

SOUTHERN UNIVERSITY SYSTEM**Single Audit Report
for the Year Ended June 30, 2013
and Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **APR 02 2014**

SOUTHERN UNIVERSITY SYSTEM

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS	1
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013:	
Baton Rouge Campus	3
New Orleans Campus	11
Shreveport-Bossier City Campus	14
Law Center	17
Agricultural Research and Extension Center	18
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS	20
SUPPLEMENTAL INFORMATION	
Schedule of Federally Assisted Loans for the Year Ended June 30, 2013	25
	26
Schedule of Fixed-Price Contracts for the Year Ended June 30, 2013	28
Schedule of Non-State Sub-Recipients of Major Federal Programs for the Year Ended June 30, 2013	
OTHER INDEPENDENT AUDITORS' REPORTS	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Schedules of Expenditures of Federal Awards Performed in Accordance with <i>Government Auditing Standards</i>	31
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	35
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	37

Silva Gurtner & Abney

Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Supervisors of
Southern University System
Baton Rouge, Louisiana

Report on the Schedules of Expenditures of Federal Awards

We have audited the accompanying Schedules of Expenditures of Federal Awards (the SEFAs) of the Southern University System (the University), component unit of the State of Louisiana, for the year ended June 30, 2013, and the related notes to schedules of expenditures of federal awards. The accompanying Schedules of Expenditures of Federal Awards are not a part of the University's component unit financial statements for the year ended June 30, 2013. The component unit financial statements were audited by the State of Louisiana's Legislative Auditor whose report has not been issued as of this report issuance date.

Management's Responsibility for the Schedules of Expenditures of Federal Awards

Management is responsible for the preparation and fair presentation of the SEFAs in accordance with accounting principles generally accepted in the United States of America, the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, and the accounting policies of the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the SEFAs that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the SEFAs based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133. Those standards and the provisions of OMB A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the SEFAs are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the SEFAs. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the SEFAs, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the SEFAs in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the SEFAs.

4330 Dumaine Street
New Orleans, LA 70119
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.
Mandeville, LA 70448
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane
P O Box 50, Pass Christian, MS 39571
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company
www.silva-cpa.com

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedules of Expenditures of Federal Awards referred to above present fairly, in all material respects, the expenditures of federal awards for the year ended June 30, 2013 in accordance with accounting principles generally accepted in the United States of America, the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, and the accounting policies of the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy.

Emphasis of Matter

As described in Note A to the financial statements, the accounting policies of the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy require the University to exclude expenditures of federal awards from other State of Louisiana component units (interagency federal flow-through funds). Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Schedules of Expenditures of Federal Awards of the University as a whole. The schedules of federally assisted loans, fixed-price contracts, and non-state sub-recipients of major federal programs are presented for purposes of additional analysis as required by the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy, and are not a required part of the SEFAs. The schedules of federally assisted loans, fixed-price contracts, and non-state sub-recipients of major federal programs are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the SEFAs. Such information has been subjected to the auditing procedures applied in the audit of the SEFAs and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the SEFAs or to the SEFAs, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of federally assisted loans, fixed-price contracts, and non-state sub-recipients of major federal programs are fairly stated, in all material respects, in relation to the SEFAs as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2014, on our consideration of the University'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Silva Gurtner & Abney, LLC

New Orleans, Louisiana
February 4, 2014

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Agriculture			
<u>Direct Awards</u>			
Market Protection and Promotion	10.163	N/A	\$ 25,165
1890 Institution Capacity Building Grants	10.216	N/A	531,201
Forest Products Lab: Technology Marketing Unit (TMU)	10.674	N/A	4,093
Urban and Community Forestry Program	10.675	N/A	29,951
<u>Research and Development Cluster</u>			
Agriculture and Food Research Initiative	10.310	N/A	334,151
Total U.S. Department of Agriculture			924,561
(Continued)			

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Defense			
<u>Awards from a Pass-Through Entity</u>			
Pass-Through: EMAssist, Inc. US Army Mentor Protege Program	12.Unknown	SBR-C0114-01, SBR-DT1259-01, SBR-OT1259-02	\$ 15,508
<u>Research and Development Cluster</u>			
<u>Direct Awards</u>			
Basic and Applied Scientific Research	12.300	N/A	(16,898)
Basic and Applied Scientific Research	12.431	N/A	38,052
Basic, Applied, and Advanced Research in Science and Engineering	12.630	N/A	25,911
Air Force Defense Research Sciences Program	12.800	N/A	313,139
<u>Awards from a Pass-Through Entity</u>			
Pass-Through: Tetra Tech, Inc. Basic and Applied Scientific Research	12.300	1020877, 1036773	262,818
Pass-Through: North Carolina State University Basic Scientific Research	12.431	W911NF-09-1-0269	22,973
Pass-Through: CH2MHill, Inc. Basic, Applied, and Advanced Research in Science and Engineering	12.630	PO 909752/ 923644	5,618
Pass-Through: Abt Associates, Inc. Basic, Applied, and Advanced Research in Science and Engineering	12.630	SUBCONTRACT#27309-2	53,855
Pass-Through: Clarkson Aerospace Corp. Air Force Defense Research Sciences Program	12.800	SUSE06S56707C1/SUO8S5670010, SUSE08S56700, SU08S5670011, FA95500910367	69,376
Total U.S. Department of Defense			790,352

(Continued)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<i>Federal Grantor/Program Name</i>	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Housing and Urban Development			
<u>Direct Awards</u>			
Historically Black Colleges and Universities Program	14.520	N/A	\$ 291,694
<u>State-Administered CDBG Cluster</u>			
<u>Awards from a Pass-Through Entity</u>			
Pass-Through: City of Baton Rouge Community Development Block Grants/State's Program	14.228	CFMS #684377	53,948
Total U.S. Department of Housing and Urban Development			345,642
U.S. Department of Justice			
<u>Direct Awards</u>			
Violence Against Women Act Court Training and Improvement Grants	16.013	N/A	81,261
Total U.S. Department of Justice			81,261
U.S. Department of Transportation			
<u>Direct Awards</u>			
Highway Training and Education	20.215	N/A	17,639
<u>Federal Transit Cluster</u>			
<u>Awards From a Pass-Through Entity</u>			
Pass-Through: City of Baton Rouge Federal Transit — Capital Investment Grants	20.500	LA-04-0040-00	475,000
Total U.S. Department of Transportation			492,639

(Continued)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
National Aeronautics and Space Administration			
<u>Direct Awards</u>			
Education	43.008	N/A	\$ 202,316
<u>Awards From a Pass-Through Entity</u>			
Pass-Through: Jacobs Technology Inc. Science	43.001	HBC-BOA-00 TASK ORDER 12 and 13	103,531
<u>Research and Development Cluster</u>			
Science	43.001	N/A	<u>47,078</u>
Total National Aeronautics and Space Administration			352,925
National Endowment for the Humanities			
<u>Direct Awards</u>			
Promotion of the Humanities - Fellowships and Stipends	45.160	N/A	<u>27,055</u>
Total National Endowment for the Humanities			27,055

(Continued)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. National Science Foundation			
<u>Direct Awards</u>			
Education and Human Resources	47.076	N/A	\$ 98,129
International Science and Engineering	47.079	N/A	28,793
<u>Awards from a Pass-Through Entity</u>			
Pass-Through: California Institute of Technology Mathematical and Physical Sciences	47.049	CHE-0802907	(472)
Pass-Through: Research Foundation of CUNY - Hunter College Education and Human Resources	47.076	400750001A	59,360
<u>Research and Development Cluster</u>			
<u>Direct Awards</u>			
Engineering Grants	47.041	N/A	120,220
Mathematical and Physical Sciences	47.049	N/A	427,268
ARRA-Computer and Information Science and Engineering	47.070	N/A	99,950
Education and Human Resources	47.076	N/A	<u>1,723,829</u>
Total U.S. National Science Foundation			2,557,077
Nuclear Regulatory Commission			
<u>Direct Awards</u>			
U. S. Nuclear Regulatory Commission Minority Serving Institutions Program	77.007	N/A	<u>53,584</u>
Total Nuclear Regulatory Commission			53,584

(Continued)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Energy			
<u>Awards From a Pass-Through Entity</u>			
Pass-Through: Prairie View A&M College National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	N/A	\$ 47,245
Pass-Through: Thurgood Marshall College Fund Minority Economic Impact	81.137	Award Letter	6,023
<u>Research and Development Cluster</u>			
Fossil Energy Research and Development National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.089	N/A	167,435
	81.123	N/A	<u>302,020</u>
Total U.S. Department of Energy			522,723
U.S. Department of Education			
<u>Direct Awards</u>			
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	N/A	74
Higher Education - Institutional Aid	84.031	N/A	6,523,310
Rehabilitation Long -Term Training	84.129	N/A	373,564
Capacity Bldg for Traditionally Underserved Populations	84.315	N/A	190,066
Higher Education Disaster Relief Program	84.938	N/A	190,832
<u>Student Financial Assistance Cluster</u>			
Federal Supplementary Educational Opportunity Grants	84.007	N/A	802,718
Federal Work Study Program	84.033	N/A	954,741
Federal Pell Grant Program	84.063	N/A	16,271,784
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	N/A	6,787

(Continued)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
<u>TRIO Cluster</u>			
TRIO - Talent Search	84.044	N/A	\$ 433,856
TRIO - Upward Bound	84.047	N/A	792,965
TRIO - Mcnair Post Baccalaureate Achievement	84.217	N/A	<u>104,340</u>
Total U.S. Department of Education			26,645,037
U.S. Department of Health and Human Services			
<u>Direct Awards</u>			
Advanced Nursing Education Traineeship	93.358	N/A	6,413
<u>Awards from a Pass-Through Entity:</u>			
Pass-Through: American Society for Cell Biology Human Genome Research	93.172	327887	1,056
<u>Student Financial Assistance Cluster</u>			
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	N/A	<u>450,000</u>
Total U.S. Department of Health and Human Services			457,469
U.S. Department of Homeland Security			
<u>Direct Awards</u>			
Scientific Leadership Awards	97.062	N/A	<u>12,462</u>
Total U.S. Department of Homeland Security			<u>12,462</u>
Total Expenditures of Federal Awards Excluding Loans			<u>\$ 33,262,787</u>

(Continued)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
 BATON ROUGE CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
<u>Student Financial Assistance Cluster</u>			
Federal Direct Student Loans	84.268	N/A	<u>\$ 52,596,646</u>
Total Expenditures of Federal Awards Including Loans			<u><u>\$ 85,859,433</u></u>

(Concluded)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Defense			
<u>Research and Development Cluster</u>			
Military Medical Research and Development	12.420	N/A	<u>\$ 5,159</u>
Total U.S. Department of Defense			5,159
U.S. Department of Housing and Urban Development			
<u>Direct Awards</u>			
Historically Black Colleges and Universities Program	14.520	N/A	219,497
<u>HOPE VI Cluster</u>			
<u>Awards from a Pass-Through Entity</u>			
Passed-Through: Housing Authority of New Orleans			
Demolition and Revitalization of Severely Distressed Public Housing	14.866	LA-48-URD-001-J107	<u>16,135</u>
Total U.S. Department of Housing and Urban Development			235,632
U.S. National Science Foundation			
<u>Direct Awards</u>			
Biological Sciences	47.074	N/A	40,335
Education and Human Resources	47.076	N/A	<u>512,961</u>
Total U.S. National Science Foundation			553,296

(Continued)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Energy			
<u>Awards from a Pass-Through Entity</u>			
Passed-Through: Alabama A&M University	81.123		
Mentoring and Training SUNO Students		SUB-DE-NA0001890-SUNO	\$ 1,944
Passed-Through: Howard University			
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	0007701-1000043012	9,312
Total National Nuclear Security Administration			11,256
U.S. Department of Education			
<u>Direct Awards</u>			
Higher Education - Institutional Aid	84.031B	N/A	3,217,850
<u>Student Financial Assistance Cluster</u>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	157,721
Federal Work-Study Program	84.033	N/A	219,197
Federal Pell Grant Program	84.063	N/A	8,012,594
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	N/A	127,391

(Continued)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
<u>TRIO Cluster</u>			
TRIO - Student Support Services	84.042	N/A	\$ 465,744
TRIO - Talent Search	84.044	N/A	296,097
TRIO - Upward Bound	84.047	N/A	<u>458,662</u>
Total U.S. Department of Education			<u>12,955,256</u>
Total Expenditures of Federal Awards Excluding Loans			<u>\$ 13,760,599</u>
<u>Student Financial Assistance Cluster</u>			
Federal Direct Student Loans	84.268	N/A	<u>\$ 25,004,223</u>
Total Expenditures of Federal Awards Including Loans			<u>\$ 38,764,822</u>
			(Concluded)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
SHREVEPORT-BOSSIER CITY CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Housing and Urban Development			
<u>Direct Awards</u>			
Historically Black Colleges and Universities Program	14.520	N/A	\$ <u>71,335</u>
Total U.S. Department of Housing and Urban Development			71,335
U.S. Department of Labor			
<u>Direct Awards</u>			
Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	17.275	N/A	<u>936,489</u>
Total U.S. Department of Labor			936,489
National Endowment for the Humanities			
<u>Direct Awards</u>			
Promotion of the Humanities - Division of Preservation and Access	45.149	N/A	<u>2,736</u>
Total National Endowment for the Humanities			2,736
U.S. National Science Foundation			
<u>Direct Awards</u>			
Education and Human Resources	47.076	N/A	<u>478,902</u>
Total U.S. National Science Foundation			478,902
U.S. Department of Education			
<u>Direct Awards</u>			
Higher Education - Institutional Aid	84.031	N/A	3,731,001

(Continued)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
SHREVEPORT-BOSSIER CITY CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
<u>Student Financial Assistance Cluster</u>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 57,318
Federal Work-Study Program	84.033	N/A	242,956
Federal Pell Grant Program	84.063	N/A	9,971,224
<u>TRIO Cluster</u>			
TRIO - Student Support Services	84.042	N/A	92,499
TRIO - Talent Search	84.044	N/A	390,748
TRIO - Upward Bound	84.047	N/A	1,018,383
TRIO - Educational Opportunity Centers	84.066	N/A	217,724
Total U.S. Department of Education			15,721,853
U.S. Department of Health and Human Services			
<u>Research and Development Cluster</u>			
Minority Health and Health Disparities Research	93.307	N/A	36,518
Assets for Independence Demonstration Program	93.602	N/A	17,347
Child Health and Human Development Extramural Research	93.865	N/A	68,964
Total U.S. Department of Health and Human Services			122,829
Total Expenditures of Federal Awards Excluding Loans			\$ 17,334,144

(Continued)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
 SHREVEPORT-BOSSIER CITY CAMPUS – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
<u>Student Financial Assistance Cluster</u>			
Federal Perkins Loans	84.038	N/A	\$ 323,406
Federal Direct Student Loans	84.268	N/A	<u>9,670,154</u>
Total Expenditures of Federal Awards Including Loans			<u>\$ 27,327,704</u>

(Concluded)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
LAW CENTER – SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
Internal Revenue Service			
<u>Direct Awards</u>			
Low Income Taxpayer Clinic	21.008	N/A	<u>\$ 58,869</u>
Total U.S. National Science Foundation			58,869
U.S. Department of Education			
<u>Direct Awards</u>			
Higher Education - Institutional Aid	84.031B	N/A	<u>3,281,329</u>
Total U.S. Department of Education			<u>3,281,329</u>
Total Expenditures of Federal Awards Excluding Loans			<u>\$ 3,340,198</u>
<u>Student Financial Assistance Cluster</u>			
Federal Direct Student Loans	84.268	N/A	<u>17,700,185</u>
Total Expenditures of Federal Awards Including Loans			<u>\$ 21,040,383</u>

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
 AGRICULTURAL RESEARCH AND EXTENSION CENTER –
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Agriculture			
<u>Direct Awards</u>			
Rural Business Enterprise Grants	10.769	N/A	\$ 108,298
1890 Institution Capacity Building Grants	10.962	N/A	1,200
<u>Awards from a Pass-Through Entity</u>			
Pass-Through: University of Georgia Cooperative Extension Service	10.500	2010-51300-21760, RE675- 116/4892406	8,630
Pass-Through: University of Nebraska - Lincoln Cooperative Extension Service	10.500	58977-26-6365-0001-350	3,205
<u>Research and Development Cluster</u>			
Cooperative Forestry Research	10.202	N/A	210,283
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	N/A	20
1890 Institution Capacity Building Grants	10.216	N/A	970,760
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	10.443	N/A	369,347
Cooperative Extension Service	10.500	N/A	279,484
Scientific Cooperation Exchange Program with China	10.614	N/A	2,090
Total U.S. Department of Agriculture			1,953,317

(Continued)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
 AGRICULTURAL RESEARCH AND EXTENSION CENTER –
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Justice			
<u>Awards from a Pass-Through Entity</u>			
Passed-Through: 4-H National Juvenile Mentoring Program	16.726	2011-OJJDP-MNTR-119	<u>\$ 68,901</u>
Total U.S. Department of Justice			<u>68,901</u>
Total Expenditures of Federal Awards			<u>\$ 2,022,218</u>
			(Concluded)

See the accompanying independent auditors' report and notes to the schedules of expenditures of federal awards.

**SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the University – The Southern University System (the University), is a publicly supported institution of higher education. The University is a political subdivision of the State of Louisiana, as defined by Government Accounting Standards Board Codification Section 2100, *Defining the Financial Reporting Entity*, within the Executive Branch of government, under the management and supervision of the Southern University Board of Supervisors. However, the annual budget of the University and proposed changes to the degree programs, departments of instruction, etcetera, require the approval of the Board of Regents. The Board of Supervisors is comprised of 16 members appointed for a six-year term by the Governor of the State with the consent of the Senate. The sixteen-member board consists of two members from each of the State’s Congressional Districts, one member from the State at large, and one student member. The student member, who serves a one-year term, is elected annually from the current presidents of the student body. As a state agency, the University’s instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature.

The Southern University System is comprised of six separate agencies. These agencies are:

1. Board and System Administration
2. Baton Rouge Campus
3. New Orleans Campus
4. Shreveport-Bossier City Campus
5. Law Center
6. Agricultural Research and Extension Center.

Presentation – The accompanying Schedules of Expenditures of Federal Awards (the SEFAs) present the activity of all federal financial assistance programs administered by the Southern University System in the format set in forth in the Office of Management and Budget (OMB) Circular A-133 and the related compliance supplement. All expenditures of federal awards received directly from federal agencies and pass-through entities are included in the SEFAs, except for expenditures of federal awards from other State of Louisiana component units (interagency federal flow-through funds) which the accounting policies of the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy require the University to exclude. Because the SEFAs present only a selected portion of the activities of the University, it is not intended to and does not present either the financial position, changes in fund balances, or the current funds revenues, expenditures, or other changes of the University.

Annually, the State of Louisiana issues a Schedule of Expenditures of Federal Awards, which includes the activity contained in the accompanying Schedules of Expenditures of Federal Awards.

All federal grant expenditures, except Cooperative Extension (CFDA No. 10.500) and payments to 1890 Land Grant Colleges and Tuskegee University (CFDA No. 10.205), are accounted for in the current funds – restricted of the respective agency of the University. Grant expenditures relative to the CFDA Nos. 10.205 and 10.500 are accounted for in the current funds – unrestricted for the Baton Rouge Campus.

The purpose of the Schedule of Expenditures of Federal Awards is to present a summary of those activities of the Southern University System for the year ended June 30, 2013, which have been financed principally by the U.S. Government (federal awards). For purposes of the SEFAs, federal awards include all federal assistance and procurement relationships entered into directly between the University and the

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

federal government and sub-awards from non-federal organizations made under federally sponsored agreements.

Basis of Accounting – Except as explained in the paragraph below, the accompanying Schedules of Expenditures of Federal Awards are presented using the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America, OMB Circular A-133, and the Office of Statewide Reporting and Accounting Policy.

Fixed-Price Contracts – These contracts provide that a specified amount of funds will be paid upon the delivery of a product, generally, a report on the results of a research study. As a result, the amount of federal awards that may be expended under fixed-price contracts is limited to the amount of funds received from the contracts, regardless of the amount of costs incurred to perform the contracts or the period in which those costs were incurred.

Indirect Costs – Certain costs, such as those associated with budgeting, accounting, personnel administration, et cetera, benefit more than one program but are not readily assignable to the programs receiving the benefits. The University applies a federally approved indirect cost rate to direct program costs to recover a portion of these indirect costs from federal grants or contracts. Indirect costs charged to federal grants and contracts by means of approved indirect cost rates are recognized as disbursements or expenditures in the SEFAs.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE B – PROGRAM ACTIVITY, ORGANIZATION, AND FINANCING (PERKINS LOANS)

The Perkins Loan Program, formerly the National Direct Student Loan Program, is operated by the University under an agreement with the U.S. Department of Education. Each campus within the University maintains its own separate loan fund. The accounts of each Perkins Loan are included among the loan funds for each campus within the University.

The Shreveport-Bossier City campus is the only campus still participating in the Perkins Loan Program but did not disburse any Perkins Loans to students during the year ended June 30, 2013. Additionally, the campuses did not receive any federal capital contributions during the year ended June 30, 2013.

**SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013**

Listed below is a brief summary of the loan activity as taken from the unaudited records for the campus:

Shreveport-Bossier Campus

	Inception to June 30, 2013 <u>(Unaudited)</u>	For the Year Ended <u>June 30, 2013</u>
Contributions		
Federal	\$ 941,904	\$ -
University	<u>104,656</u>	<u>-</u>
Total	<u>\$ 1,046,560</u>	<u>\$ -</u>
Repayments of Fund Capital		
Federal	\$ 417,278	\$ -
University	<u>44,564</u>	<u>-</u>
Total	<u>\$ 461,842</u>	<u>\$ -</u>
Analysis of Loans Receivable		
Balance as of July 1, 2012		\$ 437,437
Less: Collection		<u>(6,229)</u>
Balance as of June 30, 2013		<u>\$ 431,208</u>

NOTE C – PELL GRANT PROGRAM

The Pell Grant Program provides eligible students with a foundation of financial aid to help defray the costs of post-secondary education. The University receives direct payment from the U.S. Department of Education for allowable administrative costs. During the year ended June 30, 2013, each campus disbursed the following allowable administrative costs related to Pell Grants from the U.S. Department of Education.

Baton Rouge	\$ 20,950
New Orleans	9,580
Shreveport-Bossier City	12,715

NOTE D – FEDERAL DIRECT STUDENT LOAN PROGRAM

The Federal Direct Student Loan Program enables eligible students to borrow directly from a bank or other lending institutions, and a portion of the loan is guaranteed by the U.S. Federal Government. The loan activity is not required to be recorded in the accounting records of the University.

**SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013**

NOTE E – COLLEGE WORK-STUDY PROGRAM

The University established the College Work-Study (CWS) Program pursuant to Title IV, Part C of the Higher Education Act of 1965, as amended. During the year ended June 30, 2013, each campus disbursed the following allowable administrative costs related to the CWS Program.

Baton Rouge	\$	45,463
New Orleans		9,982
Shreveport-Bossier City		11,569

The Baton Rouge, New Orleans and Shreveport-Bossier City Campuses elected and received approval from the U.S. Department of Education to waive the institutional matching requirement for the College Work-Study Program's approved funding level for the fiscal year ended June 30, 2013. Each campus was entitled to this waiver because of its participation in the Strengthening Historically Black Colleges Title III Program.

NOTE F – FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

The Federal Supplemental Educational Opportunity Grants (FSEOG) Program was established at the University in 1965 under Title IV, Part A of the Higher Education Act of 1965, as amended. During the year ended June 30, 2013, each campus disbursed the following allowable administrative costs related to the FSEOG Program:

Baton Rouge	\$	35,236
New Orleans		3,018
Shreveport-Bossier City		2,729

NOTE G – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 4, 2014, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTAL INFORMATION

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FEDERALLY ASSISTED LOANS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Program Name	CFDA No. or Other Identifying No.	Loans Made or Disbursed	Loans Received	Outstanding Loan Balance	Principal and Interest Cancelled
Baton Rouge Campus:					
U.S. Department of Education - Federal Direct Student Loans	84.268	<u>\$ 52,596,646</u>	<u>\$ 52,596,646</u>	N/A	N/A
New Orleans Campus:					
U.S. Department of Education - Federal Direct Student Loans	84.268	<u>\$ 25,004,223</u>	<u>\$ 25,004,223</u>	N/A	N/A
Shreveport Campus:					
U.S. Department of Education - Federal Perkins Loans	84.038	N/A	N/A	<u>\$ 431,208</u>	None
U.S. Department of Education - Federal Direct Student Loans	84.268	<u>\$ 9,670,154</u>	<u>\$ 9,670,154</u>	N/A	N/A
Law Center:					
U.S. Department of Education - Federal Direct Student Loans	84.268	<u>\$ 17,700,185</u>	<u>\$ 17,700,185</u>	N/A	N/A
Agricultural Research and Extension Center:					
None					

See independent auditors' report.

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FIXED-PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2013**

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Project Name	Award ID Number	Revenues
Baton Rouge Campus:						
<u>Awards from a Pass-Through Entity:</u>						
U.S. Department of Defense	Tetra Tech EC, Inc.	Basic and Applied Scientific Research	12.300	CLEAN	N624-70-08-D-1001	\$ 102,862
U.S. Department of Defense	Tetra Tech EC, Inc.	Basic and Applied Scientific Research	12.300	CLEAN - Work Release-02-CTOF271	N624-70-08-D-1001	57,096
U.S. Department of Defense	Tetra Tech EC, Inc.	Basic and Applied Scientific Research	12.300	CLEAN - Work Release-04-CTOJM10	N624-70-08-D-1001	20,793
U.S. Department of Defense	Tetra Tech EC, Inc.	Basic and Applied Scientific Research	12.300	Seaplane Lagoon at Alameda Point, Alameda, California by NAVFACSW	N62473-10-D-0809	113,160
U.S. Department of Defense	Tetra Tech EC, Inc.	Basic and Applied Scientific Research	12.300	Analytical Services for Marine Corps Recruit Depot Parris Island - Parris Island South Carolina	N62472-03-0-0057	24,905
U.S. Department of Defense	Tetra Tech EC, Inc.	Basic and Applied Scientific Research	12.300	Hunter's Point Shipyard, San Francisco, CA	N62473-10-D-0809	24,270
U.S. Department of Health and Human Services	Abt Associates, Inc.	Basic, Applied, and Advanced Research In Science And Engineering	12.630	Minority Serving Institutions HIV/AIDS D I C B P	HASP23320095624 W2	66,000
NASA	Jacobs Technology Inc.	Science	43.001	Jacobs Technology Support Service Agreement	NNM09AA20C	262,548

(Continued)

See independent auditors' report.

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FIXED-PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2013**

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Project Name	Award ID Number	Revenues
NASA	Jacobs Technology Inc.	Science	43.001	Jacobs Technology Support Service Agreement	NNM09AA20C	\$ 66,570
Department of Defense U.S. Department of Army Core Engineers	EMAssist Incorporated	National Center for Research Resources	93.389	US Army Mentor Protégé Program		26,400
	EMAssist Incorporated	National Center for Research Resources	93.389	Mentor Protégé	SBR-DT1259-01	<u>24,307</u>
					Total	<u>\$ 788,911</u>

New Orleans Campus:
None

Shreveport Campus:
None

Law Center:
None

Agricultural Research and Extension Center:
None

(Concluded)

See independent auditors' report.

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF NON-STATE SUB-RECIPIENTS OF MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor	CFDA or Other Identifying No.	Award ID Number	Major Program Name and Cluster Name, when applicable	Amount of Major Program Funds Disbursed to Non- State Sub-recipient	Name of Non-State Sub-recipient
Baton Rouge Campus:					
U.S. Department of Agriculture	10.216	2010-38821-21539	1890 Insitution Capacity Bldg Grant	\$ 3,332	Florida Agricultural/Mech Univ
U.S. Department of Agriculture	10.216	2011-38821-30875	1890 Insitution Capacity Bldg Grant	41,986	East Carolina University
U.S. Department of Housing/Urban Development	14.520	221-4936844703	Self-Help Homeownership Opport Program	7,000	Accent Title/Crystal Knox
U.S. Department of Housing/Urban Development	14.520	221-4936844703	Self-Help Homeownership Opport Program	7,000	Accent Title/Crystal Knox
U.S. Department of Housing/Urban Development	14.520	HBCU-08-LA-020	Self-Help Homeownership Opport Program	29,085	Urban Restor Enhmt Group
NASA	43.008	NNX11AL98A	Education	1,536	Columbia University
U.S. Nuclear Reg Comm (NRC)	77.007	NRC-38-10-987	Minority Serving Institutions Prog (MSIP)	12,596	Missouri Univ of Sci/Tech
U.S. Nuclear Reg Comm (NRC)	77.007	NRC-38-10-987	Minority Serving Institutions Prog (MSIP)	7,757	University of Tennessee
U.S. Nuclear Reg Comm (NRC)	77.007	NRC-38-10-987	Minority Serving Institutions Prog (MSIP)	14,634	Missouri Univ of Sci/Tech
Total				\$ 124,926	

New Orleans Campus:
None

Shreveport Campus:
None

Law Center:
None

(Continued)

See independent auditors' report.

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF NON-STATE SUB-RECIPIENTS OF MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor	CFDA or Other Identifying No.	Award ID Number	Major Program Name and Cluster Name, when applicable	Amount of Major Program Funds Disbursed to Non- State Sub-recipient	Name of Non-State Sub-recipient
Agricultural Research and Extension Center:					
U.S. Department of Agriculture	10.216	2008-38820-04791	Enhancing the Teaching Capacity	\$ 14,463	Texas Agrilife
U.S. Department of Agriculture	10.216	2008-38814-04772	Adaptability, Flavonoid Properties	101,049	West Virginia State
U.S. Department of Agriculture	10.216	2008-38821-20092	Alternative Utilization of Roselle	6,783	Rutgers State University
U.S. Department of Agriculture	93.558	2010-38821-21523	Preparing Families for Health & Wealth	<u>87,811</u>	Auburn University
Total				<u>\$ 210,106</u>	

(Concluded)

See independent auditors' report.

OTHER INDEPENDENT AUDITORS' REPORTS

Silva Gurtner & Abney

Certified Public Accountants & Consultants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors of
Southern University System
Baton Rouge, Louisiana

We have audited, in accordance with the 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 schedules of expenditures of federal awards of Southern University System (the University) for the year ended June 30, 2013, and the related notes to schedules of expenditures of federal awards, which collectively comprise the University's schedules of expenditures of federal awards, and have issued our report thereon dated February 4, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the schedules of expenditures of federal awards, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the schedules of expenditures of federal awards, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

4330 Dumaine Street
New Orleans, LA 70119
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.
Mandeville, LA 70448
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane
P O Box 50, Pass Christian, MS 39571
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company
www.silva-cpa.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's schedules of expenditures of federal awards 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 the schedules of expenditures of federal awards amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information and use of the Board of Supervisors, management, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor 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.

Silva Gurtner & Abney, LLC

New Orleans, Louisiana
February 4, 2014

Silva Gurtner & Abney

Certified Public Accountants & Consultants

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Supervisors of
Southern University System
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the compliance of Southern University System (the University) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2013. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with certain types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

4330 Dumaine Street
New Orleans, LA 70119
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.
Mandeville, LA 70448
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane
P O Box 50, Pass Christian, MS 39571
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company
www.silva-cpa.com

Report on Internal Control over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information and use of the Board of Supervisors, management, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor 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.

Silva Gurtner & Abney, LLC

New Orleans, Louisiana

February 4, 2014

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued
on the Schedules of Expenditures of Federal Awards: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	_____ yes	_____ X _____	no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	_____ X _____	none reported

Noncompliance material to financial statements noted _____ yes _____ **X** _____ no

Federal Awards

Internal control over major programs:

Material weaknesses identified?	_____ yes	_____ X _____	no
Significant deficiencies identified not considered to be material weaknesses?	_____ yes	_____ X _____	none reported

Type of auditors' report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section .510 (a)? _____ yes _____ **X** _____ no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
Various	Research and Development Cluster
84.various/93.various	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

<u>Program</u>	<u>Amount</u>
Type A	\$ 973,365

Auditee qualified as low-risk audit? Yes

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

Section II – Financial Statement Findings and Questioned Costs

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

**THE SOUTHERN UNIVERSITY SYSTEM
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

Section II – Financial Statement Findings and Questioned Costs

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.