



# Report Highlights

## Louisiana State University System

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### Why We Conducted This Audit

We conducted a financial statement audit of the Louisiana State University System (System) for the year ended June 30, 2013, as a part of the Single Audit of the State of Louisiana and to provide accountability over public funds.

### What We Found

- The System's financial statements are fairly stated, and we found no significant deficiencies or material weaknesses that require reporting in the System report. Findings related to the campuses and hospitals and management's responses are included in their respective reports.
- During the fiscal year, the System entered into public-private partnerships for indigent health care services. As a result, three out of the state's 10 public hospitals are now managed by private entities; one hospital closed; and one hospital's inpatient facility closed while its clinics are being operated by a private entity. In addition, during fiscal year 2014, three additional hospitals will transfer management to private entities and one additional hospital will close. It is anticipated that by the end of fiscal year 2014, only one hospital will remain under the management of the System.
- Operating expenses and hospital income continue to decline because of the hospital privatization agreements noted above. Payments received in consideration for these agreements caused an increase in state appropriations for hospital activities; however, state appropriations received for other purposes continued to decrease. This only represents the cost to the LSU System, and not the state as a whole.

