



# 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, 2012, as a part of the Single Audit of the State of Louisiana and to provide accountability over public funds for the period July 1, 2011, through June 30, 2012.

### What We Found

We tested controls, compliance, and financial reporting for certain accounts such as cash, investments, capital assets, bonds payable, other postemployment benefits, tuition and fees, hospital income, grants and contracts, state appropriations, education and general expenses, and hospital expenses. Our procedures disclosed the following:

- The System's financial statements are fairly stated and we found no weaknesses in controls or violation of laws that are required to be reported at the System level.
- Pursuant to Act 419 of the 2011 Regular Legislative Session, the University of New Orleans (UNO) was transferred to the University of Louisiana System. Accordingly, all transactions and balances of UNO for the fiscal year ended June 30, 2012, are excluded from these financial statements and all beginning balances have been restated.
- Management represented to us that exclusive of the impact of the transfer of UNO, factors contributing to the loss of faculty include nationwide demand for faculty with highly competitive salaries, lack of salary raises for the past four years, and attrition.
- Operating expenses continue to decline in response to decreasing state and federal revenues.

