\$26,674,856	\$432,004,037	\$111,070,918		\$1,239,959,925
Restricted for:						
Nonexpendable	15,564,296	3,419,012	28,212,896	55,088,027		169,318,002
Expendable	13,400,438	2,311,981	45,997,085	39,073,401		284,234,639
Unrestricted	(26,283,413)	(2,491,124)	(78,797,562)	134,695,230		(36,249,828)
Total net assets	\$134,413,135	\$29,914,725	\$427,416,456	\$339,927,576	NONE	\$1,657,262,738

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Revenues, Expenses,
and Changes in Net Assets, by University
For the Fiscal Year Ended June 30, 2009**

	Board and System Administration	Pennington Biomedical Research Center	LSU	LSU at Alexandria	LSU at Eunice	Paul M. Hebert Law Center	Agricultural Center
OPERATING REVENUES							
Student tuition and fees			\$183,418,050	\$7,561,502	\$5,237,448	\$9,671,684	
Less scholarship allowances			(27,127,329)	(1,336,288)	(1,327,423)	(1,346,069)	
Net student tuition and fees	NONE	NONE	156,290,721	6,225,214	3,910,025	8,325,615	NONE
Federal appropriations							\$12,524,824
Federal grants and contracts		\$22,938,735	86,760,993	782,986	985,593	5,673	7,697,624
State and local grants and contracts	\$20,682	666,653	37,151,631	651,446	852,943	4,683	9,634,246
Nongovernmental grants and contracts		6,728,641	13,348,470	16,122	101,794	54,547	7,352,108
Sales and services of educational departments		87,868	13,306,009	25,464	35,240	162,003	4,828,672
Hospital income							
Auxiliary enterprise revenues (including revenues pledged to secure debt)		210,429	146,293,865	1,172,454	3,075,380		
Less scholarship allowances			(8,339,459)	(107,575)	(143,741)		
Net auxiliary revenues	NONE	210,429	137,954,406	1,064,879	2,931,639	NONE	NONE
Other operating revenues	1,709,226	38,062	7,668,119	39,822	98,699	6,135	5,924,536
Total operating revenues	1,729,908	30,670,388	452,480,349	8,805,933	8,915,933	8,558,656	47,962,010
OPERATING EXPENSES							
Educational and general:							
Instruction			246,787,646	11,469,309	9,103,397	9,770,100	
Research		32,481,359	133,402,961	42,928		864,044	74,780,576
Public service		318,664	40,864,083	101,061	1,106	119,252	56,345,516
Academic support		4,361,134	70,181,620	1,585,665	707,448	3,468,137	4,378,243
Student services			20,301,577	2,131,525	1,647,707	1,244,250	
Institutional support	25,217,311	6,066,887	30,171,316	4,184,922	2,412,812	2,743,139	13,137,177
Operations and maintenance of plant	175,821	6,978,058	90,100,540	6,360,764	3,427,884	2,168,316	6,635,039
Scholarships and fellowships	3,000		23,654,063	3,092,868	2,692,201	1,029,911	90,102
Auxiliary enterprises		396,473	121,723,930	1,023,069	2,527,626		
Hospital							
Total operating expenses	25,396,132	50,602,575	777,187,736	29,992,111	22,520,181	21,407,149	155,366,653
OPERATING INCOME (Loss)	(23,666,224)	(19,932,187)	(324,707,387)	(21,186,178)	(13,604,248)	(12,848,493)	(107,404,643)
NONOPERATING REVENUES (Expenses)							
State appropriations	10,793,104	16,321,557	250,834,434	12,611,343	8,580,668	10,089,208	89,662,238
Gifts	104,438	3,275,698	19,841,862	258,632	104,665	552,477	2,078,544
Federal nonoperating revenues			12,517,641	3,473,895	3,774,563		
Net investment income (expense)	1,219,985	(733,078)	13,058,722	44,602	120,424	4,718	947,401
Interest expense			(15,731,880)	(215,763)	(563,499)		
Other nonoperating revenues (expenses)			(346,000)				550,335
Other nonoperating revenues - FEMA	56,250		4,234,382		56,869		234,029
Other nonoperating expenses - FEMA	(56,250)		(4,348,944)		(56,869)		(340,249)
Net nonoperating revenues (expenses)	12,117,527	18,864,177	280,060,217	16,172,709	12,016,821	10,646,403	93,132,298

(Continued)

	University of New Orleans	LSU in Shreveport	LSU Health Sciences Center in New Orleans	LSU Health Sciences Center in Shreveport	Eliminations	Total
OPERATING REVENUES						
Student tuition and fees	\$55,928,376	\$12,297,902	\$20,313,237	\$7,099,437		\$301,527,636
Less scholarship allowances	(9,233,289)	(2,972,949)	(3,182,686)	(170,156)		(46,696,189)
Net student tuition and fees	46,695,087	9,324,953	17,130,551	6,929,281	NONE	254,831,447
Federal appropriations						12,524,824
Federal grants and contracts	13,119,155	1,699,509	44,442,000	14,863,899		193,296,167
State and local grants and contracts	18,567,540	4,382,632	32,646,075	16,226,385		120,804,916
Nongovernmental grants and contracts	16,495,734	1,942,273	71,893,467	11,585,941		129,519,097
Sales and services of educational departments	161,313	27,342	80,733,187	100,197,518		199,564,616
Hospital income			824,428,295	505,185,510		1,329,613,805
Auxiliary enterprise revenues (including revenues pledged to secure debt)	13,356,342	3,050,436	11,267,548	10,013,816		188,440,270
Less scholarship allowances	(532,861)	(300,157)				(9,423,793)
Net auxiliary revenues	12,823,481	2,750,279	11,267,548	10,013,816	NONE	179,016,477
Other operating revenues	4,105,361	164,692	614,058	428,506		20,797,216
Total operating revenues	111,967,671	20,291,680	1,083,155,181	665,430,856	NONE	2,439,968,565
OPERATING EXPENSES						
Educational and general:						
Instruction	84,034,271	18,078,921	181,940,859	66,657,449		627,841,952
Research	24,232,154	964,774	61,248,716	43,147,732		371,165,244
Public service	6,458,497	1,478,190	170,186,454	97,449,825		373,322,648
Academic support	15,609,231	4,752,059	22,471,450	8,958,611		136,473,598
Student services	9,154,683	2,322,084	4,755,679	1,424,335		42,981,840
Institutional support	22,927,556	5,442,665	23,817,536	18,058,415	(\$3,988,185)	150,191,551
Operations and maintenance of plant	35,695,075	4,409,890	27,334,630	10,619,850		193,905,867
Scholarships and fellowships	11,696,652	4,969,409	124,753	900,087		48,253,046
Auxiliary enterprises	14,190,016	4,078,783	9,963,000	9,220,640		163,123,537
Hospital			893,449,258	491,111,998		1,384,561,256
Total operating expenses	223,998,135	46,496,775	1,395,292,335	747,548,942	(3,988,185)	3,491,820,539
OPERATING INCOME (Loss)	(112,030,464)	(26,205,095)	(312,137,154)	(82,118,086)	3,988,185	(1,051,851,974)
NONOPERATING REVENUES (Expenses)						
State appropriations	70,792,390	18,244,008	232,472,577	110,092,422	(3,988,185)	826,505,764
Gifts	476,232	175,044	3,316,298	(71,484)		30,112,406
Federal nonoperating revenues	8,197,572	4,012,305	552,496	51,156		32,579,628
Net investment income (expense)	(2,020,902)	(615,530)	13,530,374	4,782,366		30,339,082
Interest expense	(1,233,268)		(2,931,168)	(458,169)		(21,133,747)
Other nonoperating revenues (expenses)			(1,269,591)	1,694,182		628,926
Other nonoperating revenues - FEMA	3,178,769		15,811,388	98,061		23,669,748
Other nonoperating expenses - FEMA	(2,758,980)		(8,290,171)	(17,808)		(15,869,271)
Net nonoperating revenues (expenses)	76,631,813	21,815,827	253,192,203	116,170,726	(3,988,185)	906,832,536

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Combining Schedule of Revenues, Expenses,
and Changes in Net Assets, by University
June 30, 2009**

	Board and System Administration	Pennington Biomedical Research Center	LSU	LSU at Alexandria	LSU at Eunice	Paul M. Hebert Law Center	Agricultural Center
INCOME (Loss) BEFORE OTHER REVENUES, EXPENSES, GAINS, AND LOSSES	(\$11,548,697)	(\$1,068,010)	(\$44,647,170)	(\$5,013,469)	(\$1,587,427)	(\$2,202,090)	(\$14,272,345)
Capital appropriations		3,306,981	4,351,569	848,303			7,006,264
Capital gifts and grants		35,629	5,393,065	157,539	53,865	1,325	104,921
Additions to permanent endowment			3,557,072	107,794	2,201	210,735	457,270
Other additions (deductions)	12,716,449		(68,009)				38,970
CHANGE IN NET ASSETS	1,167,752	2,274,600	(31,413,473)	(3,899,833)	(1,531,361)	(1,990,030)	(6,664,920)
NET ASSETS - BEGINNING OF YEAR (Restated)	64,382,348	58,722,210	541,819,288	16,553,661	15,549,578	17,175,364	53,445,662
NET ASSETS - END OF YEAR	\$65,550,100	\$60,996,810	\$510,405,815	\$12,653,828	\$14,018,217	\$15,185,334	\$46,780,742

(Concluded)

	University of New Orleans	LSU in Shreveport	LSU Health Sciences Center in New Orleans	LSU Health Sciences Center in Shreveport	Eliminations	Total
INCOME (Loss) BEFORE OTHER REVENUES, EXPENSES, GAINS, AND LOSSES (CONT.)	(\$35,398,651)	(\$4,389,268)	(\$58,944,951)	\$34,052,640		(\$145,019,438)
Capital appropriations	6,262,791		49,793,588	2,933,050		74,502,546
Capital gifts and grants	4,404,393			77,762		10,228,499
Additions to permanent endowment	481,000	240,000	(2,951,110)	2,955,000		5,059,962
Other additions (deductions)	490,869	(46,739)		(870,207)		12,261,333
CHANGE IN NET ASSETS	(23,759,598)	(4,196,007)	(12,102,473)	39,148,245	NONE	(42,967,098)
NET ASSETS - BEGINNING OF YEAR (Restated)	158,172,733	34,110,732	439,518,929	300,779,331	NONE	1,700,229,836
NET ASSETS - END OF YEAR	<u>\$134,413,135</u>	<u>\$29,914,725</u>	<u>\$427,416,456</u>	<u>\$339,927,576</u>	<u>NONE</u>	<u>\$1,657,262,738</u>

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2009**

	Board and System Administration	Pennington Biomedical Research Center	LSU	LSU at Alexandria	LSU at Eunice	Paul M. Hebert Law Center	Agricultural Center
CASH FLOWS FROM OPERATING ACTIVITIES:							
Tuition and fees			\$156,713,848	\$5,647,862	\$3,855,383	\$8,401,081	
Federal appropriations							\$13,137,549
Grants and contracts	(\$37,434)	\$29,183,262	133,786,259	1,630,643	2,034,313	385,017	25,196,795
Sales and services of educational departments		75,357	13,345,039	25,463	35,246	161,951	4,884,425
Hospital income							
Auxiliary enterprise receipts		203,552	135,600,711	1,166,323	2,958,233		
Payments for employee compensation	(4,248,702)	(28,037,674)	(367,801,337)	(11,834,622)	(9,001,922)	(10,680,351)	(79,213,850)
Payments for benefits	(78,783)	(6,923,191)	(93,828,105)	(3,762,713)	(2,895,299)	(2,602,769)	(25,469,031)
Payments for utilities	(80,473)	(2,315,931)	(20,939,594)	(645,432)	(711,831)	(545,586)	(3,347,128)
Payments for supplies and services	(19,667,264)	(7,002,887)	(186,255,142)	(7,094,855)	(5,326,313)	(3,934,961)	(30,190,260)
Payments for scholarships and fellowships	(3,000)		(23,683,337)	(3,092,868)	(2,692,201)	(1,029,912)	(90,102)
Loans to students			(1,445,316)		(100,346)		
Collection of loans to students			1,485,610		47,746		
Other receipts (payments)	12,430,227	70,406	(5,711,230)	17,721	162,455	6,250	6,021,302
Net cash provided (used) by operating activities	(11,685,429)	(14,747,106)	(258,732,594)	(17,942,478)	(11,634,536)	(9,839,280)	(89,070,300)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
State appropriations	13,181,083	16,314,061	250,179,188	12,589,988	8,560,793	10,057,461	88,911,380
Gifts and grants for other than capital purposes	112,444	3,275,698	19,287,286	260,266	96,745	550,918	2,075,494
Private gifts for endowment purposes		861,655	100,500				
TOPS receipts			44,692,909	758,490	621,595		
TOPS disbursements			(44,692,909)	(768,633)	(621,595)		
FEMA receipts	56,250		4,236,898		56,869		234,029
FEMA disbursements	(56,250)		(4,253,799)		(56,869)		(340,249)
Other receipts			11,656,641	3,473,895	3,774,563		550,335
Net cash provided (used) by noncapital financing sources	13,293,527	20,451,414	281,206,714	16,314,006	12,432,101	10,608,379	91,430,989
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:							
Proceeds from capital debt							
Capital appropriations received			13,256				(21,817)
Capital gifts and grants received		35,629	4,095,391	127,514	(489)	1,325	122,593
Purchase of capital assets	(10,712)	(5,282,824)	(72,409,513)	(560,019)	(768,527)	(297,846)	(3,622,062)
Principal paid on capital debt and leases			(10,777,217)	(50,000)	(130,416)		
Interest paid on capital debt and leases			(15,738,069)	(215,763)	(563,499)		
Other sources	12,716,449		1,180,904				38,970
Net cash provided (used) by capital financing activities	12,705,737	(5,247,195)	(93,635,248)	(698,268)	(1,462,931)	(296,521)	(3,482,316)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Proceeds from sales and maturities of investments			\$40,702,249	(\$1,563,017)	\$56,708		\$5,250
Interest received on investments	\$1,254,865	(\$671,139)	15,064,004	146,289	141,429	\$207,263	1,231,776
Purchase of investments			16,842,739	3,757,294			
Net cash provided (used) by investing activities	1,254,865	(671,139)	72,608,992	2,340,566	198,137	207,263	1,237,026

(Continued)

Schedule 4

	University of New Orleans	LSU in Shreveport	LSU Health Sciences Center in New Orleans	LSU Health Sciences Center in Shreveport	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Tuition and fees	\$47,474,745	\$9,230,855	\$16,187,550	\$6,215,730		\$253,727,054
Federal appropriations						13,137,549
Grants and contracts	48,796,765	8,273,941	163,712,063	42,286,286		455,247,910
Sales and services of educational departments	(263,502)	27,342	76,578,514	87,663,561		182,533,396
Hospital income			851,893,932	460,647,561		1,312,541,493
Auxiliary enterprise receipts	12,377,344	2,758,392	11,111,605	9,980,350		176,156,510
Payments for employee compensation	(99,374,129)	(20,984,514)	(606,428,407)	(374,218,407)		(1,611,823,915)
Payments for benefits	(26,185,917)	(6,286,125)	(131,207,968)	(79,468,297)		(378,708,198)
Payments for utilities	(7,114,675)	(862,222)	(22,215,948)	(9,445,706)		(68,224,526)
Payments for supplies and services	(54,611,926)	(9,757,750)	(570,073,884)	(199,079,297)	\$3,988,185	(1,089,006,354)
Payments for scholarships and fellowships	(11,712,917)	(4,969,409)	(124,719)	(900,087)		(48,298,552)
Loans to students	(469,452)		(449,633)	(14,178)		(2,478,925)
Collection of loans to students	438,672		941,685	201,044		3,114,757
Other receipts (payments)	3,978,844	(406,391)	13,905,460	450,056		30,925,100
Net cash provided (used) by operating activities	(86,666,148)	(22,975,881)	(196,169,750)	(55,681,384)	3,988,185	(771,156,701)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
State appropriations	70,588,898	18,244,008	230,808,095	124,145,047	(3,988,185)	839,591,817
Gifts and grants for other than capital purposes	350,881	175,044	3,316,298	(71,484)		29,429,590
Private gifts for endowment purposes	481,000	240,000		2,955,000		4,638,155
TOPS receipts	5,632,032	2,017,182	773,213	54,268		54,549,689
TOPS disbursements	(5,500,984)	(2,017,182)	(722,261)	(54,268)		(54,377,832)
FEMA receipts	3,178,769	32,338	17,330,363	98,061		25,223,577
FEMA disbursements	(2,758,980)	(32,338)	(8,290,171)	(17,808)		(15,806,464)
Other receipts	8,197,572	4,012,305	776,930	1,745,338		34,187,579
Net cash provided (used) by noncapital financing sources	80,169,188	22,671,357	243,992,467	128,854,154	(3,988,185)	917,436,111
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:						
Proceeds from capital debt			8,810,430			8,810,430
Capital appropriations received	6,262,791		(1,835,115)	1,247,597		5,666,712
Capital gifts and grants received	4,287,187			77,762		8,746,912
Purchase of capital assets	(7,669,626)	(562,712)	(44,906,217)	(21,686,983)		(157,777,041)
Principal paid on capital debt and leases	(2,600,074)		(13,626,447)	(2,014,951)		(29,199,105)
Interest paid on capital debt and leases	(1,233,268)		(3,067,214)	(458,169)		(21,275,982)
Other sources	64,903	(46,738)		(870,207)		13,084,281
Net cash provided (used) by capital financing activities	(888,087)	(609,450)	(54,624,563)	(23,704,951)	NONE	(171,943,793)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from sales and maturities of investments				\$73,646,991		\$112,848,181
Interest received on investments	\$27,420	(\$615,530)	\$4,921,869	4,310,997		26,019,243
Purchase of investments		(1,490,390)	(7,513,158)	(111,613,471)		(100,016,986)
Net cash provided (used) by investing activities	27,420	(2,105,920)	(2,591,289)	(33,655,483)	NONE	38,850,438

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by University
June 30, 2009**

	Board and System Administration	Pennington Biomedical Research Center	LSU	LSU at Alexandria	LSU at Eunice	Paul M. Hebert Law Center	Agricultural Center
NET INCREASE (Decrease) IN CASH AND CASH EQUIVALENTS	\$15,568,700	(\$214,026)	\$1,447,864	\$13,826	(\$467,229)	\$679,841	\$115,399
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR, RESTATED	69,519,122	9,262,613	51,841,358	1,700,659	5,180,162	1,762,479	23,398,513
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$85,087,822</u>	<u>\$9,048,587</u>	<u>\$53,289,222</u>	<u>\$1,714,485</u>	<u>\$4,712,933</u>	<u>\$2,442,320</u>	<u>\$23,513,912</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:							
Operating income (loss)	(\$23,666,224)	(\$19,932,187)	(\$324,707,387)	(\$21,186,178)	(\$13,604,248)	(\$12,848,493)	(\$107,404,643)
Adjustments to reconcile operating loss to net cash used by operating activities:							
Depreciation expense	52,930	3,618,635	37,555,177	791,662	1,091,058	1,194,335	3,939,575
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable, net	(1,031,156)	(263)	(3,968,534)	(908,531)	(120,000)	131,213	480,765
(Increase) decrease in inventories		(10)	(231,192)		39,836		294,072
(Increase) decrease in deferred charges and prepaid expenses	7,666	7,146	(113,538)	2,714	2,603	109,470	65,103
(Increase) decrease in notes receivable			340,707		(39,181)		
(Increase) in other assets	(589,594)		661,619				
Increase (decrease) in accounts payable and accrued liabilities	1,537,372	(419,621)	5,017,620	44,098	(195,247)	118,770	(10,661)
Increase (decrease) in deferred revenue	(20,682)	(1,329,117)	(2,305,421)	702,354	156,213	254,412	807,636
Increase (decrease) in amounts held in custody for others	152,741		(14,730)	33,025	84,176	9,000	(12,584)
Increase (decrease) in compensated absences	(10,858)	274,976	1,307,662	(13,696)	1,938	21,530	445,187
Increase in OPEB payable	218,059	3,033,335	40,908,265	2,592,074	898,147	1,169,569	12,269,282
Increase (decrease) in other liabilities	11,664,317		(13,182,842)		50,169	914	55,968
Net cash provided (used) by operating activities	<u>(\$11,685,429)</u>	<u>(\$14,747,106)</u>	<u>(\$258,732,594)</u>	<u>(\$17,942,478)</u>	<u>(\$11,634,536)</u>	<u>(\$9,839,280)</u>	<u>(\$89,070,300)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:							
Cash and cash equivalents classified as current assets	\$85,087,822	\$9,044,325	\$5,342,725	\$982,865	\$4,290,029	\$2,183,647	\$19,532,800
Cash and cash equivalents classified as noncurrent assets		4,262	47,946,497	731,620	422,904	258,673	3,981,112
Cash and cash equivalents at end of the year	<u>\$85,087,822</u>	<u>\$9,048,587</u>	<u>\$53,289,222</u>	<u>\$1,714,485</u>	<u>\$4,712,933</u>	<u>\$2,442,320</u>	<u>\$23,513,912</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:							
Capital appropriations		\$3,306,981	\$4,328,339	\$848,303			\$7,006,264
Capital gifts			1,040,906				

(Concluded)

Schedule 4

	University of New Orleans	LSU in Shreveport	LSU Health Sciences Center in New Orleans	LSU Health Sciences Center in Shreveport	Eliminations	Total
NET INCREASE (Decrease) IN CASH AND CASH EQUIVALENTS	(\$7,357,627)	(\$3,019,894)	(\$9,393,135)	\$15,812,336	NONE	\$13,186,055
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR, RESTATED	13,511,856	7,309,237	197,664,119	159,267,199	NONE	540,417,317
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$6,154,229</u>	<u>\$4,289,343</u>	<u>\$188,270,984</u>	<u>\$175,079,535</u>	NONE	<u>\$553,603,372</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:						
Operating income (loss)	(\$112,030,464)	(\$26,205,095)	(\$312,137,154)	(\$82,118,086)	\$3,988,185	(\$1,051,851,974)
Adjustments to reconcile operating loss to net cash used by operating activities:						
Depreciation expense	13,419,642	1,934,607	45,387,651	29,770,403		138,755,675
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable, net	1,956,496	(39,700)	30,987,314	(18,675,528)		8,812,076
(Increase) decrease in inventories	(94,791)	(45,106)	17,972	(134,403)		(153,622)
(Increase) decrease in deferred charges and prepaid expenses	13,281	29,178	523,647	97,934		745,204
(Increase) decrease in notes receivable	(30,779)		492,051	175,171		937,969
(Increase) in other assets		(50,261)	22,901			44,665
Increase (decrease) in accounts payable and accrued liabilities	(1,002,481)	(668,064)	(34,949,443)	(25,258,982)		(55,786,639)
Increase (decrease) in deferred revenue	(1,513,749)	144,055	1,522,327	(589,626)		(2,171,598)
Increase (decrease) in amounts held in custody for others	(126,517)	(199,958)	54,354	(1,140)		(21,633)
Increase (decrease) in compensated absences	398,304	90,043	4,404,052	1,342,195		8,261,333
Increase in OPEB payable	12,344,910	2,036,003	66,756,153	39,710,678		181,936,475
Increase (decrease) in other liabilities		(1,583)	748,425			(664,632)
Net cash provided (used) by operating activities	<u>(\$86,666,148)</u>	<u>(\$22,975,881)</u>	<u>(\$196,169,750)</u>	<u>(\$55,681,384)</u>	\$3,988,185	<u>(\$771,156,701)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:						
Cash and cash equivalents classified as current assets	\$2,135,106	\$3,904,956	\$184,649,684	\$160,288,723		\$477,442,682
Cash and cash equivalents classified as noncurrent assets	4,019,123	384,387	3,621,300	14,790,812		76,160,690
Cash and cash equivalents at end of the year	<u>\$6,154,229</u>	<u>\$4,289,343</u>	<u>\$188,270,984</u>	<u>\$175,079,535</u>	NONE	<u>\$553,603,372</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Capital appropriations	\$6,262,791		\$51,628,703	\$1,898,698		\$75,280,079
Capital gifts						1,040,906

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OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain our 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 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

March 24, 2010

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

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units, which collectively comprise the basic financial statements of the Louisiana State University (LSU) System, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, and have issued our report thereon dated March 24, 2010. Our report was modified to include a reference to other auditors and an explanatory paragraph for the implementation of a new accounting standard and a classification change for Pell grant revenues. We did not audit the financial statements of the Louisiana State University School of Medicine in New Orleans Faculty Group Practice doing business as LSU Healthcare Network and Subsidiaries, the Eunice Student Housing Foundation, Inc., and the Health Care Services Foundation and its subsidiary, which are nonprofit corporations included as blended component units in the basic financial statements of the LSU System. We also did not audit the financial statements of the LSU Foundation, the Tiger Athletic Foundation, the Pennington Medical Foundation, the Foundation for the LSU Health Sciences Center, and the University of New Orleans Research and Technology Foundation, which are the discretely presented component units presented in the basic financial statements. The financial statements of the blended and discretely presented component units were audited by other auditors whose reports have been furnished to us, and this report, insofar as it relates to the amounts reported for those component units, is based on 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. The financial statements of the LSU Foundation and the Pennington Medical Foundation were not audited in accordance with *Government Auditing Standards*. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the LSU 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 LSU System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the LSU System's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency to be a significant deficiency in internal control over financial reporting.

Failure to Bill and Record Professional Services

Louisiana State University's (LSU) Health Care Services Division (HCSD) and LSU's Health Sciences Center - Shreveport (HSC-Shreveport) did not ensure that the hospitals under their administration had adequate controls in place to ensure that professional service fees were accurately billed, recorded, and collected. HCSD's Medical Center of Louisiana at New Orleans (MCLNO), University Medical Center at Lafayette (UMCLA), and Lallie Kemp Regional Medical Center (LAKMC) and HSC-Shreveport's Huey P. Long Medical Center (HPLMC) failed to adequately bill and record certain hospital professional services. Hospital professional services include, but are not limited to, Certified Registered Nurse Anesthetists (CRNAs) services, physician services, emergency room services, and advanced practice nurse services. A proper system of internal control over revenues should include procedures to ensure that all services provided are properly documented, coded, billed, recorded, and collected in a timely manner.

Audit procedures at the hospitals disclosed the following:

Medical Center of Louisiana at New Orleans

MCLNO failed to bill and record certain professional services provided to patients. In addition, MCLNO did not have controls in place to collect and accurately record revenues for professional services. MCLNO began outsourcing professional billings and collections in March 2007 through Healthcare Financial Services, LLC (HFS), but changed vendors to Acadiana Computer Systems, Inc. (ACS) in April 2009. However, MCLNO did not implement procedures to ensure that amounts being billed and collected were accurate and complete. A proper system of internal control over revenues should include procedures to ensure that all services provided are properly documented, coded, billed, recorded, and collected in a timely manner. Audit procedures disclosed the following deficiencies:

- For fiscal year 2009, MCLNO estimates that approximately \$8.2 million of services were not billed. MCLNO offered services through the Interim Hospital of Louisiana, the Interim Public Hospital Outpatient Clinic, and five other community or school-based health clinics. Within these facilities, five services (Psychiatry, Pathology, HIV Outpatient Clinic, Radiology, and Cardio Vascular Thoraic) that should have been billed were not billed. After considering contractual allowances (difference between covered charges and the plan benefit) and uncollectibles, MCLNO estimates that approximately \$1,032,000 (\$853,000 from Medicaid/Medicare and \$179,000 from insurance/self-pay) of the \$8.2 million is still collectible. These amounts were recorded in the financial information through an audit adjustment.
- During the period March 2007 through April 2009, Healthcare Financial Services, LLC (HFS), MCLNO's professional billings and collections vendor, improperly billed commissions from patient receipts as well as professional services fees causing an overpayment to HFS of \$346,715. MCLNO terminated the contract and was able to recoup a portion of the overpayments, but as of December 2009, \$211,694 remains outstanding.
- ACS was able to import certain billing information back to 2007 that was obtained from HFS for payments not collected. Based upon the available information, ACS estimated that charges totaling \$219,430, with a net collectible amount of \$37,319, were not billed. A lack of documentation and limited availability of older data prohibits a more accurate estimate.
- MCLNO failed to properly ensure that all professionals providing billable services were properly credentialed and linked in the Medicare and/or Medicaid systems. MCLNO had 77 non-credentialed doctors providing professional services. If Medicaid

or Medicare does not receive charges for a doctor in a year, Medicaid/Medicare will terminate or deactivate the doctor. Once re-credentialed, Medicare will only allow back-billing up to 30 days from the re-credentialed date. Medicaid will allow one year of back-billing. As of November 2009, actual denials of charges by Medicare/Medicaid because of late back-billing totaled approximately \$420,000 with approximately \$115,000 representing amounts considered collectible.

- Auditors performed a test on data contained in a vendor file used to record amounts as professional fee revenues and the associated accounts receivable by MCLNO's new professional billings and collections vendor, Acadiana Computer Systems, Inc. (ACS). In a test of 15 sample items, eight (53%) items were not properly recorded as fiscal year 2009 financial transactions. Further audit procedures resulted in an audit adjustment to record hospital income of \$3,347,243; contractual allowances of \$2,620,464; and a net receivable of \$726,779.

University Medical Center at Lafayette

UMCLA has failed to bill certain professional contract services and certain professional services provided by its employees since fiscal year 1997. UMCLA personnel provided estimates of the charges for the services provided that were not billed timely for fiscal years 2008 and 2009. However, no estimate for services performed prior to fiscal year 2008 was calculated because of a lack of documentation and limited availability of older data. In addition, since the professional services billing function was outsourced in April 2009, UMCLA has not implemented procedures to ensure amounts being billed and collected are complete. Audit procedures disclosed the following deficiencies:

- For fiscal year 2009, UMCLA estimated that approximately \$397,000 of services was not billed or was not billed timely. After considering contractual allowances, UMCLA estimated that approximately \$60,000 (\$49,000 from Medicaid/Medicare and \$11,000 from insurance/self-pay patients) of the \$397,000 is collectible. During fiscal year 2009, UMCLA did not have procedures in place to timely capture, bill, collect, or record revenues for six contract physicians or one staff Psychiatric Nurse Specialist. As of October 2, 2009, the vendor contracted to perform the billing function had not billed for \$203,000 of the \$397,000 fiscal year 2009 services.

- For fiscal year 2008, UMCLA estimated that approximately \$45,000 of services was not billed. After considering contractual allowances, UMCLA estimated that approximately \$10,000 (\$9,000 from Medicaid/Medicare and \$1,000 from insurance/self-pay patients) of the \$45,000 is collectible. A lack of documentation and limited availability of older data prohibits a more accurate 2008 estimate. As of October 2, 2009, the vendor contracted to perform billing has not billed for any of the unbilled fiscal year 2008 services.

UMCLA entered into a contract with a vendor (ACS) in April 2009 to perform billing for these services. The vendor began billing in June 2009. The vendor retrieves physician slips/notes and logs from UMCLA on a daily basis and performs coding, billing, and collection for professional services from patients or third party payers. The vendor is paid an administrative fee based on collections. UMCLA does not have procedures in place to monitor what is submitted to the vendor and cannot ensure that what is being billed and collected is complete.

UMCLA hired employees and carried out contracts for professional services from fiscal year 1997 to fiscal year 2009. During this time, UMCLA did not develop charge sheets to capture the services provided by some of the professionals and/or did not use charge sheets that were developed for others to perform billing.

Lallie Kemp Regional Medical Center

LAKMC failed to timely bill an estimated \$700,000, billed other charges more than 300 days late, and has no controls to ensure that all charges are billed and collected for professional services. Audit procedures disclosed the following deficiencies:

- For the seven-month period between September 2008 and March 2009, no professional services were billed or coded. LAKMC management estimates unrecorded revenue of approximately \$700,000, net of indigent care charges and disallowances, for professional services during this time.
- In a test of 10 professional service charges, which were billed by LAKMC before September 2008, the number of days between the service date and the date that service was coded ranged between 306 to 320 days for four (40%) self-pay patients.
- Since April 2009, LAKMC has sent professional slips/notes to a vendor (ACS) and the vendor performs the coding and billings. Since LAKMC has no procedures in place to monitor what is submitted to the vendor for the services performed by the professionals, LAKMC cannot ensure that what is being billed and collected is complete.

Huey P. Long Medical Center

HPLMC failed to establish the procedures necessary to capture and bill for all emergency room charges for inpatients admitted through the Emergency Room and for certain physician services provided to inpatients. Tests of inpatient charges at HPLMC revealed the following:

- Emergency Room charges were not captured and billed for 22 of 50 inpatients tested that were admitted to the hospital through the Emergency Room.
- Physician service charges were not captured and billed for 26 of 44 inpatients tested.

Management of HPLMC identified \$768,748 of emergency room charges for inpatients that were admitted through the Emergency Room that had not been recorded or billed. After considering contractual allowances, HPLMC estimated that approximately \$17,519 (which is from insurance/self-pay patients) of the \$768,748 is collectible.

For fiscal year 2009, HPLMC estimated that approximately \$1,756,693 of unrecorded revenue attributable to certain inpatient physician charges for services were not recorded and billed. After considering contractual allowances, HPLMC estimated that approximately \$315,053 (\$280,179 from Medicaid/Medicare and \$34,874 from insurance/self-pay patients) of the \$1,756,693 is collectible. For fiscal year 2008, HPLMC identified \$573,437 of actual inpatient physician charges for services that had not been recorded and billed. After considering contractual allowances, management estimated that approximately \$163,609 (\$148,294 from Medicaid/Medicare and \$15,315 from insurance/self-pay patients) of the \$573,437 is collectible. As of October 4, 2009, only \$27,600 of the \$163,609 had been billed and none of the estimated \$315,053 had been billed.

The HCSD and HSC-Shreveport hospitals did not properly monitor medical billings performed by its contractors and failed to establish adequate control procedures to ensure all services provided were properly documented, coded, billed, recorded, and collected.

Management of LSU's HCSD and HSC-Shreveport should implement controls to ensure all services provided are properly documented, billed, recorded, and collected timely. In addition, management of the hospitals should develop a monitoring process to routinely test the accuracy and completeness of hospital billings. Finally, management should seek to collect on prior outstanding billings that are deemed still collectible. LSU System management concurred with our finding, and management of HCSD and HSC-Shreveport outlined plans of corrective actions (see Appendix A, pages 1-5).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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 above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the LSU 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 the following instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Energy Efficiency Contract Contrary to State Law

Three campuses and two hospitals within the LSU System entered into performance-based energy efficiency contracts with Johnson Controls, Inc. (JCI) that include stipulated savings and therefore do not comply with state laws. This is the second consecutive year for the finding. Louisiana Revised Statute (R.S.) 39:1496.1(A) provides that a state agency may enter into a performance-based energy efficiency contract for services and equipment. R.S. 39:1484(A)(14) requires the payment obligation to be either a percentage of the annual energy cost savings attributable to the services or equipment under the contract or guaranteed by the company under contract to be less than the annual energy cost savings attributable to the services or equipment under the contract. R.S. 39:1496.1(D) requires the contract to contain a guarantee of energy savings to the university. The statute further provides that the annual calculation of the energy savings must include maintenance savings that result from operational expenses eliminated and future capital replacement expenditures avoided as a result of equipment installed or services performed by the contractor.

Attorney General Opinion 07-0002 provides “. . . for the stipulated operational savings to be included in the total guaranteed savings, those savings must actually be guaranteed. In order for the operational savings to be guaranteed, the Contract would have to provide for some type of measurement and/or verification of the operational savings . . .” Although the Attorney General Opinion was directed to local government, the same guarantee is required in state law.

The energy efficiency contracts between JCI and LSU and A&M College, the University of New Orleans (UNO), HCS-Shreveport, and two hospitals within the HCSD provided that operational savings are agreed by the parties to be achieved (stipulated) and will not be additionally measured or monitored during the contract term. Therefore, the operational savings are not guaranteed because the contract does not provide for measurement and/or verification of the savings. In addition, these campuses and hospitals are at risk of making payments specified in the contract that are greater than the energy cost savings attributable to the services or equipment under the contract. A review of the energy efficiency contracts at the campuses and hospitals within the LSU System disclosed the following:

- LSU and A&M College's contract with JCI guaranteed a total of \$3,427,380 in savings during the 15-year term of the contract, consisting of measurable savings of \$2,614,658 and operational savings of \$812,722. The contract specifies payments of approximately \$3.5 million over the life of the contract.
- UNO's original energy efficiency contract guaranteed a total of \$29,572,695 in savings during the 19-year term of the contract. The savings consist of measurable savings of \$18,742,695 and operational savings of \$10,830,000. A contract amendment effective July 1, 2004, increased the guaranteed savings by \$146,160. The total rental and service payments due to JCI are approximately \$30.7 million over the life of the amended contract.
- The energy efficiency contract between HSC-Shreveport and JCI guaranteed a total of \$15,493,562 in savings during the 17-year term of the contract, consisting of measurable utility savings of \$8,926,000, measurable operational savings of \$3,480,869, and stipulated operational savings of \$3,086,693. Excluding the stipulated operational savings, the guaranteed savings over the life of the contract are only the measurable savings of \$12,406,869. The total payments due to JCI over the life of the contract are approximately \$15.7 million. In addition, neither the measurable utility savings nor the measurable operational savings are being adequately measured or verified by the center.
- The University Medical Center contract, as amended, with JCI guaranteed a total of \$4,762,185 in savings during the 20-year term of the contract, consisting of measurable savings of \$1,943,165 and operational savings of \$2,819,020. The total payments due to JCI over the life of the contract are approximately \$4.7 million. In addition, the contract states that JCI may credit any excess savings, in whole or in part, toward the annual guaranteed savings in any future year of the term. R.S. 39:1496.1 requires the payment obligation for each year of the contract to be less than the annual energy cost savings; therefore, it is not appropriate to carry forward excess savings to future years.

- LAKMC entered into an energy efficiency contract with JCI which guaranteed a total of \$3,489,692 in savings during the 17-year term of the contract. The savings consists of measurable savings of \$1,550,162 and operational savings of \$1,939,530. The total rental and service payments due to JCI over the life of the contract are approximately \$3.5 million.

At the signing date of the contracts, management believed that the contracts complied with state law. However, because the operational savings are stipulated and are not measurable and verifiable, the contracts are not in compliance with state law. In addition, for each contract noted, the expected payment obligation exceeds the measurable cost savings.

The LSU System is in the process of conducting extensive investigations and evaluations of the agreements in preparation for litigation to remedy the situation by possibly nullifying the agreements, forcing amendments, or recovering for breach of the agreements. In doing so, the LSU System has retained outside counsel to assist in the resolution of these issues. Counsel has requested and obtained information from JCI and has engaged, on behalf of the LSU System, an industry expert to assist in the detailed and comprehensive review of the technical materials and calculations related to each of the contracts.

Management should revise its energy efficiency contracts to ensure that savings components are verifiable and that the guaranteed savings have been realized. In addition, management should ensure that the payments required by the contract are not greater than the energy cost savings attributable to the services or equipment under the contract. LSU System management concurred with the finding and is addressing the issue as described previously (see Appendix A, pages 6-7).

Noncompliance With State Movable Property Regulations

The LSU System is not in compliance with state movable property regulations requiring all state entities to use the statewide inventory system, Protégé, for its movable property records. LSU and related campuses, UNO, HSC-New Orleans, and HSC-Shreveport maintain separate property systems. Louisiana Administrative Code Title 34, Part VII, Section 307(A) states, “All items of moveable property having an original acquisition cost, when first purchased by the state of Louisiana, of \$1,000 or more, all gifts and other property having a fair market value of \$1,000 or more, and all weapons, regardless of cost, . . . must be placed on the statewide inventory system.” The state’s Division of Administration (DOA) granted certain LSU campuses a temporary exemption from the requirement, which was subsequently extended in certain cases, but all have expired. LSU has neither converted its property records to Protégé nor has it received an additional extension of its exemption from the DOA.

Management expressed that the state's current movable property system will not accommodate the LSU System's unique accounting and reporting needs. LSU has submitted a written request for a permanent exemption to the DOA, but has not received a response. However, because the LSU campuses have not entered their property data on Protégé and the exemptions have expired, the LSU System is in noncompliance with state movable property regulations.

Management should comply with the state's movable property laws and regulations by entering its movable property records on Protégé. LSU System management concurred with our finding as it relates to LSU and Related Campuses, the University of New Orleans, and the Health Sciences Center in Shreveport. Management of the LSU Health Sciences Center in New Orleans did not concur with the finding and reported that they believe the DOA approval from 1999 is still in force (see Appendix A, see pages 8-12).

Additional Comments: We were informed by management of the DOA's Louisiana Property Assistance Agency that the exemption granted the LSU Health Sciences Center in New Orleans in 1999 is no longer valid.

Other Reports

Other external auditors audited the Louisiana State University School of Medicine in New Orleans Faculty Group Practice doing business as LSU Healthcare Network and Subsidiaries, the Eunice Student Housing Foundation, Inc., and the Health Care Services Foundation and Subsidiary, which are blended component units included in the LSU System's basic financial statements for the year ended June 30, 2009. In addition, other auditors audited the LSU Foundation, the Tiger Athletic Foundation, the Pennington Medical Foundation, the Foundation for the LSU Health Sciences Center, and the University of New Orleans Research and Technology Foundation, which are discretely presented component units included in the basic financial statements. 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 LSU System's basic financial statements for the year ended June 30, 2009, we performed certain procedures on campuses and hospitals within the LSU System. Our reports on those procedures for those campuses and hospitals are listed as follows:

	<u>Report Date</u>
LSU and Related Campuses	pending
LSU Health Sciences Center - New Orleans	pending
LSU Health Sciences Center - Shreveport	pending
Health Care Services Division	March 5, 2010
University of New Orleans	January 15, 2010
LSU in Shreveport	December 7, 2009

Those 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 and New Orleans offices of the Legislative Auditor and can also be found on the Internet at www.lla.la.gov.

LSU System's responses to the findings identified previously are attached in Appendix A. We did not audit those responses, and, accordingly, we offer no opinion on them.

This report is intended solely for the information and use of the LSU System and its management, others within the entity, the LSU Board of Supervisors, 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 these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in blue ink that reads "Daryl G. Purpera".

Daryl G. Purpera, CPA
Legislative Auditor - Elect

NM:ES:EFS:PEP:dl

(LSU09)

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



Louisiana State University System

3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

Chief Financial Officer

225 / 578-6935
225 / 578-5524 fax

March 11, 2010

Mr. Daryl G. Purpera, CPA, CFE
Temporary Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Legislative Auditor Finding
Failure to Bill and Record Professional Services

Dear Mr. Pupera:

In regard to your audit for the fiscal year ending June 30, 2009, the LSU System concurs with the finding that certain hospitals under the administration of the LSU Health Care Services Division and the LSU Health Sciences Center – Shreveport did not have adequate controls in place to ensure that professional service fees were accurately billed, recorded, and collected.

As detailed in separate responses from these institutions, procedures have been implemented to correct the deficiencies and ensure that such action does not occur in the future.

Sincerely,

A handwritten signature in blue ink that reads "John Antolik".

John Antolik
Chief Financial Officer
Assistant Vice President & Comptroller

WWW.LSUHOSPITALS.ORG

February 19, 2010

Mr. Daryl G Purpera, CPA
Temporary Legislative Auditor
Office of Legislative Auditors
Post Office Box 94397
Baton Rouge, LA 70804-9397

RE: Legislative Audit Finding
Failure to Bill and Record Professional Services
LSU Health Care Services Division
Fiscal Year Ended June 30, 2009

Dear Mr. Purpera:

LSU Health Care Services Division (HCSD) concurs with the referenced finding for Interim LSU Hospital (ILH), formerly known as Medical Center of Louisiana at New Orleans; University Medical Center Lafayette (UMCLA) and Lallie Kemp Regional Medical Center (LAKMC).

As outlined in the preliminary responses previously provided for each hospital, HCSD has taken the following steps to further strengthen internal controls and initiate quality performance measures, the following actions have or will be implemented by the hospitals in conjunction with the contracted billing vendor:

- An internal hospital control procedure has been implemented to ensure that all professional services are captured and forwarded to the professional billing vendor for processing. This procedure includes the reconciliation of daily clinic visit/log sheets that are forwarded to the vendor for processing.
- An internal hospital control procedure has been implemented to validate that the vendor is paid timely and accurately (according to contracted terms). The agreed method of payment is a contracted percentage of collections. This procedure includes reconciliation of the vendor collections daily, weekly, monthly to the cash deposited into HCSD Operating Bank account and recorded in PeopleSoft.
- An internal hospital control procedure will be implemented to perform sample audits on a monthly basis to ensure that the billing vendor claims submission are representative of the professional revenue generated by the clinics and that appropriate collection efforts have resulted in accurate and timely reimbursement. This procedure includes an assessment of the professional services outstanding accounts receivable and trend analysis.

- An internal control procedure will be implemented for FY2010 of obtaining certification/attestation from each hospital Chief Financial Officer regarding outstanding accounts receivables to be included in the financial statements.
- An internal control procedure will be implemented to ensure that doctors performing services are appropriately credentialed.
- Procedures will be implemented to estimate revenue accruals in the financial statement at year end for any charges that were not captured in the professional billing system.

The corrective action steps identified above will be the shared responsibilities of the Hospital Chief Financial Officers with oversight from HCSD Administration Finance Director, HCSD Administration Comptroller, HCSD Administration Director of Patient Financial Services, and the HCSD Administration Accounting Services Manager.

Management accepts responsibility for past failures and internal control deficiencies at multiple levels within this activity. Steps have been taken to insure that these deficiencies are corrected and that monitoring will take place to make certain that current and future adherence to proper controls and process is maintained.

Sincerely,



Roxane A. Townsend, MD
Interim Chief Executive Officer

December 11, 2009

Mr. Daryl G. Purpera, CPA, CFE
Temporary Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

Dear Mr. Purpera:

LSUHSC-Shreveport/Huey P. Long was issued a finding in regard to Failure to Capture And Bill for all Services Provided. LSUHSC-Shreveport/Huey P. Long concurs with this finding.

During the transition period of Huey P. Long becoming a part of LSUHSC-Shreveport, procedures and internal controls were not in place to ensure that all charges were captured and billed timely.

As of September 2009, all emergency room charges for patients subsequently admitted in FY2009 have been entered and billed. The control procedure now in place was used for capturing FY09 emergency room charges and is being used for current year charges as well. An Administrative Coordinator in the emergency room reviews daily the ER admission log and ensures that each admission is assigned an ER visit level. The Administrative Manager in Patient Accounts verifies weekly that all emergency room visits on the admit log have the appropriate visit level/charge entered before the billing process is complete.

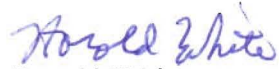
Management of Huey P. Long has implemented the use of a physician billing sheet for physicians to complete for all inpatient visits. The billing sheet is the source document used by Patients Accounts to enter physician charges. The Director of Health Information Management reviews the discharge summary report of inpatients to ensure that the completed physician billing sheet is present in the patient record. The billing sheet is scanned as a permanent document. The Administrative Manager in Patient Accounts will perform a random second review of inpatients for the presence of physician charges. This procedure was not in place during FY2008 and FY2009, but is currently being used for FY2010.

Beldia Beebe, Acting CFO, will be responsible for monitoring the billing process for all patients and the review of internal controls related to the capture and timely billing of patient

Page 2
December 11, 2009

and physician charges. Inpatient physician charges have now been billed for FY09 with the exception of a small group with billing problems that are being addressed by management, and FY2010 is current.

Sincerely,



Harold White
Vice Chancellor
for Business and Reimbursements

HW:



Louisiana State University System

3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

Chief Financial Officer

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September 24, 2009

Mr. Steve J. Theriot, CPA
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: Audit Finding - Energy Efficiency Contract Contrary to Law

Dear Mr. Theriot:

On September 1, 2009, an audit finding was received by the University Medical Center addressing the facility's performance-based energy efficiency contract with Johnson Controls, Inc. (JCI) for the fiscal year ending June 30, 2009. This finding is similar to a finding issued to University Medical Center in early 2009 for the fiscal year ending June 30, 2008. The finding states that the performance-based energy efficiency agreement with JCI includes stipulated savings and therefore does not comply with state law because the stipulated operational savings are not verified or measured. As such, the finding states that the savings truly guaranteed under the contract are less than the cost of the contract. The findings conclude that the facility "should revise its energy efficiency contract to comply with state law to ensure each savings component is verifiable and that the guaranteed savings have been realized" and that "management should ensure that the payments required by the contract are not greater than the energy cost savings attributable to the services or equipment under the contract."

University Medical Center is one of five LSU System institutions that are party to performance-based energy efficiency contracts with JCI. Specifically, the University of New Orleans, Louisiana State University Health Sciences Center Shreveport, Louisiana State University and Lallie Kemp Medical Center are also parties to such contracts. It is anticipated that each of these five facilities will receive findings similar to the finding recently issued to University Medical Center as each of these facilities also received virtually identical findings for the previous fiscal year. Therefore this response is meant to serve as the LSU System's official response to any similar findings issued to each of these facilities for the fiscal year ending June 30, 2009.

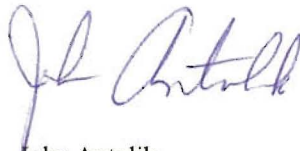
The LSU System provided a response related to the previous fiscal year findings to your office on February 19, 2009 explaining the status of the investigation into each of these contracts. See attached. In response to a letter from your office dated June 16, 2009 requesting an update as to the status of each of these contracts, the LSU System, on July 13, 2009, provided a detailed follow-up summary of the status of these contracts and its efforts to determine the most appropriate course of action to address the issues noted in your audit findings. See attached.

As explained in the July 13, 2009 letter, the LSU System has retained Taylor, Porter, Brooks & Phillips as contract counsel to assist in the resolution of the issues involved with these contracts. Counsel has been in contact with JCI's attorney to obtain information pertinent to the savings issues associated with these contracts. Counsel has also retained an industry expert, on behalf of the LSU System, to assist in the detailed and comprehensive review of the volumes of technical materials and calculations related to each of the five contracts. This expert has made significant process in the evaluation of several of the facility contracts. His evaluation has focused significantly on the evaluation of measured and stipulated savings under these contracts to determine the accuracy of previous calculations and the reasonableness of any assumptions underlying the stipulated savings under these contracts. Because many of these contracts were

entered into years ago, our expert is working with facility staff to obtain historical as well as current documentation and equipment/operational information relevant to the savings calculations set forth in these contracts. Due to the highly technical and complex nature of the subject matter of these contracts and the necessity of obtaining detailed historical documentation, the process of reviewing this information has been a time consuming endeavor. However, progress has been made.

As previously indicated, once the expert has completed his review, the LSU System will work with counsel to determine the most appropriate path forward in the best interest of the University and the taxpayers to resolve the issues noted in your audit findings. Again, it is imperative that the LSU System proceed with caution to preserve any and all rights that it may have related to these contracts and the LSU System is currently taking all necessary steps to prepare for litigation to remedy the situation by nullifying the agreements, forcing amendments to the agreements or recovering for breach of the agreements. However, the appropriate path forward depends on the outcome of the ongoing extensive investigations and evaluations of the agreements. As such, the LSU System is unable to provide an anticipated completion date for these corrective actions. But, it should be recognized that these significant and precise steps are part of substantial corrective actions presently being taken.

Sincerely,



John Antolik
Chief Financial Officer

cc: General Counsel P. Raymond Lamonica



Louisiana State University System

3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

Chief Financial Officer

February 8, 2010

225 / 578-6935

225 / 578-5524 fax

Mr. Daryl G. Purpera, CPA, CFE
Temporary Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

In conjunction with the legislative audit of the LSU System for the fiscal year ending June 30, 2009, a finding was issued relating to LSU, the LSU Health Sciences Center New Orleans, the LSU Health Sciences Center Shreveport, and the University of New Orleans (UNO) for not being in compliance with state moveable property regulations. Specifically, it was determined that the above mentioned campuses do not utilize the Louisiana Property Assistance Agency's (LPAA) moveable property Protégé system. We concur with your finding as it relates to LSU, the LSU Health Sciences Center Shreveport, and UNO. The LSU Health Sciences Center New Orleans respectfully disagrees with the finding and will submit a separate response.

The mandate to use the LPAA Protégé system has created serious concerns for System campuses that compete for and are awarded significant federal research grants. Such campuses must be able to accurately determine reasonable indirect costs to be recovered from such grants. Each campus' indirect cost rate (also known as the "F&A" rate) is determined by means of very complex calculations included in a formal F&A proposal that is submitted to the Department of Health and Human Services. A major component of this most critical submission includes details on the capitalized moveable equipment owned by the campus.

An analysis by LSU determined that the Protégé system does not allow for multiple accounting records (account numbers and amounts) per inventory item and can't maintain the original accounting separate from the current accounting. This major weakness would cause LSU to have to maintain a second, separate inventory listing for its grant activity purposes. In fact, it's been determined that while several other institutions of higher education in the state are using the Protégé system, they are also having to maintain their own in-house systems due to the reporting issues and other limitations of the Protégé system.

For most state agencies the Protégé system works well as they are not required to calculate separate indirect cost rates, as this analysis is done on their behalf at the State level. Thus, limitations of the Protégé system do not directly impact their operations or their operating revenues. Moreover, smaller public higher education institutions in Louisiana are allowed to use the "short-form" method for calculating their F&A rates, a method not requiring the detailed equipment accounting data indicated above. Use of the Protégé system, therefore, does not negatively impact recovery of their indirect costs.

However, due to the significant research activities of the above mentioned LSU System campuses, a much more sophisticated process and access to a much higher detailed level of equipment accounting data is required to get the maximum return from the indirect cost recovery process. For example, total research expenditures for the LSU main campus for the year ended June 30, 2009 were \$133.4 million and the total indirect costs recovered for fiscal year 2008-09 was \$21.8 million. It's critical for LSU and the other research intensive campuses to maintain access to detailed equipment accounting records to continuing recovering all allowable indirect costs.

LSU has reported that its survey further indicated that the Protégé system's query capabilities are severely limited. Other institutions reported difficulty in obtaining necessary reports and identified this weakness as the primary reason for having to maintain a dual system. LSU alone currently produces over 100 daily, monthly, and annual; reports needed by its various users. Moreover, LSU's IT staff routinely generates ad hoc reports linking its equipment inventory to other financial systems.

It should be noted that UNO utilizes a fully integrated enterprise wide data processing system, PeopleSoft/Oracle. This includes general ledger, purchasing, accounts payable, and asset management modules which are tightly interconnected. The purchasing module feeds asset information to the accounts payable module which then forwards combined asset information to the asset management module. This information is then converted into moveable equipment assets by UNO's Property Control department through the asset management module. All of the physical and financial information pertaining to the assets are stored in PeopleSoft. The PeopleSoft system allows for the day to day tracking of asset locations, values and functions as well as the performance of complex calculations for depreciation and F&A rates

Because of the complexity and total integration of UNO's system, it would not be able to integrate Protégé in place of PeopleSoft's asset management module. Therefore, UNO would have to provide for the duplication of data entry and perform a regular reconciliation of the two systems if it participated in the Protégé system. While this may be feasible for institutions having a relatively limited number of inventory items, UNO has 13,100 inventory items, valued at \$74,000,000 with an average of 164 transactions per week. Entering all transactions a second time into Protégé and keeping the two systems in balance would require a significant increase in labor time. It should be noted that the Health Sciences Center in Shreveport also uses the PeopleSoft/Oracle enterprise wide data processing system including the asset management module and would face a similar situation.

Finally, the State Property Control regulations do provide for exceptions to the Protégé system for certain agencies who utilize their own data processing capability to monitor and use their system for inventory control. LSU was granted this exception in May, 1996, and on March 25, 2008 made a request for a permanent exception to the mandate to use the Protégé system. It remains the position of the LSU System that it will continue to fully comply with all State Property regulations, including the stipulation that allows agencies to provide regular electronic updates to the State's system.

Sincerely,



John Antolik
Chief Financial Officer

Assistant Vice President and Comptroller

February 4, 2010

Daryl G. Purpera, CPA, CFE
Temporary Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Re: Response to Audit Finding: Noncompliance with State Movable Property Regulations

Dear Mr. Purpera,

We are in receipt of your audit finding concerning noncompliance with state movable property regulations as a result of the legislative audit of LSU Health Science Center - New Orleans (LSUHSC – NO) for the fiscal year ended June 30, 2009. We respectfully disagree with your finding.

For the reasons cited later in this letter, in 1999, LSUHSC-NO (then known as LSUMC) sought, qualified for, and was granted an exclusion which allowed LSUHSC to use its own data processing facilities for tracking and reporting its moveable property inventory in accordance with LAC Title 34, Part VII Section 701. While specific components of the data processing systems of both LSUHSC-NO and LPAA have been upgraded or replaced in the intervening years, the basic conditions under which LSUHSC-NO originally qualified for the exclusion have remained unchanged. As we read the letter, the approval from the Commissioner of Administration does not include any terms of expiration. LAC Title 34, Part VII, Chapter 7 contains no language regarding approval expiration. Therefore, we have always felt we were operating under a valid exemption.

The only limitation included in the approval, which you cited in your finding, was the sentence “This approval applies only to what is currently on the system and does not include the addition of other facilities.” The word “what” is clearly referencing the facilities on the system. This makes sense in the context of the events of 1999. LSUHSC (then LSUMC) was in the process of integrating the eight state charity hospitals into its management structure as a result of the passage of Act III. This included integration of its data processing facilities. For example, all hospital employees were being removed from the statewide system and placed on LSUHSC’s HR information management and Payroll systems. In this case, the concern was that the approval for exclusion be limited to the facilities of the

LSUHSC-NO academic campus and not to “other facilities” (i.e. hospitals) and that those additional facilities would require separate approvals.

While LAC Title 34, Part VII, Section 307(A) (cited in the finding) states that moveable inventory “must be placed on the statewide inventory system,” it does not seem to specify who is responsible for placing the information there. That information is contained in Section 311 (B) which states:

“The data submitted . . . will be forwarded to the Baton Rouge Computer Center by the Louisiana Property Assistance Agency director or his designee, where it will be keypunched into the agency's inventory master file.”

The responsibility for placing the submitted information into the inventory master file lies with LPAA. In accordance with Section 313F11, LSUHSC-NO has submitted annual detailed lists of moveable equipment inventory to LPAA. While copies of correspondence with LPAA describing the exact format LSUHSC-NO should follow in these submissions were lost when the Asset Management office was flooded in 2005 after Katrina, we do have records to show that LSUHSC-NO has been making these submissions in this format since at least 2003.

As a practical matter, Protégé was not designed with the needs and data requirements for capitalized moveable property of an academic health center in mind. LSUHSC – NO is a major research institution with over \$50 million in annual research expenditures. Facility and Administrative (F&A) costs recovered from grants and other sponsored institutional activities are one of our major sources of operating revenues. The total of the F&A cost recovery revenues from grants and other sponsored institutional activities for fiscal year 2009 was \$17.1 million. As you know, our F&A cost rate (also known as the indirect cost rate) is determined by means of very complex calculations included in our F&A proposal regularly submitted to DHHS, our cognizant federal agency. A major component of this most critical proposal includes the capitalized moveable equipment owned by the University.

Other state agencies may not need to calculate their own F&A rates, as this is done at the state level for many or most other agencies. In addition, some smaller state entities are able to use what's known as the “short-form” F&A proposal, which does not require the complex calculations that we are required to use in our proposals. LSUHSC - NO is not allowed to use the “short-form” method due to the size of our research operations.

The shortcomings of the Protégé system which prevent its use in calculating an F&A rate compliant with federal regulations include but are not necessarily limited to:

- Data between the Protégé system and our financial information, such as depreciation calculations, which are required by federal agencies, would differ due to Protégé not being capable of using the half-life depreciation convention.
- Protégé uses whole number accounting.
- The Protégé system estimated useful life calculations do not use the American Hospital Association's Estimated Useful Lives.

- Chartstring information (ie. account, department, funding source, project information, etc.) needed to reconcile the inventory to the general ledger cannot be entered into the Protégé system.
- Detailed location information (ie. building, room, function, etc.) required for compliance with federal programs cannot be entered into the Protégé system.
- The Protégé system does not allow multiple accounting records per inventory item.
- The Protégé system cannot maintain the original accounting separate from the current accounting. This equipment accounting data is critical to LSUHSC – NO’s F&A proposal.

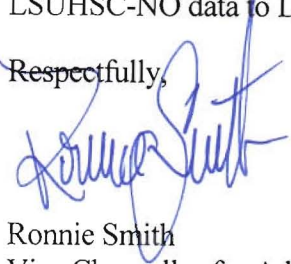
Until these issues can be addressed, using Protégé as the university’s primary inventory tracking system would result in:

- Maintaining two asset management systems, Protégé and one that met LSUHSC-NO’s federal reporting needs.
- Increased costs in maintaining compliance with federal regulations, without commensurate improvement in the level of compliance,
- Reduction in accuracy and reliability of financial statements.

Based on the above, LSUHSC-NO feels that it is, and has been, in compliance with LAC Title 34, Part VII, Section 307(A) as a result of receiving approval of our request for exclusion on September 15, 1999 which is still in force, and that you will agree that it is not in the best interest of the University or the State to mandate such a change.

Notwithstanding the above, LSUHSC-NO wishes to ensure that it is compliant with all state property laws and regulations and would be willing to work with LPAA on periodic electronic submissions of LSUHSC-NO data to LPAA in accordance with sections 703(C) and 707(A).

Respectfully,



Ronnie Smith
Vice Chancellor for Administration and Finance

cc: Larry Hollier, MD
Terry Ullrich
David Dotter



THE UNIVERSITY *of*
NEW ORLEANS

UNIVERSITY OF NEW ORLEANS

Financial Report

As of and for the Year Ended June 30, 2009

**UNIVERSITY OF NEW ORLEANS
FINANCIAL STATEMENTS
JUNE 30, 2009**

TABLE OF CONTENTS

<u>Statements</u>	Page
Statement of Net Assets.....	1
Statement of Revenue, Expenses, and Changes in Net Assets.....	2
Statement of Cash Flow.....	3
<u>Analyses</u>	
C-1 Analysis of Current Fund Revenues.....	5
C-2A Analysis of Current Unrestricted Fund Expenditures.....	6
C-2B Analysis of Current Restricted Fund Expenditures.....	14
C-2B1 Analysis of Revenues and Expenditures, Statement of Net Assets and Analysis of Changes in Fund Balances -University Center.....	22
C-2B2 Analysis of Revenues and Expenditures, Statement of Net Assets and Analysis of Changes in Fund Balances - Resident Housing.....	24
C-2B3 Analysis of Revenues and Expenditures, Statement of Net Assets and Analysis of Changes in Fund Balances -Resident Food Services.....	25
C-2B4 Analysis of Revenues and Expenditures, Statement of Net Assets and Analysis of Changes in Fund Balances -Intercollegiate Athletics.....	26
C-2B5 Analysis of Revenues and Expenditures, Statement of Net Assets and Analysis of Changes in Fund Balances -Miscellaneous Auxiliary Enterprises.....	27
E Analysis of Changes in Unexpended Plant Fund Balances.....	28
G-2A Analysis of Changes in Investment in Plant.....	29
G-2B Analysis of Investment in Plant.....	30
<u>Appendix</u>	
A	
<u>Demographic and Summary Financial Information</u>	32
- Full Time Equivalent Student Enrollment	A-1
- Enrollment by Hours	A-2
- Application and Retention Statistics	A-3
- Graduation Rates, Annual Tuition and Required Fees, Off-Campus Fee Revenue	A-4
- Faculty & Staff, Degrees, Financial Aid, Private Support & General Overview	A-5
- Summary Financial Information, Financial Position, Operating Budget, Appropriations	A-6
- Total Revenue and Unrestricted Revenues of University by Source	A-7
- Restricted Revenue of University by Source	A-8
- Student Housing Overview	A-9
- Residence Hall and Apartment Occupancy	A-10
- Historical Auxiliary Enterprise Revenues	A-11
- Historical Analysis - Student Housing, Food & Vending Services, University Center	A-12
- Historical Analysis - Campus Copy Center, Parking, Traffic & Safety Services and Overall Auxiliary Enterprise Revenue and Expenditures	A-13



ASSETS

	2009	2008
Current Assets		
Cash and cash equivalents	\$ 2,135,106	\$ 8,026,583
Investments	-	-
Receivables, net	26,155,631	28,202,404
Due from other campuses	-	-
Due from State Treasury	203,492	-
Inventories	1,224,570	1,129,779
Deferred charges and prepaid expenses	511,200	524,481
Notes receivables	662,589	742,072
Other current assets	-	-
Total current assets	30,892,588	38,625,319
Noncurrent Assets		
Restricted assets:		
Restricted cash and cash equivalents	4,019,123	5,485,273
Investments	13,358,003	15,488,307
Receivables, net	80,000	-
Notes receivable	4,634,153	-
Other	-	-
Investments	13,864	14,535
Notes receivable	-	4,523,891
Capital assets, net	160,784,658	164,430,244
Assets under capital leases	42,155,182	45,413,165
Other noncurrent assets	-	-
Total noncurrent assets	225,044,983	235,355,415
Total assets	255,937,571	273,980,734

LIABILITIES

Current Liabilities		
Accounts payable and accrued liabilities	10,737,057	11,726,964
Due to other campuses	-	269,063
Due to State Treasury	-	-
Deferred revenues	4,273,481	5,874,463
Amounts held in custody for other	330,248	456,795
Compensated absences	630,051	718,910
Capital lease obligations	845,610	766,011
Notes payable	-	-
Contracts payable	-	-
Bonds payable	1,620,000	1,565,000
Other current liabilities	-	-
Total current liabilities	18,436,447	21,377,206
Noncurrent Liabilities		
Compensated absences	7,434,513	6,947,350
Capital lease obligations	45,885,051	46,730,661
Notes payable	-	-
OPEB Payable	25,163,397	12,818,487
Bonds payable	24,550,000	26,170,000
Other noncurrent liabilities	55,028	480,994
Total noncurrent liabilities	103,087,989	93,147,492
Total liabilities	121,524,436	114,524,698

NET ASSETS

Invested in capital assets, net of related debt	131,731,814	137,410,276
Restricted for:		
Nonexpendable	15,564,296	17,585,241
Expendable	13,400,438	17,273,448
Unrestricted	(26,283,413)	(12,812,899)
Total net assets	\$ 134,413,135	\$ 159,456,066



As of June, 30, 2009 and 2008

	2009	2008
OPERATING REVENUES		
Student tuition and fees	\$ 55,928,376	\$ 52,205,482
Less scholarship allowances	(9,233,289)	(8,458,962)
Net student tuition and fees	46,695,087	43,746,520
Gifts received by the foundations	-	-
Federal appropriations	-	-
Federal grants and contracts	13,119,155	25,072,996
State and local grants and contracts	18,567,540	15,152,979
Nongovernmental grants and contracts	16,495,734	15,419,741
Sales and services of educational departments	161,313	143,661
Hospital income	-	-
Auxiliary enterprise revenues, including revenues pledged as security for bond issues	13,356,342	11,956,819
Less scholarship allowances	(532,861)	(476,181)
Net auxiliary revenues	12,823,481	11,480,638
Other operating revenues	4,105,361	2,944,237
Total operating revenues	111,967,671	113,960,772
OPERATING EXPENSES		
Educational and general		
Instruction	84,034,271	75,618,914
Research	24,232,154	21,754,190
Public service	6,458,497	4,774,197
Academic support	15,609,231	19,829,693
Student services	9,154,683	9,468,646
Institutional support	22,927,556	22,177,668
Operation and maintenance of plant	35,695,075	32,081,275
Scholarships and fellowships	11,696,652	9,850,243
Auxiliary enterprises	14,190,016	13,596,827
Hospital	-	-
Other operating expenses	-	-
Total operating expenses	223,998,135	209,151,653
Operating income (loss)	(112,030,464)	(95,190,881)
NONOPERATING REVENUES AND (EXPENSES)		
State appropriations	70,792,390	73,837,826
Gifts	476,232	1,300,208
Federal nonoperating revenues (expenses)	8,197,572	-
Net investment income (loss)	(2,020,902)	200,916
Interest expenses	(1,233,268)	(1,302,314)
Payments to or on behalf of the university	-	-
Other nonoperating revenues	419,789	1,806,481
Net nonoperating revenues (expenses)	76,631,813	75,843,117
Income before other revenues, expenses, gains, and losses	(35,398,651)	(19,347,764)
Capital appropriations	6,262,791	13,073,113
Capital gifts and grants	4,404,393	543,605
Additions to permanent endowments	481,000	803,000
Other additions, net	490,869	41,613
Extraordinary item-loss on impairment of capital assets	-	-
Increase (decrease) in net assets	(23,759,598)	(4,886,433)
Net assets at beginning of year, restated	158,172,733	164,342,499
Net assets at end of year	\$ 134,413,135	\$ 159,456,066



	2009	2008
Cash flows from operating activities		
Student tuition and fees	\$ 47,474,745	\$ 44,482,807
Federal appropriations	-	-
Grants and contracts	48,796,765	51,934,520
Sales and services of educational departments	(263,502)	251,586
Hospital income	-	-
Auxiliary enterprise receipts	12,377,344	11,701,132
Payments for employee compensation	(99,374,129)	(92,108,925)
Payments for benefits	(26,185,917)	(24,358,419)
Payments for utilities	(7,114,675)	(6,425,050)
Payments for supplies and services	(54,611,926)	(54,095,504)
Payments for scholarships and fellowships	(11,712,917)	(9,899,637)
Loans to students	(469,452)	(909,994)
Collection of loans to students	438,672	618,844
Other receipts (disbursements)	3,978,844	3,094,853
Net cash provided (used) by operating activities	<u>(86,666,148)</u>	<u>(75,713,787)</u>
Cash flows from non-capital financing activities		
State appropriations	70,588,898	78,398,453
Gifts and grants for other than capital purposes	350,881	432,072
Private gifts for endowment purposes	481,000	803,000
TOPS receipts	5,632,032	6,019,037
TOPS disbursements	(5,500,984)	(5,946,905)
FEMA receipts	3,178,769	-
FEMA disbursements	(2,758,980)	-
Federal Family Education Loan Program receipts	-	-
Federal Family Education Loan Program disbursements	-	-
Other receipts (disbursements)	8,197,572	1,806,481
Net cash provided by noncapital financing sources	<u>80,169,188</u>	<u>81,512,138</u>
Cash flows from capital financing activities		
Proceeds from capital debt	-	-
Capital appropriations received	6,262,791	13,073,113
Capital grants and gifts received	4,287,187	239,596
Proceeds from sale of capital assets	-	-
Purchase of capital assets	(7,669,626)	(21,311,577)
Principal paid on capital debt and leases	(2,600,074)	(2,211,547)
Interest paid on capital debt and leases	(1,233,268)	(1,302,314)
Deposit with trustees	-	-
Other sources	64,903	281,160
Net cash used by capital financing activities	<u>(888,087)</u>	<u>(11,231,569)</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	-	-
Interest received on investments	27,420	1,033,857
Purchase of investments	-	-
Net cash provided (used) by investing activities	<u>27,420</u>	<u>1,033,857</u>
Net increase (decrease) in cash and cash equivalents	<u>(7,357,627)</u>	<u>(4,399,361)</u>
Cash and cash equivalents at beginning of the year	<u>13,511,856</u>	<u>17,911,217</u>



	2009	2008
Cash flows from operating activities		
Cash and cash equivalents at the end of the year	<u>\$ 6,154,229</u>	<u>\$ 13,511,856</u>
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (used) by Operating Activities		
Operating income (loss)	\$ (112,030,464)	\$ (96,474,214)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	13,419,642	9,746,806
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net	1,956,496	(2,795,771)
(Increase) decrease in inventories	(94,791)	(170,775)
(Increase) decrease in deferred charges & prepaid expenses	13,281	(110,545)
(Increase) decrease in notes receivable	(30,779)	(291,151)
(Increase) decrease in other assets	-	-
Increase (decrease) in accounts payable & accrued liabilities	(1,002,481)	1,086,390
Increase (decrease) in deferred revenues	(1,513,749)	155,212
Increase (decrease) in amounts held in custody for others	(126,517)	150,615
Increase (decrease) in compensated absences	398,304	171,159
Increase (decrease) in OPEB payable	12,344,910	12,818,487
Increase (decrease) in other liabilities	-	-
Net cash provided (used) by operating activities:	<u>\$ (86,666,148)</u>	<u>\$ (75,713,787)</u>
Noncash Investing, Noncapital Financing, and Capital & Related Financing Transactions		
Capital appropriations	6,262,791	-
Non-cash state appropriations for property	-	-
Net cash provided (used) by noncash investing	<u>\$ 6,262,791</u>	<u>\$ -</u>
Reconciliation of Cash & Cash Equivalents to the SNA		
Cash and cash equivalents classified as current assets	\$ 2,135,106	\$ 8,026,583
Cash and cash equivalents classified as noncurrent assets	<u>4,019,123</u>	<u>5,485,273</u>
Cash and cash equivalents at the end of the year	<u>\$ 6,154,229</u>	<u>\$ 13,511,856</u>



	Total	Unrestricted	Restricted
Student tuition and fees -			
University	\$ 30,669,153	\$ 30,669,153	\$ -
Nonresident	6,361,401	6,361,401	-
Other	19,807,423	9,197,710	10,609,713
Total student tuition and fees	<u>56,837,977</u>	<u>46,228,264</u>	<u>10,609,713</u>
Governmental appropriations - state government			
General	67,730,739	67,730,739	-
Dedicated	3,061,651	3,061,651	-
Total governmental appropriations	<u>70,792,390</u>	<u>70,792,390</u>	<u>-</u>
Government grants and contracts -			
Federal	24,324,455	-	24,324,455
State	21,398,555	-	21,398,555
Local	1,627,212	-	1,627,212
Total government grants and contracts	<u>47,350,222</u>	<u>-</u>	<u>47,350,222</u>
Private grants and contracts			
	<u>16,561,401</u>	<u>-</u>	<u>16,561,401</u>
Gifts			
	<u>476,232</u>	<u>-</u>	<u>476,232</u>
Sales and services of educational departments -			
Business administration -			
Hotel, restaurant, and tourism	4,395	4,395	-
General academic support -			
AT&T center	2,500	2,500	-
Educational support services	10,565	10,565	-
Testing services	96,658	96,658	-
Media productions	16,581	16,581	-
Chemistry	1,743	1,743	-
Music	22,320	22,320	-
Library	22,546	22,546	-
Total sales and services of educational departments	<u>177,308</u>	<u>177,308</u>	<u>-</u>
Investment income			
	<u>82,803</u>	<u>69,297</u>	<u>13,506</u>
Endowment Income			
	<u>232,971</u>	<u>-</u>	<u>232,971</u>
Sales and services of auxiliary enterprises			
	<u>14,559,801</u>	<u>-</u>	<u>14,559,801</u>
Other sources -			
Check cashing and returned check charges	5,255	5,255	-
Conference services	-	-	-
Lakefront arena - building rentals	351,373	351,373	-
Lakefront arena - concessions	1,239,163	1,239,163	-
Lakefront arena - other	340,193	340,193	-
Lease rentals - miscellaneous	1,661	1,661	-
Lindy Boggs conference center	425,383	425,383	-
Miscellaneous	264,791	264,791	-
Parking fines	301,190	301,190	-
Recovery of indirect costs	4,870,019	-	4,870,019
Recreation and intramural sports	87,008	87,008	-
Rentals - facilities and fields	150	150	-
Rentals - post office boxes	12,076	12,076	-
Rental - U.S. Post Office	2,700	2,700	-
Rooftop leases	113,070	113,070	-
Student orientation program	148,795	148,795	-
EMBA-administrative costs recovered	900,373	900,373	-
Veterans Administration-administrative allowance	-	-	-
Total other sources	<u>9,063,200</u>	<u>4,193,181</u>	<u>4,870,019</u>
Total revenues	<u>\$ 216,134,305</u>	<u>\$ 121,460,440</u>	<u>\$ 94,673,865</u>



Analysis C-2A

Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2009

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Education and General:							
Instruction--							
Business administration-							
Accounting	\$ 1,820,498	\$ 1,344,363	\$ 42,998	\$ 391,614	\$ -	\$ 41,523	\$ -
Economics and finance	2,417,973	1,710,926	106,500	495,942	19,889	84,716	-
Executive mba program	2,549,786	758,743	201,680	242,798	184,964	1,157,711	3,890
Hotel, restaurant and tourism	1,140,826	846,664	21,717	247,168	821	24,456	-
HRT food laboratory	22,358	-	-	-	-	22,358	-
Interdisciplinary	107,204	8,535	-	3,210	-	95,459	-
Management	2,173,969	1,628,564	31,582	475,077	6,846	31,900	-
Marketing	1,100,131	812,510	16,766	237,538	19,737	13,580	-
Total business administration	11,332,745	7,110,305	421,243	2,093,347	232,257	1,471,703	3,890
Education-							
Curriculum and instruction	886,497	645,229	27,000	187,784	3,794	22,690	-
Education leadership and foundations	1,384,826	1,030,313	27,450	300,133	5,893	21,037	-
Interdisciplinary	100,546	76,717	-	21,467	-	2,362	-
Special education and habilitative services	861,067	639,733	18,672	186,179	-	16,483	-
Student teaching office	86,914	56,926	408	16,050	4,126	9,404	-
Total education	3,319,850	2,448,918	73,530	711,613	13,813	71,976	-
Engineering-							
Civil and environmental	937,007	716,482	1,792	205,439	-	13,294	-
Electrical	905,596	636,933	38,091	184,574	1,731	44,267	-
Interdisciplinary	230,253	176,637	11,014	38,520	-	4,082	-
Mechanical	994,355	752,796	9,886	213,464	-	18,209	-
Naval architecture and marine	445,439	329,075	5,777	96,299	559	13,729	-
Total engineering	3,512,650	2,611,923	66,560	738,296	2,290	93,581	-
General instruction-							
Board of regents info tech initiative	1,958,939	1,458,601	21,920	466,752	4,139	7,527	-
Board of regents library and equipment	40,796	-	-	-	-	-	40,796
Developmental education	88,722	67,024	62	19,260	1,114	1,262	-
Graduate enhancement program	130,283	-	98,645	-	14,559	17,079	-
Graduate enhancement academic excellence	204,892	-	187,080	-	-	17,812	-
Center for Pacific Rim	-	-	-	-	-	-	-
Interdisciplinary	809	809	-	-	-	-	-
Retention-QE program	41,661	22,901	8,600	6,420	-	3,740	-
Seraphia leyda teaching fellowship	6,204	-	-	-	2,177	2,936	1,091
Total general instruction	2,472,306	1,549,335	316,307	492,432	21,989	50,356	41,887
Liberal arts-							
Anthropology	377,631	285,875	-	83,459	1,761	6,536	-



Analysis C-2A

**Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2009**

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Arts administration	123,580	58,247	25,719	17,655	3,727	18,232	-
Drama and communications	1,477,545	947,688	113,818	248,773	9,672	157,594	-
English	4,137,259	2,956,055	191,203	866,758	1,447	121,796	-
Fine arts	838,962	560,592	54,495	163,709	1,126	59,040	-
Foreign languages	1,137,186	833,151	31,310	242,353	3,846	26,526	-
Geography	377,823	257,119	27,759	75,435	2,523	14,987	-
History	1,033,884	743,587	44,454	216,674	2,873	26,296	-
Interdisciplinary	487,622	312,105	40,500	91,484	6,546	36,987	-
Music	1,098,273	780,180	24,750	213,464	816	79,063	-
Philosophy	330,630	253,414	-	73,830	-	3,386	-
Planning and urban studies	625,603	470,627	1,815	138,029	2,584	12,548	-
Political science	1,099,608	755,241	96,000	219,884	7,408	21,075	-
Sociology	837,735	595,968	33,508	174,944	1,719	31,596	-
Transportation studies program	391,088	283,868	-	90,838	4,080	12,302	-
UNO film studio	200,068	-	-	-	-	200,068	-
Total liberal arts	14,574,497	10,093,717	685,331	2,917,289	50,128	828,032	-
Metropolitan college-							
Conferences and institutions	330	-	-	-	-	330	-
Continuing education	1,840,358	578,148	365,678	214,671	8,642	673,219	-
Credit programs	886,367	568,373	31,446	168,524	7,631	110,393	-
Eisenhower center	7	-	-	-	-	7	-
Metro TRAC Non-Credit	353,893	239,189	-	76,540	18,656	19,508	-
Interdisciplinary	-	-	-	-	-	-	-
Total metropolitan college	3,080,955	1,385,710	397,124	459,735	34,929	803,457	-
Sciences-							
Biological science	1,961,128	1,329,583	125,222	388,407	1,814	116,102	-
Chemistry	1,869,980	1,113,246	186,350	324,208	14,622	231,554	-
Computer science	893,925	630,956	32,000	184,574	3,706	42,689	-
Developmental math	311,788	241,168	-	70,620	-	-	-
Geology and geophysics	759,191	465,957	101,585	136,424	-	55,225	-
Interdisciplinary	1,271	-	1,271	-	-	-	-
Master of arts-science teaching	12,210	9,000	-	3,210	-	-	-
Mathematics	1,669,845	1,044,692	217,935	304,948	2,612	99,658	-
Physics	777,092	507,053	83,517	147,659	-	38,863	-
Psychology	1,283,097	827,655	150,484	240,748	1,696	62,514	-
Total sciences	9,539,527	6,169,310	898,364	1,800,798	24,450	646,605	-
Summer session	2,487,479	1,844,942	99,301	537,671	-	5,565	-
Honors program	30,830	24,410	-	6,420	-	-	-
Total instruction	50,350,839	33,238,570	2,957,760	9,757,601	379,856	3,971,275	45,777



Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2009

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Research--							
Office of academic affairs	88,204	70,003	-	18,201	-	-	-
Board of regents info tech initiative	132,003	98,173	-	31,415	1,450	965	-
Business administration-							
Division of business and economic research	269,294	184,184	12,274	52,965	-	19,871	-
Economic development center	118,135	85,961	4,070	26,459	-	1,645	-
Total business administration	387,429	270,145	16,344	79,424	-	21,516	-
Diversity programs	23,795	17,959	-	5,836	-	-	-
Engineering-							
Electrical	21,996	17,457	-	4,539	-	-	-
Interdisciplinary	34,120	26,095	-	8,025	-	-	-
Mechanical	41,058	31,664	-	9,394	-	-	-
Naval architecture and marine	19,381	15,382	-	3,999	-	-	-
Total engineering	116,555	90,598	-	25,957	-	-	-
Liberal arts-							
Center for urban and public affairs	97,212	74,742	-	22,470	-	-	-
Interdisciplinary	133,411	80,650	5,512	24,075	-	23,174	-
Louisiana poll	35,047	-	20,934	-	-	14,113	-
Planning and urban studies	50,405	32,718	9,180	8,507	-	-	-
Sociology	12,727	10,182	-	2,545	-	-	-
Total liberal arts	328,802	198,292	35,626	57,597	-	37,287	-
Metropolitan college-							
International studies	18	-	-	-	-	18	-
Total metropolitan college	18	-	-	-	-	18	-
Sciences-							
Biological science	212,649	37,020	109,221	11,845	-	54,563	-
Chemistry	519,577	329,416	-	90,172	-	-	99,989
Computer science	-	-	-	-	-	-	-
Geology and geophysics	13,512	4,884	-	686	555	7,387	-
Interdisciplinary	118,867	85,199	-	27,264	-	6,404	-
Mathematics	-	-	-	-	-	-	-
Physics	19,371	15,374	-	3,997	-	-	-
Total sciences	883,976	471,893	109,221	133,964	555	68,354	99,989
Research and sponsored programs	17,542	-	-	-	-	17,542	-
Total research	1,978,324	1,217,063	161,191	352,394	2,005	145,682	99,989



Analysis C-2A

Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2009

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Public service--							
Community service-							
Chancellor's lecture series	1,071	-	-	-	-	1,071	-
Lindy Boggs conference center	348,697	63,850	27,821	23,651	97	231,743	1,535
History	2,759	2,090	-	669	-	-	-
Hotel, restaurant and tourism	1,859	-	-	-	-	1,859	-
Lakefront arena	2,142,803	724,998	316,622	210,254	1,497	869,471	19,961
Ogden museum of southern art	297,951	204,516	17,202	59,385	-	16,848	-
Planning and urban studies	3,051	2,421	-	630	-	-	-
Public service training	4,164	3,305	-	859	-	-	-
Small business development center	48,391	33,479	2,701	10,211	-	-	-
Tourism and hospitality initiative	6,911	6,911	-	-	-	-	-
National WWII museum	158,596	22,082	12,444	7,066	-	117,004	-
Total community service	3,014,253	1,063,652	376,790	312,725	1,594	1,237,996	21,496
Public broadcasting services--							
WWNO and KTLN radio stations	1,029	865	164	-	-	-	-
Total public service	3,015,282	1,064,517	376,954	312,725	1,594	1,237,996	21,496
Academic support--							
Academic administration-							
Business administration	1,069,112	778,011	13,597	226,303	17,230	33,971	-
Developmental education	-	-	-	-	-	-	-
Developmental math	99,432	73,541	-	20,865	-	5,026	-
Education and human development	868,140	608,883	33,045	178,154	3,028	45,030	-
Engineering	542,365	373,352	30,534	109,139	2,759	26,581	-
Graduate school	292,069	90,079	142,757	25,680	2,581	30,972	-
Institutional accreditation	37,762	-	-	-	-	37,762	-
Intellectual property management	191,841	146,765	-	43,335	941	800	-
Liberal arts	842,367	567,598	30,338	165,314	44,385	34,732	-
Metropolitan college	1,214,146	627,323	42,833	179,759	3,519	360,712	-
Sciences	647,239	433,898	31,550	126,794	11,816	43,181	-
Total academic administration	5,804,473	3,699,450	324,654	1,075,343	86,259	618,767	-
Board of regents info tech initiative	93,206	70,465	192	22,549	-	-	-
University computing and communications	1,428,175	772,875	86,494	224,699	30,324	298,379	15,404
Diversity programs	16,724	-	7,441	-	4,070	5,213	-
Educational support services-							
Interdisciplinary	396,534	243,577	38,426	70,620	2,484	41,427	-
Learning resource center	163,235	76,871	44,244	22,470	89	19,561	-



Analysis C-2A

**Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2009**

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Testing services	149,734	83,593	10,577	24,075	-	31,489	-
Total educational support services	709,503	404,041	93,247	117,165	2,573	92,477	-
Library-							
Administration	2,078,005	1,394,291	119,073	406,062	5,428	128,632	24,519
Bookbinding	4,770	-	-	-	-	4,770	-
Books	1,920,385	-	-	-	-	7,314	1,913,071
Total library	4,003,160	1,394,291	119,073	406,062	5,428	140,716	1,937,590
Research and technology park	4,224	-	-	-	4,209	15	-
Honors program	63,494	39,405	7,503	11,235	1,175	4,176	-
Total academic support	12,122,959	6,380,527	638,604	1,857,053	134,038	1,159,743	1,952,994
Student services--							
Career placement and cooperative education	89,628	55,384	-	16,050	-	16,555	1,639
Enrollment management-							
Office of enrollment management	248,539	179,824	31,695	30,495	4,045	2,480	-
Recruiting and school relations	194,045	41,119	30,794	11,235	5,291	105,606	-
Student financial aid	877,975	683,711	1,375	163,608	3,220	26,061	-
Total enrollment management	1,320,559	904,654	63,864	205,338	12,556	134,147	-
Social and cultural development-							
Health services	232,760	151,313	5,340	43,335	2,281	19,581	10,910
International students	6,740	750	838	-	-	5,152	-
International students and scholars	164,559	101,442	23,566	28,890	3,417	7,244	-
Recreation and intramural sports	229,524	60,719	68,072	12,840	20,185	67,708	-
Student life-campus activities	163,915	21,500	32,894	6,420	1,690	99,859	1,552
Retention	1,920	-	-	-	-	1,920	-
Women's center	36,344	9,749	15,589	3,210	-	7,796	-
Total social and cultural development	835,762	345,473	146,239	94,695	27,573	209,260	12,462
Student admissions and records-							
Admissions	1,874,359	940,741	140,805	274,453	124,262	394,098	-
Division of academic services	194,444	144,820	-	41,730	3,018	4,876	-
Registrar	656,668	471,648	5,094	138,029	3,064	38,833	-
Total admissions and records	2,725,471	1,557,209	145,899	454,212	130,344	437,807	-
Total student services	4,971,420	2,862,720	356,062	770,295	170,473	797,769	14,101
Institutional support--							
Executive management-							
Chancellor	786,943	568,259	10,688	165,310	5,106	36,254	1,326



Analysis C-2A

Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2009

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Provost and vice chancellor-academic affairs	1,077,246	768,642	16,200	224,699	12,910	49,674	5,121
Vice chancellor-financial services	849,330	636,593	6,714	186,179	263	19,581	-
Vice chancellor-property and facility development	175,415	126,321	-	36,915	6,824	5,355	-
Vice chancellor-university relations	695,243	528,413	3,044	154,079	1,923	7,784	-
Vice chancellor-external affairs	258,110	161,349	7,690	46,545	22,787	19,739	-
Total executive management	3,842,287	2,789,577	44,336	813,727	49,813	138,387	6,447
Fiscal operations-							
Accounting services	1,940,090	1,391,673	71,854	406,062	1,606	68,895	-
Total fiscal operations	1,940,090	1,391,673	71,854	406,062	1,606	68,895	-
General administrative-							
Allocation from system	358,746	-	-	-	-	358,746	-
Bad debt expense	572,643	-	-	-	-	572,643	-
Banking services	182,624	-	-	-	-	182,624	-
Board of regents info tech initiative	174,470	132,174	-	42,296	-	-	-
Bond insurance	1,893	-	-	-	-	1,893	-
Casualty insurance	195,418	-	-	-	-	195,418	-
Collection services	71,990	-	-	-	-	71,990	-
Commencements	62,632	2,205	-	-	-	60,427	-
Environmental health and safety	174,489	94,215	6,520	27,285	971	45,498	-
Equal employment opportunity office	276	-	-	-	-	276	-
External audit expense	233,939	-	-	-	-	233,939	-
Homer I hitt alumni and visitor center	80,000	-	-	-	-	80,000	-
Human resource management	853,709	630,207	7,057	182,969	1,794	28,931	2,751
Institutional research	238,861	183,805	-	52,965	223	590	1,278
Internal auditing	285,960	-	-	-	-	285,960	-
Legal services	318,601	-	-	-	-	318,601	-
Management board-state civil service	35,409	-	-	-	-	35,409	-
Membership in organizations	129,361	-	-	-	-	129,361	-
Miscellaneous expense	(55,449)	-	-	-	87	(55,536)	-
Event coordination	128,493	85,029	13,338	24,075	-	6,051	-
NCAA compliance	1,696	1,466	-	-	-	230	-
Office of general counsel	207,569	154,478	-	44,940	76	8,075	-
Office supplies	68,095	43,019	8,884	12,840	-	3,352	-
Official allowances-chancellor functions	27,180	-	-	-	-	27,180	-
Official allowances-chancellor housing	30,000	-	-	-	-	30,000	-
Radiological protection program	-	-	-	-	-	-	-
Radiological assessment	11,550	5,561	-	1,605	-	4,384	-
Staff council	2,197	-	-	-	-	2,197	-
Thesis binding	3,742	-	-	-	-	3,742	-
Workmen's compensation insurance	387,954	-	-	-	-	387,954	-
Total general administrative	4,784,048	1,332,159	35,799	388,975	3,151	3,019,935	4,029



Analysis C-2A

Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2009

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Logistical services-							
Campus mail services	222,330	-	-	-	-	222,330	-
Motor pool	75,467	-	7,785	-	-	67,682	-
Network installations	152,646	-	-	-	-	147,804	4,842
Purchasing office	660,913	475,038	21,658	139,634	-	24,583	-
Telephone service	1,034,079	224,862	15,870	65,805	-	727,542	-
University police	1,631,397	1,136,034	78,194	330,628	2,652	83,889	-
Total logistical services	3,776,832	1,835,934	123,507	536,067	2,652	1,273,830	4,842
Administrative computing support-							
Computer service system development	346,941	225,757	-	65,805	-	55,379	-
University computing and communications	2,877,642	1,702,037	-	495,942	3,633	559,382	116,648
Total administrative computing support	3,224,583	1,927,794	-	561,747	3,633	614,761	116,648
Community relations-							
Alumni affairs	182,513	71,518	3,347	20,865	517	86,266	-
General publications	95,887	-	-	-	-	95,887	-
Marketing and communications	376,514	232,376	-	67,410	-	63,148	13,580
University advancement	1,633,841	526,222	7,505	154,079	3,245	936,695	6,095
Total community relations	2,288,755	830,116	10,852	242,354	3,762	1,181,996	19,675
Total institutional support	19,856,595	10,107,253	286,348	2,948,932	64,617	6,297,804	151,641
Operation and Maintenance of Plant--							
General Operations-							
Administration	1,463,089	1,043,932	8,477	304,948	1,735	103,997	-
Alterations and repairs	228,093	123,768	-	35,310	-	69,015	-
Board of regents info tech initiative	-	-	-	-	-	-	-
Network installations	2,370,396	1,187,242	-	346,678	-	836,476	-
Building and operations	-	-	-	-	-	-	-
Energy conservation agreement	1,487,978	-	-	-	-	1,487,978	-
Grounds maintenance	903,204	286,654	978	81,854	-	533,718	-
Janitorial services	2,349,184	1,207,402	84	351,493	-	790,205	-
Property insurance	4,185,244	-	-	-	-	4,185,244	-
Total general operations	12,987,188	3,848,998	9,539	1,120,283	1,735	8,006,633	-
Utilities-							
East campus tennis courts	4,005	-	-	-	-	4,005	-
Main campus	4,679,037	-	-	-	-	4,679,037	-
Ogden museum of southern art	-	-	-	-	-	-	-
Utilities maintenance	1,480,946	948,304	181	276,058	4,578	251,825	-
Total utilities	6,163,988	948,304	181	276,058	4,578	4,934,867	-
Total operation and maintenance of plant	19,151,176	4,797,302	9,720	1,396,341	6,313	12,941,500	-



THE UNIVERSITY of
NEW ORLEANS

Analysis C-2A

Analysis of Current Unrestricted Fund Expenditures
For The Year Ended June 30, 2009

	Total	Salaries	Wages	Related Benefits	Travel	Supplies and Expense	Equipment
Scholarships and fellowships	10,013,845	-	-	-	-	10,013,845	-
Total educational and general	121,460,440	59,667,952	4,786,639	17,395,341	758,896	36,565,614	2,285,998
Nonmandatory transfer for--							
Other	-	-	-	-	-	-	-
Total expenditures and transfers	\$ 121,460,440	\$ 59,667,952	\$ 4,786,639	\$ 17,395,341	\$ 758,896	\$ 36,565,614	\$ 2,285,998



THE UNIVERSITY of
NEW ORLEANS

Analysis C-2B
Analysis of Current Restricted Fund Expenditures
For the Year Ended June 30, 2009

	SOURCE					OBJECT			Indirect Cost Recovered
	State and Local	Federal	Private	Other	Total	Personal Services	Support		
Education and General:									
Instruction--									
Business administration-									
Accounting	\$ 37,400.00	\$ 355.00	\$ 12,522	\$ 8,348.00	\$ 58,625	\$ 58,625	\$ -	\$ -	
Economics and finance	48,142	-	37,551	25,034	110,727	80,469	30,258	-	
Hotel, restaurant and tourism	23,915	863	-	-	24,778	24,680	98	-	
Interdisciplinary	257	65	82,292	-	82,614	78,677	3,937	-	
Management	46,071	-	5,992	3,995	56,058	51,058	5,000	-	
Marketing	22,517	-	-	-	22,517	-	-	-	
Total business administration	178,302	1,283	138,357	37,377	355,319	316,026	39,293	-	
Education and human development									
Charter schools	2,628,726	-	9,922,130	-	12,550,856	10,789,118	1,761,738	-	
Curriculum and instruction	182,086	1,512	15,316	-	198,914	115,615	73,185	10,114	
Education leadership and foundations	47,257	-	-	-	47,257	28,082	108	19,067	
Human performance and health promotion	-	-	6,514	-	6,514	-	6,514	-	
Interdisciplinary	1,214,643	574,397	(37)	-	1,789,003	1,126,917	546,368	115,718	
Special education and rehabilitative services	603,388	139,862	1,199	-	744,449	415,640	299,431	29,378	
Student teaching office	1,552	-	-	-	1,552	1,552	-	-	
Total education and human development	4,677,652	715,771	9,945,122	-	15,338,545	12,476,924	2,687,344	174,277	
Engineering-									
Civil and environmental	18,376	-	40,099	26,399	84,874	68,374	16,500	-	
Electrical	48,747	6,040	22,535	15,024	92,346	34,346	58,000	-	
Interdisciplinary	3,622	-	212,840	86,222	302,684	191,438	104,295	6,951	
Mechanical	19,671	2,716	12,468	-	34,855	22,387	12,468	-	
Naval architecture and marine	9,447	-	10,038	-	19,485	9,447	10,038	-	
Total engineering	99,863	8,756	297,980	127,645	534,244	325,992	201,301	6,951	
General instruction-									
Developmental education	1,293	-	-	-	1,293	1,293	-	-	
Interdisciplinary	-	-	37,112	-	37,112	14,732	22,380	-	
Office of retention/upward bound	-	1,992,531	-	-	1,992,531	1,123,700	717,109	151,722	
Office of research and sponsored programs	-	-	6	-	6	-	-	6	
Retention QE program	387	-	-	-	387	387	-	-	
Student technology initiative	-	-	-	1,305,544	1,305,544	746,034	559,510	-	
Total general instruction	1,680	1,992,531	37,118	1,305,544	3,336,873	1,886,146	1,298,999	151,728	
Liberal arts-									
Anthropology	8,282	-	-	-	8,282	8,282	-	-	
Arts administration	1,681	-	-	-	1,681	1,681	-	-	
English	109,422	7,817	78,705	-	195,944	120,400	75,544	-	
Fine arts	15,919	1,295	-	-	17,214	17,214	-	-	
Foreign languages	24,331	6,073	-	1,540	31,944	31,429	515	-	
Geography	7,247	-	-	-	7,247	7,247	-	-	



Analysis C-2B
Analysis of Current Restricted Fund Expenditures
For the Year Ended June 30, 2009

	SOURCE				OBJECT			
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
History	20,578	5,194	25,217	16,812	67,801	53,904	13,897	-
Interdisciplinary	9,187	-	7,047	4,698	20,932	9,188	11,744	-
Music	21,354	567	84,391	29,292	135,604	65,542	70,062	-
Philosophy	5,953	-	-	-	5,953	5,953	-	-
Planning and urban studies	13,329	3,869	-	-	17,198	17,198	-	-
Political science	21,742	3,708	6,273	-	31,723	25,450	6,273	-
School of urban and regional studies	-	-	76,506	24,590	101,096	80,201	20,895	-
Sociology	16,695	6,051	-	-	22,746	22,746	-	-
UNO film studio	236,960	6,690	39,020	1,013	283,683	69,263	214,420	-
Total liberal arts	512,680	41,264	317,159	77,945	949,048	535,698	413,350	-
Metropolitan college-								
Continuing education	843,965	-	-	-	843,965	6,561	840,250	(2,846)
Credit programs	12,928	11,366	-	-	24,294	24,294	-	-
Interdisciplinary	-	-	46,529	27,566	74,095	45,168	28,927	-
International studies	-	-	4,306	1,808,301	1,812,607	448,660	1,363,947	-
Technical services contracts	3,764,002	-	-	-	3,764,002	2,471,472	792,576	499,954
Total metropolitan college	4,620,895	11,366	50,835	1,835,967	6,518,963	2,996,156	3,025,700	497,108
Sciences-								
Biological science	79,608	4,684	39,600	26,401	150,293	90,792	59,501	-
Chemistry	39,525	2,575	-	-	42,100	32,600	9,500	-
Computer science	151,274	-	-	3,488	154,762	47,302	107,460	-
Developmental math	6,858	-	-	-	6,858	6,858	-	-
Geology and geophysics	13,537	-	344	-	13,881	13,460	344	77
Mathematics	48,601	4,032	-	-	52,633	32,633	20,000	-
Physics	14,106	3,889	5,000	-	22,995	17,995	5,000	-
Psychology	39,794	2,594	-	-	42,388	39,878	1,711	799
Total sciences	393,303	17,774	44,944	29,889	485,910	281,518	203,516	876
Honors program	517	-	-	-	517	517	-	-
Total instruction	10,484,892	2,788,745	10,831,515	3,414,267	27,519,419	18,818,976	7,869,503	830,940
Research--								
Business administration-								
Accounting	-	-	2,380	1,587	3,967	3,967	-	-
AT&T center-kirschman hall	-	904,537	-	-	904,537	159,710	603,167	141,660
Division of business and economic research	180,977	-	129,947	-	310,924	143,477	112,046	55,401
Economics and finance	-	-	-	-	-	-	-	-
Economic development center	1,292	110,447	9,885	-	121,624	66,129	26,155	29,340
Management	-	-	61,159	26,400	87,559	60,156	19,420	7,983
Real estate market data center	-	-	10,129	6,342	16,471	8,965	7,506	-
Total business administration	182,269	1,014,984	213,500	34,329	1,445,082	442,404	768,294	234,384
Education and human development-								
Curriculum and instruction	46,068	-	-	-	46,068	25,823	8,872	11,373



Analysis C-2B
Analysis of Current Restricted Fund Expenditures
For the Year Ended June 30, 2009

	SOURCE				OBJECT			Indirect Cost Recovered
	State and Local	Federal	Private	Other	Total	Personal Services	Support	
Education leadership and foundations	-	-	1,330	-	1,330	-	-	1,330
Interdisciplinary	14,713	-	92,495	15,012	122,220	66,197	45,135	10,888
Special education and habilitative services	7	53,109	-	1,404	54,520	4,500	44,290	5,730
Total education and human development	60,788	53,109	93,825	16,416	224,138	96,520	98,297	29,321
Engineering-								
Civil and environmental	425,137	-	192,700	1,724	619,561	413,240	151,108	55,213
Electrical	31,487	105,003	1,065,140	3,488	1,205,118	592,249	243,941	368,928
Interdisciplinary	775	(9,056)	68,452	26,399	86,570	56,976	42,828	(13,234)
Mechanical	411,304	21,784	115,831	-	548,919	241,186	177,874	129,859
National center for advance manufacturing	983,010	-	333,603	-	1,316,613	744,118	456,216	116,279
Naval architecture and marine	44,034	373,557	112,263	7,349	537,203	277,529	83,729	175,945
Total engineering	1,895,747	491,288	1,887,989	38,960	4,313,984	2,325,298	1,155,696	832,990
General research-								
Interdisciplinary	205,013	-	550,212	67,724	822,949	247,644	573,566	1,739
Office of research indirect support	165,000	180,507	-	2,005,766	2,351,273	626,058	1,691,406	43,809
Total general research	370,013	180,507	550,212	2,073,490	3,174,222	873,702	2,254,972	45,548
Liberal arts-								
Anthropology	77,562	-	-	-	77,562	57,233	20,329	-
Arts administration	-	-	-	-	-	-	-	-
Center for urban and public affairs	2,199	-	-	-	2,199	2,199	-	-
Fine arts	30,000	-	-	-	30,000	-	30,000	-
Foreign languages	-	-	-	-	-	-	-	-
Geography	53,845	-	39,374	-	93,219	48,355	29,093	15,771
History	-	-	1,429	-	1,429	-	1,429	-
Interdisciplinary	2,096	-	-	8,393	10,489	4,282	6,207	-
Music	-	-	-	-	-	-	-	-
Philosophy	-	-	34,079	-	34,079	24,732	6,724	2,623
Planning and urban studies	98,396	103,126	328,471	-	529,993	264,374	145,546	120,073
Political science	4,000	-	70,184	-	74,184	54,780	19,404	-
Sociology	615,902	304,712	441,675	830	1,363,119	623,107	523,736	216,276
School of urban and regional studies	123,555	-	86,164	(5,850)	203,869	55,202	128,726	19,941
Total liberal arts	1,007,555	407,838	1,001,376	3,373	2,420,142	1,134,264	911,194	374,684
Metropolitan college-								
Continuing education	125,176	1,161	20,005	17,641	163,983	65,734	101,595	(3,346)
Credit programs	-	-	2,759	-	2,759	-	2,759	-
Interdisciplinary	-	-	-	176	176	-	176	-
Total metropolitan college	125,176	1,161	22,764	17,817	166,918	65,734	104,530	(3,346)
Sciences-								
Biological science	183,243	401,511	145,112	9,076	738,942	337,240	309,131	92,571
Chemistry	2,458,149	5,405,815	192,543	365,236	8,421,743	2,067,810	5,165,881	1,188,052
Computer science	210,261	408,949	546,475	16,744	1,182,429	479,757	480,912	221,760



Analysis C-2B
Analysis of Current Restricted Fund Expenditures
For the Year Ended June 30, 2009

	SOURCE				OBJECT			
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
Geology and geophysics	525,979	1,627,900	236,549	984	2,391,412	1,048,561	999,676	343,175
Interdisciplinary	-	-	-	7,234	7,234	-	-	-
Mathematics	5,164	22,494	-	-	27,658	16,318	6,849	4,491
Physics	109,984	591,793	182,978	13,255	898,010	495,390	217,816	184,804
Psychology	-	553,718	222,566	72,539	848,823	471,968	218,500	158,355
Total sciences	3,492,780	9,012,180	1,526,223	485,068	14,516,251	4,917,044	7,405,999	2,193,208
Total research	7,134,328	11,161,067	5,295,889	2,669,453	26,260,737	9,854,966	12,698,982	3,706,789
Public service--								
Community service-								
Business administration-								
Hotel, restaurant and tourism	-	-	-	-	-	-	-	-
Small business development center	99,509	-	-	480	99,989	74,509	25,041	439
Total business administration	99,509	-	-	480	99,989	74,509	25,041	439
Education and human development-								
Curriculum and instruction	6,911	-	-	-	6,911	7,258	(347)	-
Education leadership and foundations	-	-	1,082	-	1,082	-	-	1,082
Interdisciplinary	-	-	-	-	-	-	-	-
Special education and habilitative services	725,919	-	-	-	725,919	214,727	457,164	54,028
Total education and human development	732,830	-	1,082	-	733,912	221,985	456,817	55,110
Engineering-								
Interdisciplinary	-	-	-	-	-	-	-	-
Total engineering	-	-	-	-	-	-	-	-
General public service-								
FEMA katrina support	2,758,980	(48)	-	12,933	2,771,865	12,933	2,745,999	12,933
FEMA gustav support	77,335	-	-	-	77,335	-	77,335	-
Children's center	-	-	6,842	-	6,842	-	6,842	-
Lakefront arena	14,618	4,947	-	-	19,565	19,565	-	-
Ogden museum of southern art	5,953	-	-	-	5,953	5,953	-	-
Research park	-	-	360	-	360	-	360	-
Office of research indirect support	-	-	-	-	-	-	-	-
Technology enterprise center	21,714	-	-	-	21,714	-	21,714	-
Total general public service	2,878,600	4,899	7,202	12,933	2,903,634	38,451	2,852,250	12,933
Liberal arts-								
Drama and communications	-	-	-	-	-	-	-	-
History	52,504	-	3,278	-	55,782	35,607	17,792	2,383
Planning and urban studies	178,179	138,193	52,716	-	369,088	149,888	156,346	62,854
School of urban and regional studies	-	-	8,132	-	8,132	8,132	-	-
Sociology	-	-	28,592	-	28,592	18,822	7,053	2,917
Total liberal arts	230,683	138,193	92,718	-	461,594	212,249	181,191	68,154
Metropolitan college-								



Analysis C-2B
Analysis of Current Restricted Fund Expenditures
For the Year Ended June 30, 2009

	SOURCE				OBJECT			
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
Conferences and institutions	-	170,382	-	-	170,382	19,719	124,066	26,597
Continuing education	343,949	-	1,817	-	345,766	170,474	150,853	24,439
Credit programs	69,398	-	-	-	69,398	19,319	50,079	-
Metro TRAC Non-Credit	331,998	-	-	-	331,998	185,443	90,096	56,459
Total metropolitan college	745,345	170,382	1,817	-	917,544	394,955	415,094	107,495
Public broadcasting services-								
WWNO and KTLN radio stations	2,673	-	1,108,860	-	1,111,533	585,867	525,666	-
Sciences-								
Chemistry	-	-	41,908	-	41,908	8,058	33,850	-
Interdisciplinary	47,245	-	-	-	47,245	-	47,245	-
Physics	-	-	-	-	-	-	-	-
Psychology	-	-	25	-	25	-	-	-
Total sciences	47,245	-	41,933	-	89,178	8,058	81,120	-
Urban and public affairs								
Total public service	4,736,885	313,474	1,253,612	13,413	6,317,384	1,536,074	4,537,179	244,131
Academic support--								
Academic administration-								
Business administration	20,317	3,709	-	-	24,026	24,026	-	-
Education and human development	14,493	21,316	-	-	35,809	35,809	-	-
Engineering	7,634	3,322	-	-	10,956	10,956	-	-
Graduate school	2,587	-	-	-	2,587	2,587	-	-
Liberal arts	15,787	-	-	-	15,787	15,787	-	-
Metropolitan college	15,389	578	-	40,076	56,043	54,061	1,982	-
Sciences	11,518	-	-	-	11,518	11,518	-	-
Total academic administration	87,725	28,925	-	40,076	156,726	154,744	1,982	-
Educational support services-								
Interdisciplinary	7,117	-	-	-	7,117	7,117	-	-
Learning resource center	2,199	1,996	-	-	4,195	4,195	-	-
Testing services	1,680	15,626	-	-	17,306	17,306	-	-
Total educational support services	10,996	17,622	-	-	28,618	28,618	-	-
General academic support-								
Honors program	1,164	-	-	-	1,164	1,164	-	-
Office of research indirect support	-	-	-	958,309	958,309	728,831	229,478	-
Intellectual property management	4,271	-	-	-	4,271	4,271	-	-
University computing and communication	21,197	10,262	-	44,965	76,424	66,561	9,863	-
Total general academic support	26,632	10,262	-	1,003,274	1,040,168	800,827	239,341	-
Library-								
Administration	37,143	126,570	11,084	-	174,797	44,123	130,674	-
Total library	37,143	126,570	11,084	-	174,797	44,123	130,674	-



Analysis C-2B
Analysis of Current Restricted Fund Expenditures
For the Year Ended June 30, 2009

	SOURCE				OBJECT			
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
Sciences-								
Developmental math	1,940	-	-	-	1,940	1,940	-	-
Total academic support	164,436	183,379	11,084	1,043,350	1,402,249	1,030,252	371,997	-
Student services--								
Career placement and cooperative education	1,553	-	-	-	1,553	1,553	-	-
Enrollment management-								
Office of enrollment management	2,846	-	-	-	2,846	2,846	-	-
Recruiting and school relations	1,164	-	-	-	1,164	1,164	-	-
Student financial aid	22,777	62,749	-	224,343	309,869	239,789	70,080	-
Total enrollment management	26,787	62,749	-	224,343	313,879	243,799	70,080	-
Social and cultural development-								
Children's center	7,069	7,314	-	813,944	828,327	662,174	166,153	-
Student life-campus activities	647	-	-	-	647	647	-	-
Driftwood	-	-	-	54,594	54,594	26,202	28,392	-
Student government	-	-	-	399,946	399,946	51,554	348,392	-
International students	-	2,564	-	-	2,564	2,564	-	-
International students and scholars	2,716	6,249	-	-	8,965	8,965	-	-
Recreation and intramural sports	1,292	-	11,328	-	12,620	1,292	11,328	-
Recreation and fitness center	-	-	-	734,255	734,255	405,418	328,837	-
Health services	-	-	-	1,164,025	1,164,025	847,275	316,750	-
Student life	3,494	7,760	-	182,973	194,227	181,171	13,056	-
Student technology initiative	-	-	-	1,962	1,962	-	1,962	-
Women's center	258	-	-	-	258	258	-	-
Total social and cultural development	15,476	23,887	11,328	3,351,699	3,402,390	2,187,520	1,214,870	-
Student admissions and records-								
Admissions	19,282	26,646	-	-	45,928	45,928	-	-
Division of academic services	3,882	-	-	-	3,882	3,882	-	-
Registrar	11,388	9,677	-	-	21,065	21,065	-	-
Total admissions and records	34,552	36,323	-	-	70,875	70,875	-	-
Total student services	78,368	122,959	11,328	3,576,042	3,788,697	2,503,747	1,284,950	-
Institutional support--								
Community relations-								
Alumni affairs	1,165	-	-	-	1,165	1,165	-	-
Marketing and communications	5,952	-	-	-	5,952	5,952	-	-
University advancement	15,271	-	-	-	15,271	15,271	-	-
Total community relations	22,388	-	-	-	22,388	22,388	-	-
Executive management-								
Chancellor	16,435	3,383	31,184	-	51,002	51,018	(16)	-
Provost and vice chancellor-academic affairs	20,577	-	-	-	20,577	20,577	-	-



Analysis C-2B
Analysis of Current Restricted Fund Expenditures
For the Year Ended June 30, 2009

	SOURCE				OBJECT			
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
Vice chancellor-financial services	18,507	6,112	-	25,587	50,206	39,736	10,470	-
Vice chancellor-property and facility development	1,812	-	-	-	1,812	1,812	-	-
Vice chancellor-university relations	15,400	970	-	-	16,370	16,370	-	-
Vice chancellor-external affairs	4,661	1,085	4,338	-	10,084	5,745	4,339	-
Total executive management	77,392	11,550	35,522	25,587	150,051	135,258	14,793	-
Fiscal operations-								
Accounting services	18,248	37,330	-	-	55,578	55,578	-	-
Sponsored Programs Accounting	-	74,937	-	710,548	785,485	529,541	181,007	74,937
Total fiscal operations	18,248	112,267	-	710,548	841,063	585,119	181,007	74,937
General administrative-								
Environmental health and safety	2,717	-	-	-	2,717	2,717	-	-
Equipment purchases	-	-	-	46,270	46,270	20,530	25,740	-
Facility rental and event coordination	2,071	-	-	-	2,071	2,071	-	-
Human resource management	8,799	-	-	-	8,799	8,799	-	-
Institutional research	5,305	-	-	-	5,305	5,305	-	-
Miscellaneous expense	-	295,632	-	-	295,632	-	295,632	-
Office supplies	1,294	5,638	-	-	6,932	6,932	-	-
Office of general counsel	3,364	-	-	-	3,364	3,364	-	-
CWS-job location and development	-	50,000	-	-	50,000	37,200	12,800	-
Total general administrative	23,550	351,270	-	46,270	421,090	86,918	334,172	-
Logistical services-								
Purchasing office	11,518	8,912	-	-	20,430	20,430	-	-
Telephone service	5,045	-	-	-	5,045	5,045	-	-
University police	92,859	2,761	342	-	95,962	5,303	90,659	-
Total logistical services	109,422	11,673	342	-	121,437	30,778	90,659	-
Administrative computing support-								
Computer service system development	6,599	-	-	-	6,599	6,599	-	-
University computing and communications	49,565	-	-	-	49,565	49,565	-	-
Total administrative computing support	56,164	-	-	-	56,164	56,164	-	-
Total institutional support	307,164	486,760	35,864	782,405	1,612,193	916,625	620,631	74,937
Operation and Maintenance of Plant--								
General Operations-								
Administration	24,457	3,166	-	-	27,623	27,623	-	-
Alterations and repairs	22,481	-	32,898	1,047,574	1,102,933	122,720	980,213	-
Building and operations	26,093	-	-	-	26,093	4,528	21,565	-
Grounds maintenance	-	-	-	167,383	167,383	-	167,383	-
Janitorial services	3,752	-	-	-	3,752	3,752	-	-
Total general operations	76,783	3,166	32,898	1,214,957	1,327,784	158,623	1,169,161	-



Analysis C-2B
Analysis of Current Restricted Fund Expenditures
For the Year Ended June 30, 2009

	SOURCE				OBJECT			
	State and Local	Federal	Private	Other	Total	Personal Services	Support	Indirect Cost Recovered
Utilities-								
Student utility surcharge	-	-	-	1,432,712	1,432,712	-	1,432,712	-
Utilities maintenance	1,423	-	-	-	1,423	1,423	-	-
Total utilities	1,423	-	-	1,432,712	1,434,135	1,423	1,432,712	-
Total operation and maintenance of plant	78,186	3,166	32,898	2,647,669	2,761,919	160,046	2,601,873	-
Scholarships and fellowships	1,291,462	9,263,316	900,114	9,612	11,464,504	(4,451)	11,455,733	13,222
Educational and general expenditures	24,275,721	24,322,866	18,372,304	14,156,211	81,127,102	34,816,235	41,440,848	4,870,019
Mandatory transfers for -								
Principal and interest	-	-	-	2,381,443	2,381,443	-	-	-
Nonmandatory transfers for -								
Other	-	-	-	2,381,443	2,381,443	-	-	-
Total transfers	-	-	-	2,381,443	2,381,443	-	-	-
Total educational and general	24,275,721	24,322,866	18,372,304	16,537,654	83,508,545	34,816,235	43,822,291	4,870,019
Auxiliary enterprises -								
Expenditures	-	-	-	15,090,273	15,090,273	3,803,756	11,286,517	-
Mandatory transfers for -								
Principal and interest	-	-	-	381,389	381,389	-	-	-
Nonmandatory transfers for -								
Renewals and replacements	-	-	-	-	-	-	-	-
Total auxiliary enterprises	-	-	-	15,471,662	15,471,662	3,803,756	11,667,906	-
Total	\$ 24,275,721	\$ 24,322,866	\$ 18,372,304	\$ 32,009,316	\$ 98,980,207	\$ 38,619,991	\$ 55,490,197	\$ 4,870,019



THE UNIVERSITY of
NEW ORLEANS

University Center
Analysis C-2B1
Analysis of Revenues and Expenditures
For The Year Ended June 30, 2009

	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	\$ 5,215,841	\$ 4,051,911	\$ 296,827	\$ 199,056	\$ 106,855	\$ 81,490	\$ 310,619	\$ 22,610	\$ 25,369	\$ 13,668	\$ 5,108,405	\$ 107,436
Food services	1,433,782	-	65	-	21	6,271	1,005,569	11,221	-	-	1,023,147	410,635
Administration	-	-	-	-	-	-	82,265	-	-	-	82,265	(82,265)
Building services	7,706	-	153,199	21,662	40,652	-	34,981	41,450	-	-	291,944	(284,238)
Recreation area	-	-	-	-	-	-	-	-	-	-	25,085	(25,085)
Rental and leases	14,204	-	-	-	-	-	-	-	-	-	-	14,204
Other activities	5,417	-	-	-	-	-	5,913	-	-	-	5,913	(496)
Total operations	6,676,950	4,051,911	450,091	220,718	147,528	112,846	1,439,347	75,281	25,369	13,668	6,536,759	140,191
Other revenues:												
Fee allocation	265,404	-	-	-	-	-	-	-	-	-	-	265,404
Interest on investments	9,255	-	-	-	-	-	-	-	-	-	-	9,255
Total other revenues	274,659	-	-	-	-	-	-	-	-	-	-	274,659
Totals	\$ 6,951,609	\$ 4,051,911	\$ 450,091	\$ 220,718	\$ 147,528	\$ 112,846	\$ 1,439,347	\$ 75,281	\$ 25,369	\$ 13,668	\$ 6,536,759	\$ 414,850



THE UNIVERSITY of
NEW ORLEANS

University Center
Analysis C-2B1

Statement of Net Assets
June 30, 2009

Assets:	
Cash and cash equivalents	\$ 2,020,381
Accounts receivable	653,678
Inventories	948,933
Deferred and prepaid expense	-
Total Assets	<u>3,622,992</u>
Liabilities	
Accounts payable	-
Deferred revenue	25,262
Total liabilities	<u>25,262</u>
Net Assets	<u>\$ 3,597,730</u>

Analysis of Changes in Fund Balances
For The Year Ended June 30, 2009

Fund Balances:	
Operating fund balance -	
Balance at July 1	\$ 2,674,652
Revenues over/(under) expenditures	414,850
Transfers to unexpended plant fund	429,378
Current fund balance	<u>3,518,880</u>
Equipment renewals and replacements -	
Balance at July 1	65,182
Depreciation charges transferred	13,668
Equipment purchases	-
Current fund balance	<u>78,850</u>
Total Fund Balances	<u>\$ 3,597,730</u>



Resident Housing
Analysis C-2B2
Analysis of Revenues and Expenditures
For the Year Ended June 30, 2009

	Bienville Hall	Pontchartrain Hall	Lafitte Village Apartments	Total
Operating Revenues:				
Rental		\$ 3,017,435	\$ -	\$ 3,017,435
Vending machines		31,894	-	31,894
Total operating revenues	-	3,049,329	-	3,049,329
Operating Expenditures:				
Salaries	2,639	323,324	-	325,963
Wages	3,964	131,927	-	135,891
Related benefits	-	100,513	-	100,513
Managerial services	-	41,803	-	41,803
Supplies and expense	-	2,642,981	38,148	2,681,129
Scholarships	-	102,664	-	102,664
Principal and interest	12,451	-	12,733	25,184
Utilities	-	306,200	-	306,200
Depreciation	-	1,464	-	1,464
Total operating expenditures	19,054	3,650,876	50,881	3,720,811
Operating revenues over/(under) expenditures	(19,054)	(601,547)	(50,881)	(671,482)
Other Revenues:				
Investment income	-	5,883	6,124	12,007
Miscellaneous	-	-	-	-
Privateer Place	134,187	-	-	134,187
Rooftop leases	1	-	-	1
Total other revenues	134,188	5,883	6,124	146,195
Excess of revenues over expenditures	\$ 115,134	\$ (595,664)	\$ (44,757)	\$ (525,287)

Statement of Net Assets
June 30, 2009

	Bienville Hall	Pontchartrain Hall	Lafitte Village Apartments	Total
Assets:				
Cash and cash equivalents	\$ 264,304	\$ 576,165	\$ 1,300,469	\$ 2,140,938
Accounts receivable	39,072	19,974	2,370	61,416
Deferred and prepaid expense	-	7,300	-	7,300
Total Assets	303,376	603,439	1,302,839	2,209,654
Liabilities				
Accounts payable	-	31,010	260	31,270
Deposits held for others	20,880	147,377	225	168,482
Deferred revenues	-	67,160	-	67,160
Total liabilities	20,880	245,547	485	266,912
Net Assets	\$ 282,496	\$ 357,892	\$ 1,302,354	\$ 1,942,742

Analysis of Changes in Fund Balances
For the Year Ended June 30, 2009

Fund Balances:				
Operating fund balance -				
Balance at July 1	\$ 1,312,840	\$ (677,116)	\$ 1,342,707	\$ 1,978,431
Revenues over/(under) expenditures	115,134	(595,664)	(44,757)	(525,287)
Transfers to unexpended plant fund	-	-	-	-
Transfers to other funds	(1,162,651)	1,629,208	-	466,557
Current fund balance	265,323	356,428	1,297,950	1,919,701
Equipment renewals and replacements -				
Balance at July 1	17,173	-	4,404	21,577
Depreciation charges transferred	-	1,464	-	1,464
Equipment purchases	-	-	-	-
Current fund balance	17,173	1,464	4,404	23,041
Total Fund Balances	\$ 282,496	\$ 357,892	\$ 1,302,354	\$ 1,942,742



	The Cove
Operating Revenues:	
Total operating revenues	-
Operating Expenditures:	
Supplies and expense	12,787
Principal and interest	2,115
Total operating expenditures	14,902
Operating revenues over/(under) expenditures	(14,902)
Other Revenues:	
Investment income	1,053
Total other revenues	1,053
Excess of revenues over expenditures	\$ (13,849)

**Statement of Net Assets
June 30, 2009**

Assets:	
Cash and cash equivalents	\$ 219,665
Total Assets	219,665
Liabilities	
Total liabilities	-
Net Assets	\$ 219,665

**Analysis of Changes in Fund Balances
For The Year Ended June 30, 2009**

Fund Balances:	
Operating fund balance -	
Balance at July 1	\$ 222,874
Revenues over/(under) expenditures	(13,849)
Current fund balance	209,025
Equipment renewals and replacements -	
Balance at July 1	10,640
Current fund balance	10,640
Total Fund Balances	\$ 219,665



Operating Revenues:	
Fee allocations	\$ 2,011,398
Admissions and concessions	1,532,554
Total operating revenues	<u>3,543,952</u>
Operating Expenditures:	
Cost of goods sold	28,561
Salaries	1,613,650
Wages	76,045
Related benefits	429,210
Supplies and expense	1,021,526
Scholarships	501,838
Travel	754,661
Depreciation	5,281
Total operating expenditures	<u>4,430,772</u>
Excess of revenues over expenditures	<u>\$ (886,820)</u>

**Statement of Net Assets
June 30, 2009**

Assets:	
Cash and cash equivalents	\$ (5,965,274)
Accounts receivable	828,217
Inventories	27,724
Deferred and prepaid expense	19,384
Total Assets	<u>(5,089,949)</u>
Liabilities	
Accounts payable	98,180
Deferred revenue	122,768
Total liabilities	<u>220,948</u>
Net Assets	<u>\$ (5,310,897)</u>

**Analysis of Changes in Fund Balances
For the Year Ended June 30, 2009**

Fund Balances:	
Operating fund balance -	
Balance at July 1	\$ (4,451,373)
Revenues over/(under) expenditures	(886,820)
Current fund balance	<u>(5,338,193)</u>
Equipment renewals and replacements -	
Balance at July 1	22,015
Depreciation charges transferred	5,281
Equipment purchases	-
Current fund balance	<u>27,296</u>
Total Fund Balances	<u>\$ (5,310,897)</u>



Miscellaneous Auxiliary Enterprises
Analysis C-2B5
Analysis of Revenues and Expenditures
For The Year Ended June 30, 2009

	Campus Copy	Parking Facilities	Vending Machines	Total
Operating Revenues:				
Sales and services	\$ 26,000	\$ 768,322	\$ 68,519	\$ 862,841
Total operating revenues	26,000	768,322	68,519	862,841
Operating Expenditures:				
Salaries	-	239,434	-	239,434
Wages	-	10,311	-	10,311
Related benefits	-	54,405	-	54,405
Managerial services	-	-	-	-
Supplies and expense	10,446	90,341	18,814	119,601
Principal and interest	1,060	325,000	2,662	328,722
Utilities	-	-	-	-
Depreciation	-	15,947	-	15,947
Total operating expenditures	11,506	735,438	21,476	768,420
Operating revenues over/(under) expenditures	14,494	32,884	47,043	94,421
Other Revenues:				
Investment income	500	3,075	1,252	4,827
Total other revenues	500	3,075	1,252	4,827
Excess of revenues over expenditures	\$ 14,994	\$ 35,959	\$ 48,295	\$ 99,248

Statement of Net Assets
June 30, 2009

	Campus Copy	Parking Facilities	Vending Machines	Total
Assets:				
Cash and cash equivalents	\$ 138,381	\$ 739,273	\$ 318,391	\$ 1,196,045
Accounts receivable	189	953	10,404	11,546
Total assets	138,570	740,226	328,795	1,207,591
Liabilities:				
Accounts payable	11,648	901	-	12,549
Accrued payroll and other liabilities	-	-	-	-
Total liabilities	11,648	901	-	12,549
Net Assets	\$ 126,922	\$ 739,325	\$ 328,795	\$ 1,195,042

Analysis of Changes in Fund Balances
For the Year Ended June 30, 2009

Fund Balances:				
Operating fund balance-				
Balance at July 1	\$ 111,928	\$ 687,419	\$ 280,500	\$ 1,079,847
Revenues over/(under) expenditures	14,994	35,959	48,295	99,248
Transfers to unexpended plant	-	-	-	-
Current fund balance	126,922	723,378	328,795	1,179,095
Equipment renewals and replacements-				
Balance at July 1	-	-	-	-
Equipment purchases	-	-	-	-
Transfers from other funds	-	-	-	-
Depreciation charges transferred	-	15,947	-	15,947
Current fund balance	-	15,947	-	15,947
Total fund balances	\$ 126,922	\$ 739,325	\$ 328,795	\$ 1,195,042



	Balance July 1, 2008	Allocations	Expenditures	Balance June 30, 2009
State of Louisiana:				
Facility Planning and Control Department				
Kirschman hall	\$ -	\$ 35,973	\$ 35,973	\$ -
Building repairs	(2,299,890)	2,896,920	2,086,149	(1,489,119)
High temperature hot water distribution		3,329,898	3,329,898	-
Total State of Louisiana	(2,299,890)	6,262,791	5,452,020	(1,489,119)
University debt:				
1997A bond issue-				
Lighting and paving improvements	485,791			485,791
2004A bond issue				
Building and facility repairs	6,065,808	43,719	2,887,370	3,222,157
Total other sources - restated	6,551,599	43,719	2,887,370	3,707,948
Transfers from Other Funds:				
Auxiliary-				
Maestri field video board	(292,000)	-	55,987	(347,987)
Total auxiliary	(292,000)	-	55,987	(347,987)
Restricted-				
CERM ac server room repairs	-		19,200	(19,200)
Cove Renovations	-		6,800	(6,800)
Earl K Long library learning common	-		24,192	(24,192)
Paving and drainage	-		9,000	(9,000)
Performing arts center renovations	-		48,183	(48,183)
Pontchartrain hall boiler	-		68,079	(68,079)
Pontchartrain security fence	(3,000)			(3,000)
Pontchartrain hall mechanical room	-		1,047	(1,047)
Pontchartrain hall kitchen	-		11,207	(11,207)
North campus power plant	(1,205,683)	1,205,683		-
Total restricted	(1,208,683)	1,205,683	187,708	(190,708)
Total transfers from other funds	(1,500,683)	1,205,683	243,695	(538,695)
Other Sources:				
Other	(3,173)			(3,173)
Totals	\$ 2,747,853	\$ 7,512,193	\$ 8,583,085	\$ 1,676,961



SOURCE OF FUNDS

	<u>Total</u>	<u>Current</u>	<u>Plant</u>	<u>Gifts</u>
Educational and Auxiliary Plant:				
Educational plant -				
Buildings -				
North campus power plant	\$ 3,007,728	\$ 3,007,728	-	-
Total educational and auxiliary plant	<u>3,007,728</u>	<u>3,007,728</u>	-	-
Equipment unallocated movable items -				
Educational	1,935,369	1,935,369	-	-
Auxiliary	12,774	12,774	-	-
Library books	691,639	605,989	-	85,650
Total equipment unallocated	<u>2,639,782</u>	<u>2,554,132</u>	-	85,650
Totals	<u>\$ 5,647,510</u>	<u>\$ 5,561,860</u>	<u>\$ -</u>	<u>\$ 85,650</u>



Analysis of Investment in Plant
For Year Ended June 30, 2009

	Cost		Additions/ (Deletions)	Cost		Accumulated Depreciation	Book Value June 30, 2009
	July 1, 2008	June 30, 2009		June 30, 2009	June 30, 2009		
Educational and Auxiliary Plant:							
Educational plant-							
Land	\$ 43,074,000	\$ 43,074,000	\$ -	\$ 43,074,000	\$ -	\$ 43,074,000	
Land improvements - main campus	17,834,838	17,834,838		17,834,838	9,068,179	8,766,659	
Land improvements - east campus	3,545,113	3,545,113		3,545,113	3,231,982	313,131	
Land improvements - research park	3,734,749	3,734,749		3,734,749	1,247,244	2,487,505	
Land improvements - Jefferson center	250,000	250,000		250,000	68,750	181,250	
Administration building - annex	902,810	902,810		902,810	840,499	62,311	
Administration building	769,278	769,278		769,278	769,278	-	
Alumni and development center	542,778	542,778		542,778	551,144	(8,366)	
Bi-centennial education center	2,881,423	2,881,423		2,881,423	2,743,223	138,200	
Biological sciences	3,936,905	3,936,905		3,936,905	3,059,008	877,897	
Bus terminal	11,100	11,100		11,100	10,826	274	
Kirschman hall	19,207,076	19,207,076		19,207,076	2,010,918	17,196,158	
Campus police storage	25,000	25,000		25,000	15,000	10,000	
Campus police	1,737,547	1,737,547		1,737,547	1,309,970	427,577	
Center for energy resource management	16,452,832	16,452,832		16,452,832	3,970,799	12,482,033	
Central utilities plant - east campus	1,807,737	1,807,737		1,807,737	1,595,013	212,724	
Central utilities plant - main campus	4,957,119	4,957,119		4,957,119	4,957,119	-	
Chemical sciences annex	9,626,079	9,626,079		9,626,079	3,692,243	5,933,836	
Chemical storage building	242,132	242,132		242,132	158,990	83,142	
Children's center	1,651,842	1,651,842		1,651,842	779,796	872,046	
Computer center	4,908,536	4,908,536		4,908,536	3,884,369	1,024,167	
Earl K. Long library	16,963,114	16,963,114		16,963,114	16,963,114	-	
East campus service facility	378,702	378,702		378,702	141,139	237,563	
Engineering building	17,003,732	17,003,732		17,003,732	11,012,474	5,991,258	
Fine arts building	960,085	960,085		960,085	872,101	87,984	
Milneburg Hall	2,117,912	2,117,912		2,117,912	2,117,912	-	
Geology and psychology building	2,802,612	2,802,612		2,802,612	2,806,696	(4,084)	
Greenhouse	172,899	172,899		172,899	25,932	146,967	
Health and physical education center	1,798,546	1,798,546		1,798,546	1,798,546	-	
Information kiosks	80,160	80,160		80,160	36,072	44,088	
Jefferson center	1,196,379	1,196,379		1,196,379	499,526	696,853	
Liberal arts building	2,540,070	2,540,070		2,540,070	2,540,070	-	
Mathematics building	4,654,606	4,654,606		4,654,606	3,550,803	1,103,803	
Goldring Hall	9,149,750	9,149,750		9,149,750	1,366,091	7,783,659	
North campus power plant	276,216	276,216	3,007,728	3,283,944	13,486	3,270,458	
Performing arts center	2,965,320	2,965,320		2,965,320	3,084,337	(119,017)	



Analysis of Investment in Plant
For Year Ended June 30, 2009

	Cost July 1, 2008	Additions/ (Deletions)	Cost June 30, 2009	Accumulated Depreciation	Book Value June 30, 2009
Physical plant services	246,533		246,533	248,347	(1,814)
The Oliver St. Pe' building	3,540,162		3,540,162	1,411,844	2,128,318
Science building	2,770,913		2,770,913	2,770,913	-
Slidell campus	71,458		71,458	71,458	-
Student park amphitheater	145,018		145,018	87,008	58,010
Tennis court service building	6,691		6,691	2,340	4,351
Kiefer lakefront arena	47,022,223		47,022,223	34,510,783	12,511,440
Visitor information booths	101,847		101,847	45,830	56,017
Wellness center	13,993,827		13,993,827	2,732,447	11,261,380
Total educational plant	269,057,669	3,007,728	272,065,397	132,673,619	139,391,778
Auxiliary plant-					
Bienville hall	4,396,739		4,396,739	4,396,739	-
The Commons	712,138		712,138	712,138	-
The Cove	541,362		541,362	521,611	19,751
Lafitte village apartments	2,077,647		2,077,647	1,980,330	97,317
Maestri field bullpens	103,316		103,316	7,749	95,567
University center	3,125,790		3,125,790	3,125,790	-
Total auxiliary plant	10,956,992	-	10,956,992	10,744,357	212,635
Equipment unallocated-					
Educational	51,054,217	1,935,369	52,989,586	32,745,444	20,244,142
Auxiliary	507,485	12,774	520,259	463,491	56,768
Library books	32,013,815	691,639	32,705,454	31,718,309	987,145
Total equipment unallocated	83,575,517	2,639,782	86,215,299	64,927,244	21,288,055
Totals	\$ 363,590,178	\$ 5,647,510	\$ 369,237,688	\$ 208,345,220	\$ 160,892,468

**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 2005 to Fall 2009:

**FULL TIME EQUIVALENT (FTE) STUDENT ENROLLMENT FOR FIVE YEARS
FALL 2005 TO FALL 2009**

<u>Student</u>	<u>Fall 2009</u>	<u>Fall 2008</u>	<u>Fall 2007</u>	<u>Fall 2006</u>	<u>Fall 2005</u>	
					<u>Post - Katrina</u>	<u>Pre - Katrina</u>
Undergraduate	8,746	8,628	8,653	9,579	3,710	13,590
Graduate	2,978	2,800	2,710	1,911	1,561	3,094
Total	<u>11,724</u>	<u>11,428</u>	<u>11,363</u>	<u>11,490</u>	<u>5,271</u>	<u>16,684</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 2009-10:

**UNIVERSITY UNDERGRADUATE ENROLLMENT
FISCAL YEARS 1999-2000 THROUGH 2009-10**

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+	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																		
2006-07	1,039	170	2,295	727	922	839	115	2,048	446	820	917	264	6,363					
2007-08	1,056	210	2,162	388	702	730	264	7,072	385	725	758	253	6,136					
2008-09	1,177	192	2,037	413	738	736	262	6,504	344	725	714	248	5,952					
2009-10	1,076	182	1,947	405	713	677	238	6,593	403	686	691	229	5,892					
				451	650	665	252	6,728	477	666	655	243	6,072					

**UNIVERSITY GRADUATE ENROLLMENT
FISCAL YEARS 1999-2000 THROUGH 2009-10**

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+	1-3	4-6	7-8	9+			
1999-00	1,252	26	1,111	1,473	1,087	51	1,291	1,110	68	1,214								
2000-01	1,225	18	1,142	1,485	989	93	1,299	1,136	57	1,237								
2001-02	1,203	22	1,113	1,372	1,055	79	1,443	1,145	40	1,393								
2002-03	1,053	19	1,233	1,248	1,114	108	1,538	1,133	63	1,423								
2003-04	1,055	39	1,214	1,146	1,132	41	1,605	1,118	71	1,488								
2004-05	1,088	72	1,114	1,244	1,153	55	1,673	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																		
2006-07	682	36	692	592	564	28	849	769	60	1,069								
2007-08	590	49	793	804	701	51	1,035	668	123	955								
2008-09	551	62	768	867	661	32	1,150	676	81	1,046								
2009-10	637	56	820	740	680	34	1,299	722	53	1,107								
				760	747	71	1,400	804	79	1,188								

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 2009:

**APPLICATION STATISTICS OF THE UNIVERSITY
FALL 1999 THROUGH FALL 2009**

Fall Semester	Application Totals	Admission Totals	Matriculation Totals
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

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 2009:

**RETENTION RATES OF FIRST-TIME FULL-TIME FRESHMEN
FALL 1999 THROUGH FALL 2009**

Fall Semester	# of New Freshmen	% Returning Fall of Second Year	% Returning Fall of Third Year	% Returning Fall of Fourth Year	% Returning Fall of Fifth Year	% Returning Fall of Sixth Year
1999	1,680	65%	51%	41%	33%	19%
2000	1,870	61%	53%	44%	31%	11%
2001	1,977	68%	52%	40%	18%	21%
2002	1,685	67%	49%	18%	33%	22%
2003	1,962	67%	19%	37%	30%	20%
2004	1,783	19%	41%	33%	26%	18%
2005						
Pre - Katrina	1,969	---	---	---	---	---
2005						
Post - Katrina	215	79%	62%	53%	37%	---
2006	951	69%	54%	47%	---	---
2007	1119	69%	53%	---	---	---
2008	1267	69%	---	---	---	---
2009	1221	---	---	---	---	---

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 2009:

**GRADUATION RATES OF FIRST-TIME FULL-TIME FRESHMEN
FALL 1999 THROUGH FALL 2009**

<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	5%	16%	24%
2000	1,870	7%	17%	24%
2001	1,977	7%	17%	24%
2002	1,685	6%	16%	23%
2003	1,962	5%	9%	21%
2004	1,783	4%	14%	---
2005 Pre-Katrina	1,969	5%	---	---
2005 Post-Katrina	215	17%	---	---
2006	951	---	---	---
2007	1,119	---	---	---
2008	1,267	---	---	---
2009	1,221	---	---	---

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

Tuition and Fees

Tuition and fees account for approximately 27% of total current funds revenue of the University. Tuition and fees are set by the LSU 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 2009-10:

**FULL-TIME UNDERGRADUATE STUDENTS OF THE UNIVERSITY
1999-00 THROUGH 2009-10**

<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	\$3,810	\$10,854
2008-09	\$3,488	\$10,884
2009-10	\$3,704	\$11,860

The following table presents the Off Campus Fee revenues for the fiscal years 1999 through 2009:

**OFF CAMPUS FEE REVENUES
FISCAL YEARS 1999-00 THROUGH 2008-09**

<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

Source: University of New Orleans
Office of Financial Services

Faculty and Staff

At the present time, there are 630 faculty members at the University, 442 of which are full-time faculty members and 188 of which are part-time. Fifty-eight percent (57.5%) of the faculty have doctoral degrees and the student-faculty ratio is 18:1. Staff members total 1,418, 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 46 major fields through the Colleges of Business Administration, Education, Engineering, Liberal Arts, Metropolitan, and Sciences. Master's degrees in 37 fields and doctoral degrees in 12 major fields are available through the Graduate School.

Since its first commencement in 1962, the University has awarded 72,804 degrees. The University produces about 8 percent of Louisiana's graduates from public universities with baccalaureate degrees; approximately 13 percent of master's degrees; and about 9 percent of doctoral degrees. In 2008-2009, the University awarded 1,356 Bachelor's degrees, 562 Master's degrees, 1 Post-Bachelor Certificate and 45 Doctoral degrees, for a total of 1,964 degrees awarded.

Financial Aid

During the 2008-09 academic year, approximately 63% of the University's students received some form of financial aid. The total amount of this financial aid for 2008-09 was \$65,723,609. Of this amount 19.49% was derived from institutional sources, 65.25% from federal sources, 11.80% from state sources, and 3.46% 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 2008-2009, the UNO Foundation received approximately \$3,658,275 in gifts and grants. The UNO Foundation also manages the University's endowments, which were valued at \$ 43,240,126 as of June 30, 2009.

In addition, the University of New Orleans International Alumni Association which is part of the UNO Foundations, 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 2008-2009, the Association received more than \$39,522 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 87% of its students living in the State of Louisiana.

In the fall of 2009, the University had 11,724 (approximately 75% undergraduate and 25% graduate). The University anticipates a 1.0% increase for the Fall 2010 semester for a total of 11,841 students. 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 2008-2009 with an operating budget of \$124,719,036, which was comprised of State Appropriations in the amount of \$74,041,017 and Self-Generated funds of \$50,678,019. Due to a state budget cut in 08-09, the University's state funds were decreased by \$3,153,697 (2.53%) resulting in a final approved budget of \$121,565,339. To help mitigate this reduction, the University was authorized to increase student tuition and fees in 08-09 along with imposing a hiring freeze, adjusting spending on uncommitted account balances and identifying available restricted fund balances to offset the budgetary shortfall.

The University sustained another state appropriation budget cut in fiscal year 2009-2010 in the amount of \$3,822,944 affecting the current unrestricted funds. As a result, the University implemented a plan which entailed sizeable cuts across all administrative and academic support units. However, unrestricted self-generated revenues are, in the aggregate, holding to our estimates and spending is being closely monitored to insure that budgetary units remain within authorized levels. Auxiliary operations which fund our bond issues are on track to end the 2009-2010 fiscal year with an increase to the auxiliary fund balances.

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 LSU System and to the University, as well as, (i) total State general fund appropriations to the LSU System as a percentage of total State higher education appropriations and (ii) total University State general fund appropriations as a percentage of total LSU State general fund appropriations for fiscal years 2005-06 through 2009-2010.

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

FISCAL YEAR	STATE HIGHER EDUCATION TOTAL APPROPRIATIONS	LSU SYSTEM TOTAL APPROPRIATIONS	% LSU SYSTEM TO TOTAL STATE HIGHER EDUCATION APPROPRIATIONS	UNIVERSITY TOTAL APPROPRIATION	% UNIVERSITY TO LSU SYSTEM APPROPRIATION
2005-06	\$1,169,018,385	\$556,565,800	47.61%	\$50,432,223	9.06%
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%

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 (HCSA) appropriations. Data for the year 2009-10 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 2008-09**

Year*	STATE				UNRESTRICTED				RESTRICTED			
	APPROPRIATIONS		TUITION AND FEES		TUITION AND FEES		OTHER REVENUES		Restricted Funds		TOTAL	
	Amount	% of Total	Amount	% of Total	Amount	% 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	32.95%	42,323,615	21.24%	2,240,949	1.12%	11,616,468	5.83%	77,452,780	38.86%	199,303,243	
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	32.75%	46,228,264	21.39%	4,439,786	2.05%	14,559,801	6.74%	80,114,064	37.07%	216,134,305	

**UNRESTRICTED REVENUES OF UNIVERSITY BY SOURCE
FISCAL YEARS 1999-00 THROUGH 2008-09**

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

* Years 1999-00 to 2008-09 - audited
 ** Mid year state appropriation budget cut FY 05-06 -- \$6.5 million; FY 08-09 -- \$3.2.
 Source: University of New Orleans
 Office of Financial Services

RESTRICTED REVENUES OF UNIVERSITY BY SOURCE
FISCAL YEARS 1999-00 THROUGH 2008-09

Year*	TUITION AND CHARGES		GRANTS AND CONTRACTS						OTHER		TOTAL			
	Amount	Total % of	STATE AND LOCAL		FEDERAL		PRIVATE		AUXILIARY		OTHER		Amount	Total % of
			Amount	Total % of	Amount	Total % of	Amount	Total % of	Amount	Total % of	Amount	Total % of		
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%	4,374,687	5.12%	85,448,346	100.00%
2006-07	9,563,229	10.74%	16,181,996	18.17%	31,814,838	35.72%	13,218,972	14.84%	11,616,468	13.04%	6,673,745	7.49%	89,069,248	100.00%
2007-08	10,054,375	11.13%	19,586,267	21.68%	26,195,997	29.00%	15,466,145	17.12%	12,919,768	14.30%	6,116,991	6.77%	90,339,543	100.00%
2008-09	10,609,713	11.21%	23,025,767	24.32%	24,324,455	25.69%	16,561,401	17.49%	14,559,801	15.38%	5,592,728	5.91%	94,673,865	100.00%

* Years 1998-99 to 2008-09 - 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 included in efficiency, 2 bedroom and 4 bedroom suites. The efficiency room rates for the Fall 2009 semester were \$3,475. The rates for the two and four bedroom suites were \$2,990 and \$2,360, respectively. The need for housing is more significant now than prior to Hurricane Katrina. Many of the University's students lived off-campus in apartments in the surrounding neighborhoods. Those neighborhoods were flooded, and it is not likely that they will be rebuilt in the near future. Therefore, the demand for housing for students who lived off-campus prior to Hurricane Katrina has increased drastically.

The University's married/family housing, Lafitte Village Apartments, closed in 2005 due to Hurricane Katrina, but is scheduled to reopen in Fall of 2011. Phase One, Contents Removal, and Phase Two, the Re-Roofing all five (5) structures, is complete. Phase Three which is Mold and Asbestos Remediation is currently in progress. The design for the putback of all five structures is complete and will bid early summer with a contract completion date of Fall 2011. There are 120 apartment units in Lafitte Village; one bedroom units (48) which would have rented for \$455 per month and two bedroom units (72) which would have rented for \$525 per month had the facility been open.

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 2008-2009, the revenue generated from this arrangement totalled \$134,187 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 2009-2010 fiscal year, the cost of an efficiency apartment (1 bed) was \$1,002 per month, a 2-bedroom was \$676 per month per person and a 4-bedroom was \$570 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 2005 to 2009:

**RESIDENCE HALL AND APARTMENT OCCUPANCY
FALL 2005 THROUGH FALL 2009**

	<u>Capacity</u>	<u>Occupancy</u>	<u>Percent Occupancy</u>
FALL 2005 Pre-Katrina			
Residence Halls	610	590	96.72%
Apartments	120	120	100.00%
Total	<u>730</u>	<u>710</u>	97.26%
FALL 2005 Post-Katrina			
Residence Halls	610	0	0.00%
Apartments	120	0	0.00%
Total	<u>730</u>	<u>0</u>	0.00%
FALL 2006			
Residence Halls	610	433	70.98%
Apartments*	120	0	0.00%
Total	<u>730</u>	<u>433</u>	59.32%
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%

* Lafitte Village Apartments suffered flood and wind damage from Hurricane Katrina. The facility is scheduled to reopen in Fall 2011.

The following table shows the relative revenue contribution of each Auxiliary Enterprise for the fiscal years 2004-05 through 2008-09:

**HISTORICAL AUXILIARY ENTERPRISE REVENUES
for fiscal years 2004-2005 to 2008-09**

	FY 2008-09		FY 2007-08		FY 2006-07		FY 2005-06		FY 2004-05	
	Amount	% Total	Amount	% Total	Amount	% Total	Amount	% Total	Amount	% Total
Student Housing (1)	3,195,524	29.01%	2,678,098	26.93%	1,237,119	14.57%	1,008,440	15.79%	2,120,230	19.41%
Food and Vending Services (2)	1,504,606	13.66%	1,236,090	12.43%	1,175,209	13.84%	613,059	9.60%	1,313,572	12.02%
University Center (3)	5,517,827	50.09%	5,339,451	53.69%	5,482,753	64.55%	4,183,581	65.53%	6,636,153	60.75%
Campus Copy Center (4)	26,500	0.24%	17,256.00	0.17%	3,791	0.04%	15,902	0.25%	51,711	0.47%
Parking, Traffic and Safety Services	\$771,397	7.00%	\$674,261	6.78%	594,756	7.00%	563,652	8.83%	802,405	7.35%
Total	\$11,015,854	100.00%	\$9,945,156	100.00%	\$8,493,628	100.00%	\$6,384,634	100.00%	\$10,924,071	100.00%

(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 is projected to reopen in Fall 2011.

(2) Includes The Cove (which has been closed since Hurricane Katrina--August 2005, scheduled to reopen in Spring semester 2011), 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, 2005 through 2009:

**UNIVERSITY OF NEW ORLEANS
AUXILIARY ENTERPRISES**

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

	Audited				
	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Revenues	\$ 3,195,524	\$ 2,678,098	\$ 1,237,119	\$ 1,008,440	\$ 2,120,230
Expenditures	3,695,627	3,363,192	1,089,889	1,045,561	1,351,810
Debt Service	25,184	50,532	40,083	71,790	46,748
Total Expenditures	3,720,811	3,413,724	1,129,972	1,117,351	1,398,558
Excess of Revenues over/(under) Expenditures	\$ (525,287)	\$ (735,626)	\$ 107,147	\$ (108,911)	\$ 721,672

NOTE: Student Housing as presented above includes the Pontchartrain Hall (opened in late 2007), Lafitte Village Apartments (not scheduled to reopen until Fall 2011; 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>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Revenues	\$ 1,504,606	\$ 1,236,090	\$ 1,175,209	\$ 613,059	\$ 1,313,572
Expenditures	1,054,748	868,197	809,769	661,473	1,092,072
Debt Service	4,777	9,129	6,185	10,500	6,197
Total Expenditures	1,059,525	877,326	815,954	671,973	1,098,269
Excess of Revenues over/(under) Expenditures	\$ 445,081	\$ 358,764	\$ 359,255	\$ (58,914)	\$ 215,303

NOTE: Food and vending services include The Cove (scheduled to reopen in Spring semester 2011), 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>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Revenues	\$ 5,517,827	\$ 5,339,451	\$ 5,210,831	\$ 4,183,581	\$ 6,636,153
Expenditures	5,488,243	5,254,109	5,516,688	4,730,229	6,527,049
Debt Service	25,369	42,766	27,215	61,794	51,242
Total Expenditures	5,513,612	5,296,875	5,543,903	4,792,023	6,578,291
Excess of Revenues over/(under) Expenditures	\$ 4,215	\$ 42,576	\$ (333,072)	\$ (608,442)	\$ 57,862

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>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Revenues	\$ 26,500	\$ 17,256	\$ 3,791	\$ 15,902	\$ 51,711
Expenditures	10,446	11,806	13,630	15,505	18,424
Debt Service	1,060	2,020	1,544	2,643	1,554
Total Expenditures	11,506	13,826	15,174	18,148	19,978
Excess of Revenues over/(under) Expenditures	<u>\$ 14,994</u>	<u>\$ 3,430</u>	<u>\$ (11,383)</u>	<u>\$ (2,246)</u>	<u>\$ 31,733</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>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Revenues	\$ 771,397	\$ 674,261	\$ 594,756	\$ 563,652	\$ 802,405
Expenditures	410,438	311,372	207,157	253,763	371,771
Debt Service	325,000	300,000	299,997	300,000	300,000
Total Expenditures	735,438	611,372	507,154	553,763	671,771
Excess of Revenues over Expenditures	<u>\$ 35,959</u>	<u>\$ 62,889</u>	<u>\$ 87,602</u>	<u>\$ 9,889</u>	<u>\$ 130,634</u>

The following is a summary of revenue and expenditures of the Auxiliary Enterprises of the University for the fiscal years ended June 30, 2005 through 2009 excluding debt service:

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

	Audited				
	<u>2008-09</u>	<u>2007-08</u>	<u>FY 2006-07</u>	<u>FY 2005-06</u>	<u>FY 2004-05</u>
Total Revenues	\$ 11,015,854	\$ 9,945,156	\$ 8,221,706	\$ 6,384,634	\$ 10,924,071
Total Expenditures	10,659,502	9,808,677	7,637,133	6,706,531	9,358,607
Excess of Revenues over/(under) Expenditures	<u>\$ 356,352</u>	<u>\$ 136,479</u>	<u>\$ 584,573</u>	<u>\$ (321,897)</u>	<u>\$ 1,565,464</u>