# Louisiana State University System

# Financial Report

For the Year Ended June 30, 1999

# LSU SYSTEM
# FINANCIAL REPORT
# TABLE OF CONTENTS


PAGE

Introduction ..... 2

**EXHIBITS**

A Consolidated Balance Sheet ..... 6

B Consolidated Statement of Changes in Fund Balances ..... 8

C Consolidated Statement of Current Fund Revenues, Expenditures and Other Changes ..... 10

**SCHEDULES**

C-1 Schedule of Current Fund Revenues ..... 12

C-2 Schedule of Current Fund Expenditures ..... 17

C-3 Schedule of Revenues and Expenditures– Restricted Auxiliary Enterprises ..... 24

Notes to the Financial Statements ..... 29

## INTRODUCTION

The Louisiana State University 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 University System is under the management and supervision of the Louisiana State University Board of Supervisors, which consists of sixteen members appointed by the Governor and one student member. The chief executive officer of the LSU System is the President.

The LSU System is comprised of nine institutions on ten campuses in five cities, nine state hospitals and one community college. The System includes LSU and A&M College, 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 in Shreveport; LSU at Alexandria and LSU at Eunice, both two-year institutions; and the LSU Health Sciences Center composed of Schools of Medicine, Dentistry, Nursing, and Allied Health Professions, and a Graduate School in New Orleans, and a School of Medicine and hospital in Shreveport. The state hospitals of the LSU Health Sciences Center's Health Care Services Division include hospitals in Baton Rouge, Monroe, Pineville, Lafayette, Lake Charles, Independence, Bogalusa, Houma and New Orleans.

This financial report presents consolidated financial data for the LSU System except for Schedule C-1 (Schedule of Current Fund Revenues), Schedule C-2 (Schedule of Current Fund Expenditures), and Schedule C-3 (Schedule of Revenues and Expenditures of Restricted Auxiliary Enterprises), which schedules provide separate data for each major segment of the University System.

## ENROLLMENT BY CAMPUS

| | Fall 1998 | | | Fall 1997 | | |
|---|---|---|---|---|---|---|
| | Under-graduate | Graduate & Professional | Total | Under-graduate | Graduate & Professional | Total |
| **LSU and A&M College** | 24,773 | 5,108 | 29,881 | 22,725 | 5,352 | 28,077 |
| **Paul M. Hebert Law Center** | – | 678 | 678 | – | 621 | 621 |
| **University of New Orleans** | 11,642 | 3,977 | 15,619 | 11,876 | 3,946 | 15,822 |
| **LSU Health Sciences Center** | 830 | 2,012 | 2,842 | 859 | 2,033 | 2,892 |
| **LSU in Shreveport** | 3,678 | 732 | 4,410 | 3,516 | 743 | 4,259 |
| **LSU at Alexandria** | 2,362 | – | 2,362 | 2,409 | – | 2,409 |
| **LSU at Eunice** | 2,672 | – | 2,672 | 2,628 | – | 2,628 |
| **TOTALS** | 45,957 | 12,507 | 58,464 | 44,013 | 12,695 | 56,708 |

## SUMMARY OF REVENUES AND EXPENDITURES

**Sources of Current Revenues:** The following table indicates the sources of current operating revenues for the year ended June 30, 1999, and provides a comparison with revenues for the previous year:

| | 1999 | Percent of Total | 1998 | Percent of Total |
|---|---|---|---|---|
| **Current Revenues:** | | | | |
| Tuition and fees | $ 174,063,638 | 8.13 | $ 163,607,051 | 8.21 |
| State appropriations (including hospitals) | 382,943,713 | 17.87 | 369,527,211 | 18.54 |
| Federal appropriations | 10,923,124 | 0.51 | 9,712,130 | 0.49 |
| Gifts, grants and contracts | 255,771,110 | 11.93 | 228,646,711 | 11.47 |
| Sales and services of educational departments | 123,123,814 | 5.74 | 132,859,454 | 6.66 |
| Investment income | 5,874,442 | 0.27 | 7,851,564 | 0.39 |
| Endowment income | 3,346,506 | 0.16 | 2,069,083 | 0.10 |
| Hospitals (excluding state appropriations) | 1,017,625,277 | 47.48 | 916,435,058 | 45.97 |
| Auxiliary enterprise revenues | 134,428,122 | 6.27 | 127,197,832 | 6.38 |
| Other sources | 35,242,756 | 1.64 | 35,616,958 | 1.79 |
| **Total Current Revenues** | $2,143,342,502 | 100.00 | $1,993,523,052 | 100.00 |

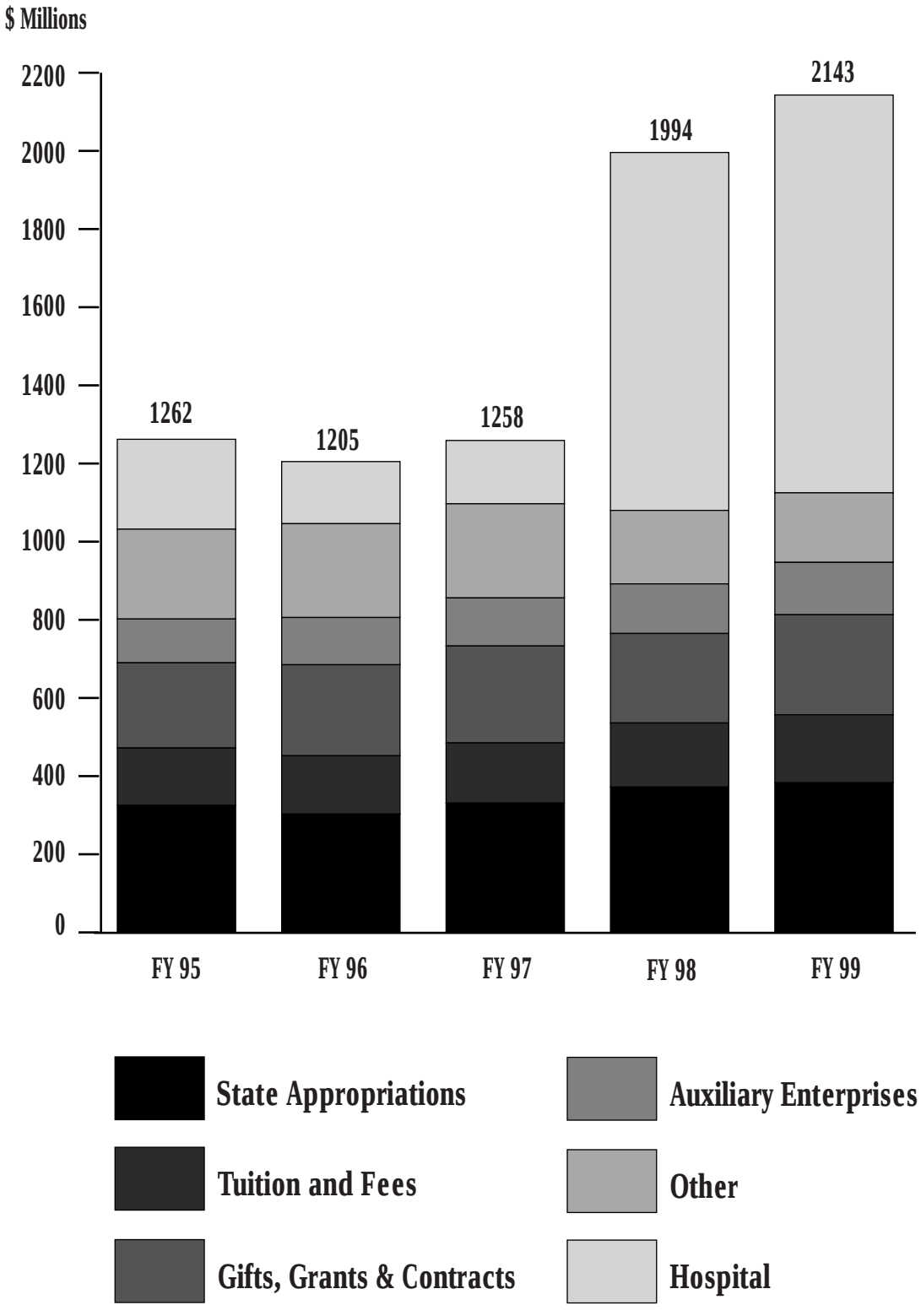
**Expenditures for Current Operations:** A functional presentation of current expenditures for the years ended June 30, 1999, and June 30, 1998, is provided in the table below:

| | 1999 | Percent of Total | 1998 | Percent of Total |
|---|---|---|---|---|
| **Current Expenditures:** | | | | |
| Educational and general: | | | | |
| Instruction | $ 323,207,835 | 15.61 | $ 311,928,561 | 15.78 |
| Research | 197,704,710 | 9.55 | 184,720,138 | 9.34 |
| Public service | 149,204,175 | 7.20 | 150,162,496 | 7.60 |
| Academic support | 92,110,327 | 4.45 | 82,943,346 | 4.20 |
| Student services | 20,851,508 | 1.01 | 20,137,093 | 1.02 |
| Institutional support | 89,542,262 | 4.32 | 86,230,568 | 4.36 |
| Operation and maintenance of plant | 57,222,116 | 2.76 | 55,084,009 | 2.79 |
| Scholarships and fellowships | 53,330,741 | 2.58 | 49,919,015 | 2.52 |
| Educational and general expenditures | 983,173,674 | 47.48 | 941,125,226 | 47.61 |
| Hospitals | 963,463,942 | 46.52 | 918,697,825 | 46.46 |
| Auxiliary enterprises | 124,389,568 | 6.00 | 117,262,447 | 5.93 |
| **Total Current Expenditures** | $2,071,027,184 | 100.00 | $1,977,085,498 | 100.00 |

Exhibit C indicates that current educational and general revenues totaling $6,016,156 for the year ended June 30, 1999, and $10,675,532 for the year ended June 30, 1998, were transferred to other funds for matching loan fund requirements, plant additions, and retirement of indebtedness.

# LSU SYSTEM

## FIVE YEAR COMPARISON OF SOURCES OF CURRENT REVENUES



# LSU SYSTEM

## FIVE YEAR COMPARISON OF PRIMARY MISSION EXPENDITURES TO TOTAL EDUCATIONAL AND GENERAL

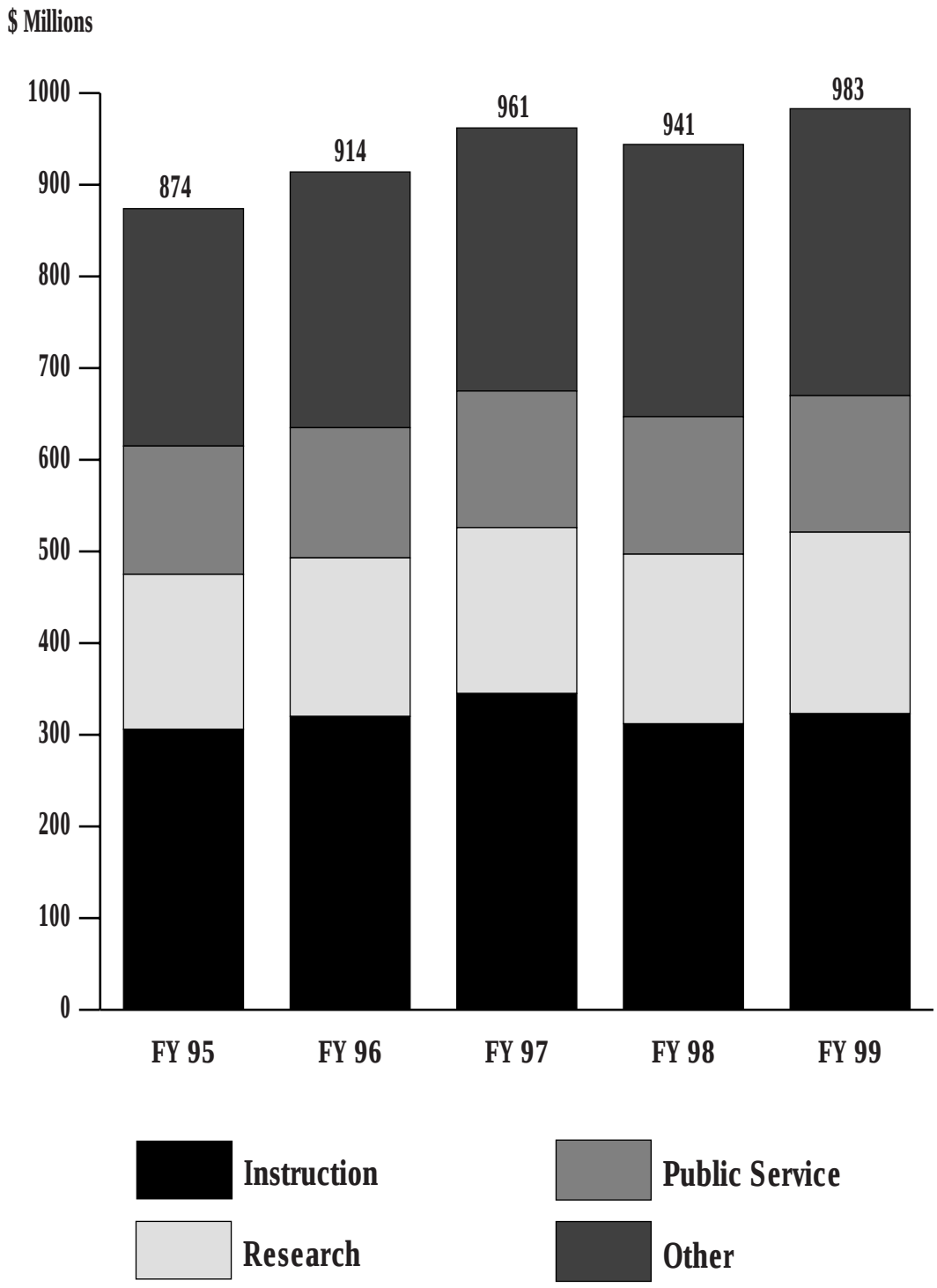


**Exhibit A**

# LSU SYSTEM
## CONSOLIDATED BALANCE SHEET
## June 30, 1999

| | Total All Funds | CURRENT FUNDS | | | |
|---|---|---|---|---|---|
| | | Unrestricted | Auxiliary Enterprises | Restricted | Total |
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 161,965,318 | ($19,134,330) | $22,145,214 | $129,170,864 | $ 132,181,748 |
| Investments | 219,118,514 | 81,000,000 | 2,227,828 | 31,339,888 | 114,567,716 |
| Accrued interest | 715,548 | 27,849 | 80,267 | 453,589 | 561,705 |
| Accounts receivable | 278,414,481 | 157,669,597 | 7,301,768 | 113,323,244 | 278,294,609 |
| Notes receivable | 29,845,771 | – | – | – | – |
| Due from State Treasury | 1,641,809 | 928,967 | – | – | 928,967 |
| Deferred charges and prepaid expenses | 7,315,911 | 3,683,637 | 1,732,795 | 1,829,886 | 7,246,318 |
| Inventories | 43,847,686 | 33,835,125 | 9,986,512 | 26,049 | 43,847,686 |
| Other assets | 1,435,672 | – | – | – | – |
| Institutional plant— | | | | | |
| Land and improvements | 141,356,699 | – | – | – | – |
| Buildings | 1,175,636,110 | – | – | – | – |
| Equipment | 745,184,686 | – | – | – | – |
| Library books | 142,565,767 | – | – | – | – |
| Assets under capital leases | 7,152,883 | – | – | – | – |
| **Total Assets** | $2,956,196,855 | $258,010,845 | $43,474,384 | $276,143,520 | $577,628,749 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| Liabilities— | | | | | |
| Accounts payable | $ 73,723,839 | $ 67,865,648 | $ 4,049,720 | $ 1,416,384 | $ 73,331,752 |
| Accrued payrolls and other liabilities | 38,051,183 | 28,107,772 | 810,572 | 9,132,839 | 38,051,183 |
| Due to State Treasury | 86,297,086 | 86,297,086 | – | – | 86,297,086 |
| Deposits held for others | 3,554,835 | 1,101,752 | 1,036,098 | – | 2,137,850 |
| Deferred revenues | 45,938,004 | 33,624,014 | 11,315,076 | 998,914 | 45,938,004 |
| Notes payable | 28,783,362 | – | – | – | – |
| Contracts payable | 3,210,222 | – | – | – | – |
| Bonds payable | 96,486,833 | – | – | – | – |
| Obligations under capital leases | 3,656,595 | – | – | – | – |
| Other liabilities | 353,908 | 17,396 | – | 336,512 | 353,908 |
| **Total Liabilities** | 380,055,867 | 217,013,668 | 17,211,466 | 11,884,649 | 246,109,783 |
| Fund balances— | | | | | |
| Net investment in plant | 2,079,759,133 | – | – | – | – |
| Reserved for debt service | 9,826,593 | – | – | – | – |
| Reserved for inventories | 33,861,174 | 33,835,125 | – | 26,049 | 33,861,174 |
| Reserved for encumbrances | 17,337,603 | – | 2,191,666 | 12,966,835 | 15,158,501 |
| Current operations–unrestricted | 7,162,052 | 7,162,052 | – | – | 7,162,052 |
| Current operations—restricted | 275,337,239 | – | 24,071,252 | 251,265,987 | 275,337,239 |
| Noncurrent operations— | | | | | |
| Restricted | 86,768,075 | – | – | – | – |
| Endowment | 62,340,577 | – | – | – | – |
| Term endowment | 875,071 | – | – | – | – |
| Quasi-endowment—restricted | 2,873,471 | – | – | – | – |
| **Total Fund Balances** | 2,576,140,988 | 40,997,177 | 26,262,918 | 264,258,871 | 331,518,966 |
| **Total Liabilities and Fund Balances** | $2,956,196,855 | $258,010,845 | $43,474,384 | $276,143,520 | $577,628,749 |

**The accompanying notes are an integral part of this statement.**

## Exhibit A

| Student Loan Funds | Endowment Funds | PLANT FUNDS | | | | Agency Funds |
|---|---|---|---|---|---|---|
| | | Unexpended | Renewals and Replacements | Retirement of Indebtedness | Net Investment in Plant | |
| $ 3,370,953 | $ 6,845,938 | $ 12,049,470 | $ 6,668,690 | $ 1,890 | $ – | $ 846,629 |
| 82,061 | 57,743,070 | 36,574,138 | 658,972 | 9,097,529 | – | 395,028 |
| 1,173 | 49,543 | 93,706 | 9,421 | – | – | – |
| – | 14,896 | 80,010 | – | – | – | 24,966 |
| 29,845,771 | – | – | – | – | – | – |
| – | – | – | – | 712,842 | – | – |
| – | – | – | – | 69,593 | – | – |
| – | – | – | – | – | – | – |
| – | 1,435,672 | – | – | – | – | – |
| – | – | – | – | – | 141,356,699 | – |
| – | – | – | – | – | 1,175,636,110 | – |
| – | – | – | – | – | 745,184,686 | – |
| – | – | – | – | – | 142,565,767 | – |
| – | – | – | – | – | 7,152,883 | – |
| $33,299,958 | $66,089,119 | $48,797,324 | $7,337,083 | $9,881,854 | $2,211,896,145 | $1,266,623 |
| $ 9,372 | $ – | $ 312,552 | $ 8,436 | $ 55,261 | $ – | $ 6,466 |
| – | – | – | – | – | – | – |
| – | – | – | – | – | – | – |
| 156,828 | – | – | – | – | – | 1,260,157 |
| – | – | – | – | – | – | – |
| – | – | – | – | – | 28,783,362 | – |
| – | – | – | – | – | 3,210,222 | – |
| – | – | – | – | – | 96,486,833 | – |
| – | – | – | – | – | 3,656,595 | – |
| – | – | – | – | – | – | – |
| 166,200 | – | 312,552 | 8,436 | 55,261 | 132,137,012 | 1,266,623 |
| – | – | – | – | – | 2,079,759,133 | – |
| – | – | – | – | 9,826,593 | – | – |
| – | – | – | – | – | – | – |
| – | – | 2,074,241 | 104,861 | – | – | – |
| – | – | – | – | – | – | – |
| – | – | – | – | – | – | – |
| 33,133,758 | – | 46,410,531 | 7,223,786 | – | – | – |
| – | 62,340,577 | – | – | – | – | – |
| – | 875,071 | – | – | – | – | – |
| – | 2,873,471 | – | – | – | – | – |
| 33,133,758 | 66,089,119 | 48,484,772 | 7,328,647 | 9,826,593 | 2,079,759,133 | – |
| $33,299,958 | $66,089,119 | $48,797,324 | $7,337,083 | $9,881,854 | $2,211,896,145 | $1,266,623 |

**Exhibit B**

# LSU SYSTEM
## CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
## For the Year Ended June 30, 1999

| | CURRENT FUNDS | | |
|---|---|---|---|
| | Unrestricted | Auxiliary Enterprises | Restricted |
| **REVENUES AND OTHER ADDITIONS** | | | |
| Unrestricted current fund revenues | $579,101,033 | $ – | $ – |
| Tuition and fees—restricted | – | – | 15,188,072 |
| Federal appropriations—restricted | – | – | 3,858,036 |
| State Facility Planning and Control | – | – | (11,505) |
| Government grants and contracts— | | | |
| Federal | – | – | 129,231,472 |
| State | – | – | 59,709,938 |
| Local | – | – | 2,493,690 |
| Private gifts, grants and contracts | – | – | 102,946,017 |
| Sales and services of educational departments | – | – | 91,544,373 |
| Investment income—restricted | – | – | 4,346,215 |
| State funded endowments | – | – | – |
| Endowment income | – | – | 3,010,653 |
| Hospital income | 829,570,565 | – | 187,877,693 |
| Auxiliary enterprise revenues | – | 134,428,122 | – |
| Interest on loans receivable | – | – | – |
| Retirement of indebtedness | – | – | – |
| Addition to plant facilities from— | | | |
| Current funds | – | – | – |
| Plant funds | – | – | – |
| Gifts | – | – | – |
| Addition of equipment under capital leases | – | – | – |
| Other sources | – | 15,287 | 29,218,575 |
| Other changes—net | (23,416,805) | – | 23,416,805 |
| Total Revenues and Other Additions | 1,385,254,793 | 134,443,409 | 652,830,034 |
| **EXPENDITURES AND OTHER DEDUCTIONS** | | | |
| Educational and general expenditures | 577,548,793 | – | 405,624,881 |
| Hospitals | 769,177,591 | – | 194,286,351 |
| Auxiliary enterprise expenditures | – | 117,371,308 | – |
| Auxiliary equipment purchases | – | 1,078,296 | – |
| Expended for plant facilities | – | – | – |
| Indirect costs recovered | – | – | 26,191,601 |
| Loan cancellations and write-offs | – | – | – |
| Retirement of indebtedness | – | – | – |
| Interest on indebtedness | – | – | – |
| Refunded to grantors | – | – | – |
| Disposal of plant facilities | – | – | – |
| Addition to capital lease obligations | – | – | – |
| Interagency transfers | 7,575,165 | – | 2,824,806 |
| Other | – | 79,804 | – |
| Total Expenditures and Other Deductions | 1,354,301,549 | 118,529,408 | 628,927,639 |
| **TRANSFERS AMONG FUNDS—ADDITIONS/(DEDUCTIONS)** | | | |
| Mandatory for— | | | |
| Principal and interest | – | (5,188,847) | (3,738,886) |
| Loan fund matching grants | (115,896) | – | (18,987) |
| Nonmandatory for— | | | |
| Capital improvements | (5,595,747) | (4,216,569) | 4,681,224 |
| Renewals and replacements | – | (1,829,413) | – |
| Other | – | (522,898) | (740,162) |
| Total Transfers Among Funds | (5,711,643) | (11,757,727) | 183,189 |
| Inventory increase/(decrease) | (687,725) | – | (2,493) |
| Net increase/(decrease) for the year | 24,553,876 | 4,156,274 | 24,083,091 |
| Fund balances at July 1, 1998, restated | 16,443,301 | 22,106,644 | 240,175,780 |
| Fund balances at June 30, 1999 | $ 40,997,177 | $ 26,262,918 | $264,258,871 |



**The accompanying notes are an integral part of this statement.**

# Exhibit B

| Student Loan Funds | Endowment Funds | PLANT FUNDS | | | |
|---|---|---|---|---|---|
| | | Unexpended | Renewals and Replacements | Retirement of Indebtedness | Net Investment in Plant |
| $ – | $ – | $ – | $ – | $ – | $ – |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| – | – | 37,303,483 | – | – | – |
| 232,353 | – | – | – | 29,723 | – |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| 25 | 1,554,523 | – | – | – | – |
| – | – | – | – | – | – |
| 104,661 | 58,454 | 3,054,057 | 68,754 | 208,441 | – |
| – | 4,320,000 | – | – | – | – |
| – | 602,540 | – | – | – | – |
| – | – | – | – | – | – |
| – | – | – | – | – | – |
| 653,391 | – | – | – | – | – |
| – | – | – | – | – | 6,567,759 |
| – | – | – | – | – | 43,801,638 |
| – | – | – | – | – | 74,392,915 |
| – | – | – | – | – | 4,575,100 |
| – | – | – | – | – | 1,507,811 |
| 317,106 | 153,921 | 15,714,665 | – | 3,339,138 | 2,799,004 |
| 16,136 | – | – | – | – | – |
| 1,323,672 | 6,689,438 | 56,072,205 | 68,754 | 3,577,302 | 133,644,227 |
| – | – | – | – | – | – |
| 11,917 | 102,790 | – | – | – | – |
| – | – | – | – | – | – |
| – | – | – | 1,273,870 | – | – |
| – | – | 67,129,019 | – | – | – |
| – | – | – | – | – | – |
| 185,541 | – | – | – | – | – |
| – | – | – | – | 5,241,230 | – |
| – | – | – | – | 5,665,705 | – |
| 183,937 | – | – | – | – | – |
| – | – | – | – | – | 16,821,665 |
| – | – | – | – | – | 2,179,799 |
| – | – | 16,399,320 | – | – | – |
| 49,245 | 68,157 | – | – | 381,281 | 20,314,715 |
| 430,640 | 170,947 | 83,528,339 | 1,273,870 | 11,288,216 | 39,316,179 |
| – | – | – | – | 8,927,733 | – |
| 134,883 | – | – | – | – | – |
| – | – | 5,168,720 | (37,628) | – | – |
| – | – | – | 1,829,413 | – | – |
| 6,580 | 1,227,864 | – | 28,616 | | |
| 141,463 | 1,227,864 | 5,168,720 | 1,820,401 | 8,927,733 | – |
| – | – | – | – | – | – |
| 1,034,495 | 7,746,355 | (22,287,414) | 615,285 | 1,216,819 | 94,328,048 |
| 32,099,263 | 58,342,764 | 70,772,186 | 6,713,362 | 8,609,774 | 1,985,431,085 |
| $33,133,758 | $66,089,119 | $48,484,772 | $7,328,647 | $9,826,593 | $2,079,759,133 |

**Exhibit C**

# LSU SYSTEM
## CONSOLIDATED STATEMENT OF CURRENT FUND REVENUES, EXPENDITURES AND OTHER CHANGES
## For the Year Ended June 30

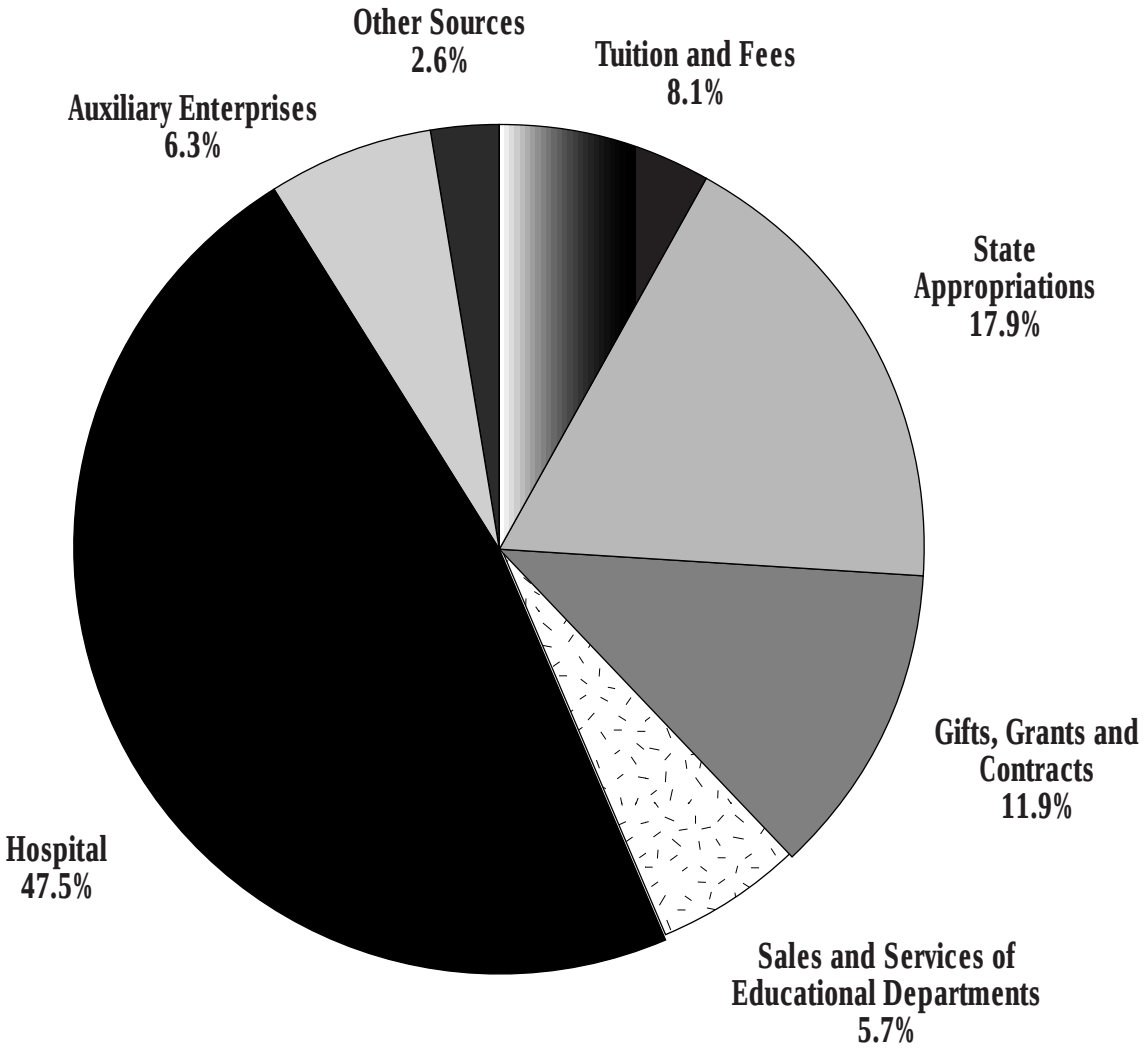
| | 1999 | | | | |
|---|---|---|---|---|---|
| | Unrestricted | Auxiliary Enterprises | Restricted | Total | 1998 Total |
| **REVENUES** | | | | | |
| Tuition and fees | $ 156,215,597 | $ – | $ 17,848,041 | $ 174,063,638 | $ 163,607,051 |
| State appropriations (excluding hospital) | 381,840,422 | – | 13,752 | 381,854,174 | 369,448,874 |
| Federal appropriations | 10,923,124 | – | – | 10,923,124 | 9,712,130 |
| Governmental grants and contracts— | | | | | |
| Federal | – | – | 112,069,041 | 112,069,041 | 98,333,454 |
| State | – | – | 52,172,728 | 52,172,728 | 53,024,580 |
| Local | – | – | 2,316,425 | 2,316,425 | 2,281,820 |
| Private gifts, grants and contracts | – | – | 89,212,916 | 89,212,916 | 75,006,857 |
| Sales and services of educational departments | 12,067,339 | – | 111,056,475 | 123,123,814 | 132,859,454 |
| Investment income | 3,377,089 | – | 2,497,353 | 5,874,442 | 7,851,564 |
| Endowment income | – | – | 3,346,506 | 3,346,506 | 2,069,083 |
| Hospital income (including state appropriations of $1,089,539 in 1998-99 and $78,337 in 1997-98) | 829,570,565 | – | 189,144,251 | 1,018,714,816 | 916,513,395 |
| Auxiliary enterprise revenues | – | 134,428,122 | – | 134,428,122 | 127,197,832 |
| Other sources | 14,677,462 | – | 20,565,294 | 35,242,756 | 35,616,958 |
| **Total Revenues** | 1,408,671,598 | 134,428,122 | 600,242,782 | 2,143,342,502 | 1,993,523,052 |
| **EXPENDITURES AND TRANSFERS** | | | | | |
| Educational and general— | | | | | |
| Instruction | 252,116,786 | – | 71,091,049 | 323,207,835 | 311,928,561 |
| Research | 85,635,737 | – | 112,068,973 | 197,704,710 | 184,720,138 |
| Public service | 36,374,869 | – | 112,829,306 | 149,204,175 | 150,162,496 |
| Academic support | 60,800,078 | – | 31,310,249 | 92,110,327 | 82,943,346 |
| Student services | 13,802,559 | – | 7,048,949 | 20,851,508 | 20,137,093 |
| Institutional support | 59,302,547 | – | 30,239,715 | 89,542,262 | 86,230,568 |
| Operation and maintenance of plant | 48,671,885 | – | 8,550,231 | 57,222,116 | 55,084,009 |
| Scholarships and fellowships | 20,844,332 | – | 32,486,409 | 53,330,741 | 49,919,015 |
| Educational and general expenditures | 577,548,793 | – | 405,624,881 | 983,173,674 | 941,125,226 |
| Mandatory transfers for— | | | | | |
| Principal and interest | – | – | 3,738,886 | 3,738,886 | 3,318,184 |
| Loan fund matching grants | 115,896 | – | 18,987 | 134,883 | 153,053 |
| Nonmandatory transfers for— | | | | | |
| Capital improvements | 5,595,747 | – | (4,681,224) | 914,523 | 7,203,295 |
| Other | – | – | 1,227,864 | 1,227,864 | 1,000 |
| Total transfers | 5,711,643 | – | 304,513 | 6,016,156 | 10,675,532 |
| Total educational and general | 583,260,436 | – | 405,929,394 | 989,189,830 | 951,800,758 |
| Hospital expenditures | 769,177,591 | – | 194,286,351 | 963,463,942 | 918,697,825 |
| Auxiliary enterprises— | | | | | |
| Expenditures | – | 117,371,308 | – | 117,371,308 | 112,121,430 |
| Mandatory transfers for— | | | | | |
| Principal and interest | – | 5,188,847 | – | 5,188,847 | 3,384,868 |
| Nonmandatory transfers for— | | | | | |
| Renewals and replacements | – | 1,829,413 | – | 1,829,413 | 1,756,149 |
| Total auxiliary enterprises | – | 124,389,568 | – | 124,389,568 | 117,262,447 |
| **Total Expenditures and Transfers** | 1,352,438,027 | 124,389,568 | 600,215,745 | 2,077,043,340 | 1,987,761,030 |
| **OTHER ADDITIONS/(DEDUCTIONS)** | | | | | |
| Excess of restricted receipts over transfers to revenues | – | – | 52,587,252 | 52,587,252 | 86,911,571 |
| Inventory increase/(decrease) | (687,725) | – | (2,493) | (690,218) | (877,368) |
| Other | (30,991,970) | (5,882,280) | (28,528,705) | (65,402,955) | (94,481,414) |
| **Net Increase/(Decrease) in Fund Balances** | $ 24,553,876 | $ 4,156,274 | $ 24,083,091 | $ 52,793,241 | $ (2,685,189) |



**The accompanying notes are an integral part of this statement.**

# LSU SYSTEM

## 1998-99 SOURCES OF CURRENT REVENUES
## TOTAL $2,143,342,502



**Schedule C-1**

# LSU SYSTEM
## SCHEDULE OF CURRENT FUND REVENUES
## For the Year Ended June 30, 1999

| | Total Revenues | Unrestricted | Restricted |
|---|---|---|---|
| **Board of Supervisors and System Administration** | | | |
| State appropriations | $ 1,587,821 | $ 1,587,821 | $ – |
| Private gifts, grants and contracts | 7,350 | – | 7,350 |
| Other sources | 81,128 | – | 81,128 |
| **Total Board of Supervisors and System Administration** | 1,676,299 | 1,587,821 | 88,478 |
| **Pennington Biomedical Research Center** | | | |
| State appropriations | 5,336,505 | 5,336,505 | – |
| Government grants and contracts— | | | |
| Federal | 6,831,388 | – | 6,831,388 |
| State | 150,329 | – | 150,329 |
| Private gifts, grants and contracts | 2,767,501 | – | 2,767,501 |
| Sales and services of educational departments | 13,099 | 13,099 | – |
| Investment income | 60,418 | – | 60,418 |
| Other sources | 2,256,882 | 708,018 | 1,548,864 |
| **Total Pennington Biomedical Research Center** | 17,416,122 | 6,057,622 | 11,358,500 |
| **LSU and A & M College** | | | |
| Tuition and fees | 98,633,912 | 88,511,591 | 10,122,321 |
| State appropriations | 139,573,234 | 139,573,234 | – |
| Government grants and contracts— | | | |
| Federal | 43,441,753 | – | 43,441,753 |
| State | 24,384,218 | – | 24,384,218 |
| Private gifts, grants and contracts | 13,703,088 | – | 13,703,088 |
| Sales and services of educational departments | 8,316,312 | 6,905,773 | 1,410,539 |
| Investment income | 3,214,306 | 2,277,976 | 936,330 |
| Endowment income | 1,082,939 | – | 1,082,939 |
| Auxiliary enterprise revenues | 88,323,553 | – | 88,323,553 |
| Other sources | 15,220,645 | 8,913,499 | 6,307,146 |
| **Total LSU and A & M College** | 435,893,960 | 246,182,073 | 189,711,887 |
| **Paul M. Hebert Law Center** | | | |
| Tuition and fees | 3,902,184 | 3,795,663 | 106,521 |
| State appropriations | 5,343,437 | 5,329,685 | 13,752 |
| Government grants and contracts— | | | |
| State | 677 | – | 677 |
| Private gifts, grants and contracts | 262,157 | – | 262,157 |
| Sales and services of educational departments | 263,286 | 43,883 | 219,403 |
| Investment income | 55,283 | 55,283 | – |
| Endowment income | 27,027 | – | 27,027 |
| Other sources | (72,565) | 2,127 | (74,692) |
| **Total Paul M. Hebert Law Center** | 9,781,486 | 9,226,641 | 554,845 |

# LSU SYSTEM

**Schedule C-1**

## SCHEDULE OF CURRENT FUND REVENUES

## For the Year Ended June 30, 1999

| | Total Revenues | Unrestricted | Restricted |
|---|---|---|---|
| **University of New Orleans** | | | |
| Tuition and fees | $ 45,562,942 | $ 39,360,683 | $ 6,202,259 |
| State appropriations | 42,886,572 | 42,886,572 | – |
| Government grants and contracts— | | | |
| Federal | 22,767,842 | – | 22,767,842 |
| State | 6,632,198 | – | 6,632,198 |
| Local | 827,391 | – | 827,391 |
| Private gifts, grants and contracts | 4,742,917 | – | 4,742,917 |
| Sales and services of educational departments | 228,843 | 228,843 | – |
| Investment income | 537,585 | 417,529 | 120,056 |
| Endowment income | 1,662,757 | – | 1,662,757 |
| Auxiliary enterprise revenues | 11,329,713 | – | 11,329,713 |
| Other sources | 7,038,793 | 3,687,131 | 3,351,662 |
| **Total University of New Orleans** | 144,217,553 | 86,580,758 | 57,636,795 |
| **LSU Health Sciences Center** | | | |
| Tuition and fees | 12,649,223 | 12,207,479 | 441,744 |
| State appropriations | 103,402,682 | 103,402,682 | – |
| Government grants and contracts— | | | |
| Federal | 24,605,787 | – | 24,605,787 |
| State | 11,804,367 | – | 11,804,367 |
| Local | 1,489,034 | – | 1,489,034 |
| Private gifts, grants and contracts | 61,119,718 | – | 61,119,718 |
| Sales and services of educational departments | 110,052,927 | 1,200,208 | 108,852,719 |
| Investment income | 1,555,839 | 302,727 | 1,253,112 |
| Endowment income | 513,376 | – | 513,376 |
| Hospital income | 1,018,714,816 | 829,570,565 | 189,144,251 |
| Auxiliary enterprise revenues | 28,996,525 | – | 28,996,525 |
| Other sources | 8,978,061 | 279,002 | 8,699,059 |
| **Total LSU Health Sciences Center** | 1,383,882,355 | 946,962,663 | 436,919,692 |
| **LSU in Shreveport** | | | |
| Tuition and fees | 8,535,110 | 7,852,375 | 682,735 |
| State appropriations | 10,508,264 | 10,508,264 | – |
| Government grants and contracts— | | | |
| Federal | 4,481,883 | – | 4,481,883 |
| State | 1,664,122 | – | 1,664,122 |
| Private gifts, grants and contracts | 1,391,036 | – | 1,391,036 |
| Sales and services of educational departments | 46,559 | 43,199 | 3,360 |
| Investment income | 140,108 | 140,108 | – |
| Auxiliary enterprise revenues | 2,582,900 | – | 2,582,900 |
| Other sources | 235,481 | 98,862 | 136,619 |
| **Total LSU in Shreveport** | 29,585,463 | 18,642,808 | 10,942,655 |

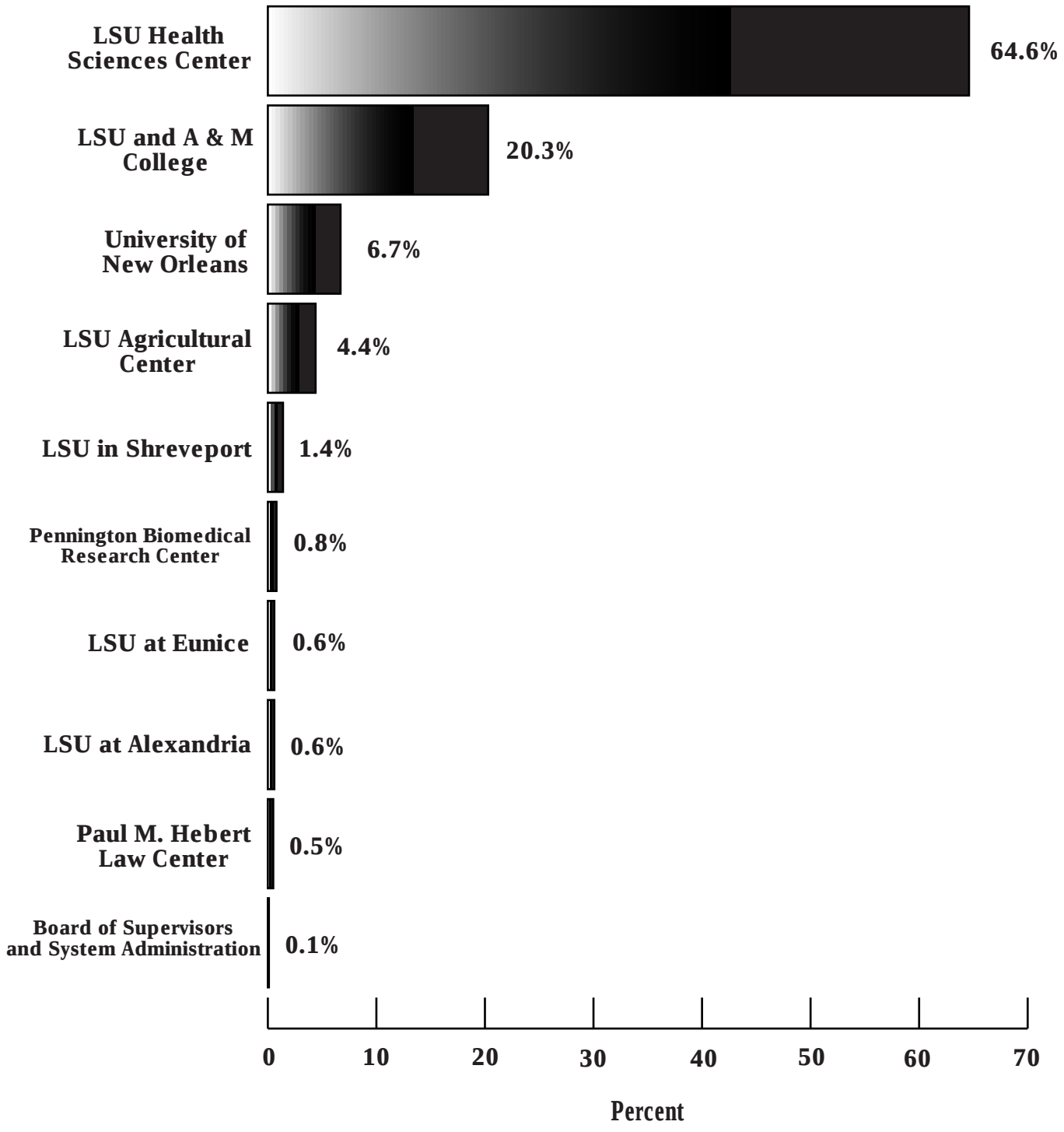
**Schedule C-1**

# LSU SYSTEM
## SCHEDULE OF CURRENT FUND REVENUES
## For the Year Ended June 30, 1999

| | Total Revenues | Unrestricted | Restricted |
|---|---|---|---|
| **LSU at Alexandria** | | | |
| Tuition and fees | $ 2,203,898 | $ 2,124,855 | $ 79,043 |
| State appropriations | 5,318,994 | 5,318,994 | – |
| Government grants and contracts— | | | |
| Federal | 1,696,601 | – | 1,696,601 |
| State | 444,884 | – | 444,884 |
| Private gifts, grants and contracts | 813,955 | – | 813,955 |
| Sales and services of educational departments | 20,820 | 20,820 | – |
| Investment income | 33,280 | 33,280 | – |
| Endowment income | 7,245 | – | 7,245 |
| Auxiliary enterprise revenues | 1,601,295 | – | 1,601,295 |
| Other sources | 259,607 | 217,966 | 41,641 |
| **Total LSU at Alexandria** | 12,400,579 | 7,715,915 | 4,684,664 |
| **LSU at Eunice** | | | |
| Tuition and fees | 2,576,369 | 2,362,951 | 213,418 |
| State appropriations | 4,806,669 | 4,806,669 | – |
| Government grants and contracts— | | | |
| Federal | 3,383,055 | – | 3,383,055 |
| State | 974,856 | – | 974,856 |
| Private gifts, grants and contracts | 146,282 | – | 146,282 |
| Sales and services of educational departments | 639 | – | 639 |
| Endowment income | 7,592 | – | 7,592 |
| Auxiliary enterprise revenues | 1,594,136 | – | 1,594,136 |
| Other sources | 50,609 | 50,609 | – |
| **Total LSU at Eunice** | 13,540,207 | 7,220,229 | 6,319,978 |
| **LSU Agricultural Center** | | | |
| State appropriations | 63,089,996 | 63,089,996 | – |
| Federal appropriations | 10,923,124 | 10,923,124 | – |
| Government grants and contracts— | | | |
| Federal | 4,860,732 | – | 4,860,732 |
| State | 6,117,077 | – | 6,117,077 |
| Private gifts, grants and contracts | 4,258,912 | – | 4,258,912 |
| Sales and services of educational departments | 4,181,329 | 3,611,514 | 569,815 |
| Investment income | 277,623 | 150,186 | 127,437 |
| Endowment income | 45,570 | – | 45,570 |
| Other sources | 1,194,115 | 720,248 | 473,867 |
| **Total LSU Agricultural Center** | 94,948,478 | 78,495,068 | 16,453,410 |
| **Total Current Revenues** | $2,143,342,502 | $1,408,671,598 | $734,670,904 |

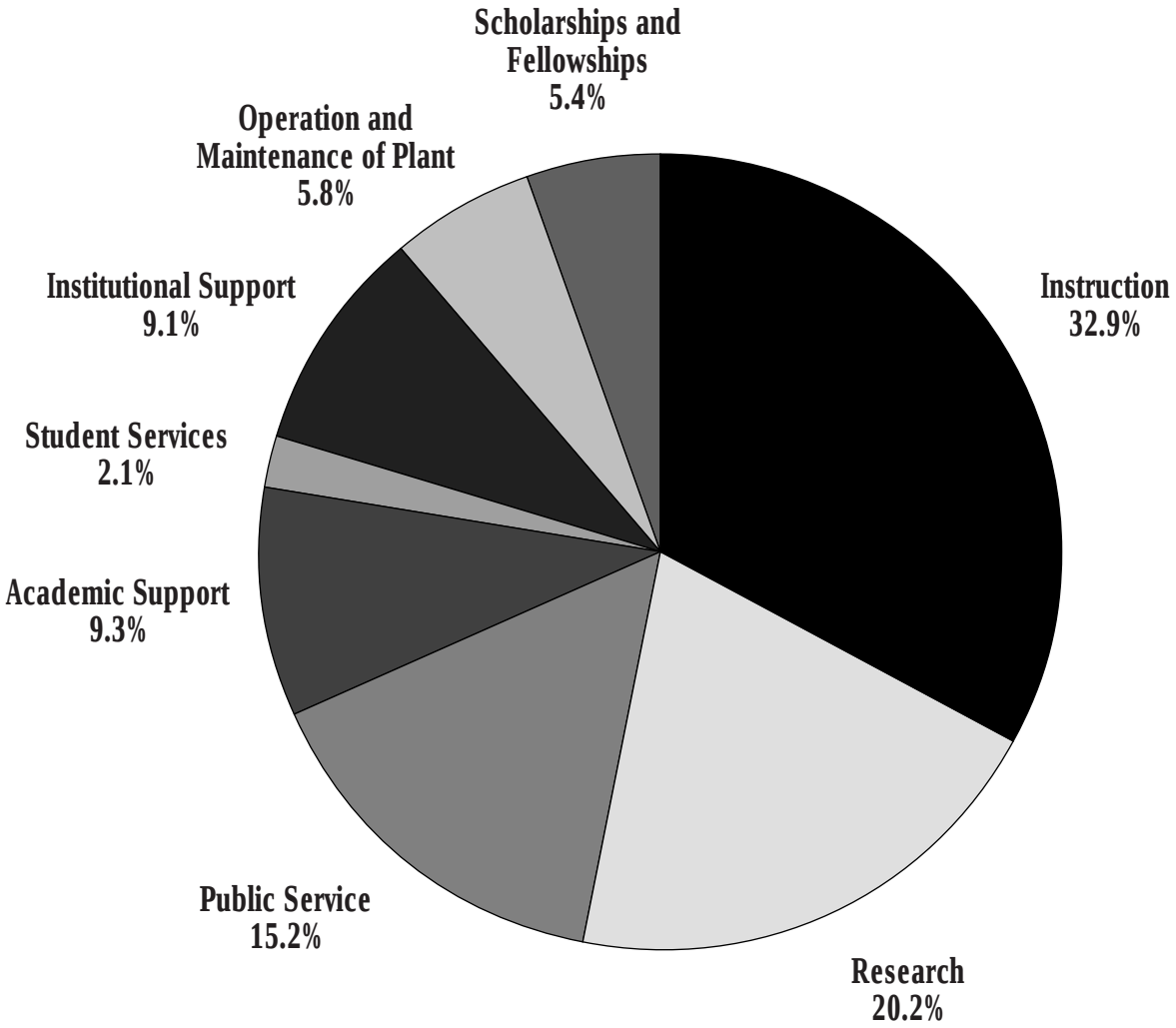
# LSU SYSTEM

## 1998-99 CURRENT REVENUES BY CAMPUS
## TOTAL $2,143,342,502



# LSU SYSTEM

## 1998-99 EDUCATIONAL AND GENERAL EXPENDITURES
## TOTAL $983,173,674



# LSU SYSTEM

**Schedule C-2**

## SCHEDULE OF CURRENT FUND EXPENDITURES

## For the Year Ended June 30, 1999

| | Total Expenditures | Unrestricted | Restricted |
|---|---|---|---|
| **Board of Supervisors and System Administration** | | | |
| Educational and General: | | | |
| Institutional support | $ 1,601,919 | $ 1,513,441 | $ 88,478 |
| Operation and maintenance of plant | 74,380 | 74,380 | – |
| **Total Board of Supervisors and System Administration** | 1,676,299 | 1,587,821 | 88,478 |
| **Pennington Biomedical Research Center** | | | |
| Educational and General: | | | |
| Research | 11,958,151 | 1,999,881 | 9,958,270 |
| Public service | 340,128 | 11 | 340,117 |
| Academic support | 1,226,736 | 938,627 | 288,109 |
| Institutional support | 2,130,715 | 1,378,440 | 752,275 |
| Operation and maintenance of plant | 1,760,392 | 1,740,663 | 19,729 |
| **Total Pennington Biomedical Research Center** | 17,416,122 | 6,057,622 | 11,358,500 |
| **LSU and A & M College** | | | |
| Educational and General: | | | |
| Instruction | 136,234,566 | 114,803,588 | 21,430,978 |
| Research | 68,543,009 | 28,686,737 | 39,856,272 |
| Public service | 15,003,973 | 1,870,615 | 13,133,358 |
| Academic support | 36,626,342 | 34,629,780 | 1,996,562 |
| Student services | 8,576,349 | 6,133,530 | 2,442,819 |
| Institutional support | 24,474,464 | 21,448,985 | 3,025,479 |
| Operation and maintenance of plant | 25,214,123 | 24,032,468 | 1,181,655 |
| Scholarships and fellowships | 29,272,594 | 14,355,913 | 14,916,681 |
| Educational and general expenditures | 343,945,420 | 245,961,616 | 97,983,804 |
| Mandatory transfers for— | | | |
| Principal and interest | 3,186,899 | – | 3,186,899 |
| Loan fund matching grants | 47,331 | 47,331 | – |
| Nonmandatory transfers for— | | | |
| Capital improvements | 390,757 | 173,126 | 217,631 |
| Total transfers | 3,624,987 | 220,457 | 3,404,530 |
| Total educational and general | 347,570,407 | 246,182,073 | 101,388,334 |
| Auxiliary Enterprises: | | | |
| Expenditures | 74,658,644 | – | 74,658,644 |
| Mandatory transfers for principal and interest | 4,241,991 | – | 4,241,991 |
| Nonmandatory transfers for renewals and replacements | 1,600,452 | – | 1,600,452 |
| Total auxiliary enterprises | 80,501,087 | – | 80,501,087 |
| **Total LSU and A & M College** | 428,071,494 | 246,182,073 | 181,889,421 |

**Schedule C-2**

# LSU SYSTEM
## SCHEDULE OF CURRENT FUND EXPENDITURES
## For the Year Ended June 30, 1999

| | Total Expenditures | Unrestricted | Restricted |
|---|---|---|---|
| **Paul M. Hebert Law Center** | | | |
| Educational and General: | | | |
| Instruction | $ 4,866,408 | $ 4,501,308 | $ 365,100 |
| Research | 364,522 | 363,845 | 677 |
| Public service | 13,815 | 773 | 13,042 |
| Academic support | 1,643,583 | 1,643,517 | 66 |
| Student services | 388,900 | 368,436 | 20,464 |
| Institutional support | 1,190,127 | 1,140,985 | 49,142 |
| Operation and maintenance of plant | 781,031 | 766,607 | 14,424 |
| Scholarships and fellowships | 533,100 | 441,170 | 91,930 |
| **Total Paul M. Hebert Law Center** | 9,781,486 | 9,226,641 | 554,845 |
| **University of New Orleans** | | | |
| Educational and General: | | | |
| Instruction | 53,751,510 | 44,649,300 | 9,102,210 |
| Research | 20,526,523 | 1,304,173 | 19,222,350 |
| Public service | 5,003,328 | 2,679,384 | 2,323,944 |
| Academic support | 11,160,579 | 10,350,474 | 810,105 |
| Student services | 6,056,126 | 3,530,827 | 2,525,299 |
| Institutional support | 12,218,926 | 11,589,929 | 628,997 |
| Operation and maintenance of plant | 8,055,624 | 7,430,939 | 624,685 |
| Scholarships and fellowships | 12,818,783 | 3,860,452 | 8,958,331 |
| Educational and general expenditures | 129,591,399 | 85,395,478 | 44,195,921 |
| Mandatory transfers for— | | | |
| Principal and interest | 551,987 | – | 551,987 |
| Loan fund matching grants | 29,280 | 29,280 | – |
| Nonmandatory transfers for— | | | |
| Capital improvements | 1,460,273 | 1,156,000 | 304,273 |
| Other | 1,254,901 | – | 1,254,901 |
| Total transfers | 3,296,441 | 1,185,280 | 2,111,161 |
| Total educational and general | 132,887,840 | 86,580,758 | 46,307,082 |
| Auxiliary Enterprises: | | | |
| Expenditures | 10,119,151 | – | 10,119,151 |
| Mandatory transfers for principal and interest | 387,094 | – | 387,094 |
| Nonmandatory transfers for renewals and replacements | 61,038 | – | 61,038 |
| Total auxiliary enterprises | 10,567,283 | – | 10,567,283 |
| **Total University of New Orleans** | 143,455,123 | 86,580,758 | 56,874,365 |

# LSU SYSTEM

**Schedule C-2**

## SCHEDULE OF CURRENT FUND EXPENDITURES

## For the Year Ended June 30, 1999

| | Total Expenditures | Unrestricted | Restricted |
|---|---|---|---|
| **LSU Health Sciences Center** | | | |
| Educational and General: | | | |
| Instruction | $ 105,914,790 | $ 69,716,139 | $ 36,198,651 |
| Research | 46,919,483 | 14,905,798 | 32,013,685 |
| Public service | 89,552,369 | 486,420 | 89,065,949 |
| Academic support | 37,427,997 | 9,763,901 | 27,664,096 |
| Student services | 2,662,088 | 1,646,221 | 1,015,867 |
| Institutional support | 35,687,863 | 10,678,690 | 25,009,173 |
| Operation and maintenance of plant | 15,170,086 | 8,575,836 | 6,594,250 |
| Scholarships and fellowships | 2,743,067 | 1,483,781 | 1,259,286 |
| Educational and general expenditures | 336,077,743 | 117,256,786 | 218,820,957 |
| Mandatory transfers for loan fund matching grants | 47,081 | 28,094 | 18,987 |
| Nonmandatory transfers for capital improvements | (936,507) | 4,266,621 | (5,203,128) |
| Total transfers | (889,426) | 4,294,715 | (5,184,141) |
| Total educational and general | 335,188,317 | 121,551,501 | 213,636,816 |
| Hospitals | 963,463,942 | 769,177,591 | 194,286,351 |
| Auxiliary Enterprises: | | | |
| Expenditures | 27,629,554 | – | 27,629,554 |
| Mandatory transfers for principal and interest | 242,459 | – | 242,459 |
| Nonmandatory transfers for renewals and replacements | 138,055 | – | 138,055 |
| Total auxiliary enterprises | 28,010,068 | – | 28,010,068 |
| **Total LSU Health Sciences Center** | 1,326,662,327 | 890,729,092 | 435,933,235 |
| **LSU in Shreveport** | | | |
| Educational and General: | | | |
| Instruction | 12,166,781 | 10,177,143 | 1,989,638 |
| Research | 329,803 | 56,900 | 272,903 |
| Public service | 2,567,375 | – | 2,567,375 |
| Academic support | 2,896,148 | 2,378,231 | 517,917 |
| Student services | 989,306 | 916,165 | 73,141 |
| Institutional support | 2,933,603 | 2,810,646 | 122,957 |
| Operation and maintenance of plant | 1,829,918 | 1,718,807 | 111,111 |
| Scholarships and fellowships | 3,289,629 | 584,916 | 2,704,713 |
| Educational and general expenditures | 27,002,563 | 18,642,808 | 8,359,755 |
| Nonmandatory transfers for: | | | |
| Other | (27,037) | – | (27,037) |
| Total Transfers | (27,037) | – | (27,037) |
| Total educational and general | 26,975,526 | 18,642,808 | 8,332,718 |
| Auxiliary Enterprises: | | | |
| Expenditures | 2,343,697 | – | 2,343,697 |
| Mandatory transfers for: | | | |
| Principal and interest | 70,714 | – | 70,714 |
| Total auxiliary enterprises | 2,414,411 | – | 2,414,411 |
| **Total LSU in Shreveport** | 29,389,937 | 18,642,808 | 10,747,129 |

**Schedule C-2**

# LSU SYSTEM
## SCHEDULE OF CURRENT FUND EXPENDITURES
## For the Year Ended June 30, 1999

| | Total Expenditures | Unrestricted | Restricted |
|---|---|---|---|
| **LSU at Alexandria** | | | |
| Educational and General: | | | |
| Instruction | $ 5,283,149 | $ 4,183,009 | $ 1,100,140 |
| Public service | 5,859 | – | 5,859 |
| Academic support | 486,862 | 465,383 | 21,479 |
| Student services | 695,731 | 564,665 | 131,066 |
| Institutional support | 1,334,725 | 1,228,195 | 106,530 |
| Operation and maintenance of plant | 1,192,341 | 1,191,852 | 489 |
| Scholarships and fellowships | 1,800,617 | 82,811 | 1,717,806 |
| Educational and general expenditures | 10,799,284 | 7,715,915 | 3,083,369 |
| Auxiliary Enterprises: | | | |
| Expenditures | 1,384,707 | – | 1,384,707 |
| Mandatory transfers for principal and interest | 110,946 | – | 110,946 |
| Nonmandatory transfers for renewals and replacements | 16,548 | – | 16,548 |
| Total auxiliary enterprises | 1,512,201 | – | 1,512,201 |
| **Total LSU at Alexandria** | 12,311,485 | 7,715,915 | 4,595,570 |
| **LSU at Eunice** | | | |
| Educational and General: | | | |
| Instruction | 4,990,631 | 4,086,299 | 904,332 |
| Academic support | 422,671 | 410,756 | 11,915 |
| Student services | 1,483,008 | 642,715 | 840,293 |
| Institutional support | 1,275,091 | 1,116,592 | 158,499 |
| Operation and maintenance of plant | 921,275 | 917,387 | 3,888 |
| Scholarships and fellowships | 2,842,204 | 35,289 | 2,806,915 |
| Educational and general expenditures | 11,934,880 | 7,209,038 | 4,725,842 |
| Mandatory transfers for loan fund matching grants | 11,191 | 11,191 | – |
| Total transfers | 11,191 | 11,191 | – |
| Total educational and general | 11,946,071 | 7,220,229 | 4,725,842 |
| Auxiliary Enterprises: | | | |
| Expenditures | 1,235,555 | – | 1,235,555 |
| Manadory transfers for renewal and replacements | 135,643 | – | 135,643 |
| Nonmandatory transfers for renewals and replacements | 13,320 | – | 13,320 |
| Total auxiliary enterprises | 1,384,518 | – | 1,384,518 |
| **Total LSU at Eunice** | 13,330,589 | 7,220,229 | 6,110,360 |

# LSU SYSTEM

**Schedule C-2**

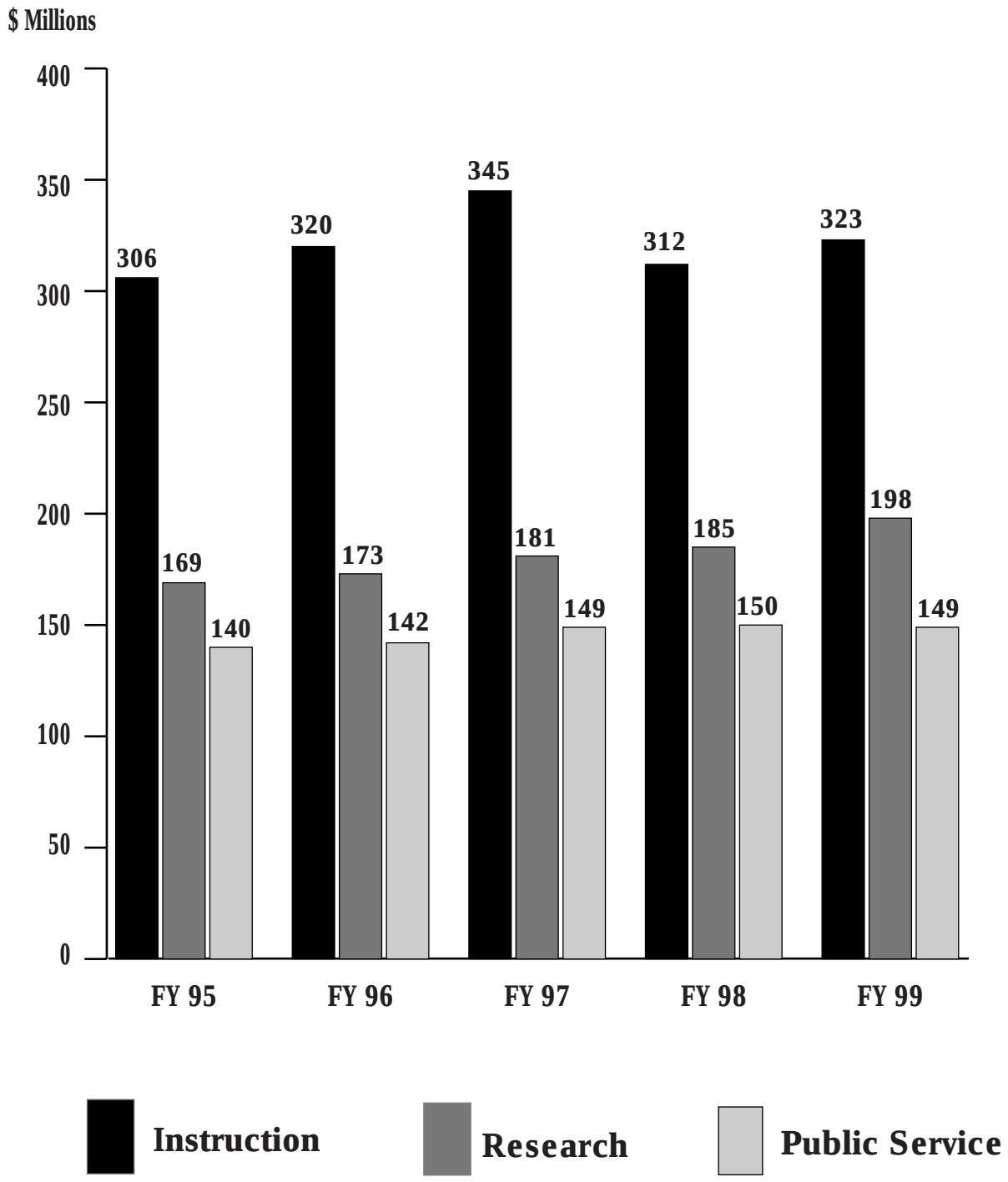
## SCHEDULE OF CURRENT FUND EXPENDITURES

## For the Year Ended June 30, 1999

| | Total Expenditures | Unrestricted | Restricted |
|---|---|---|---|
| **LSU Agricultural Center** | | | |
| Educational and General: | | | |
| Research | $ 49,063,219 | $ 38,318,403 | $ 10,744,816 |
| Public service | 36,717,328 | 31,337,666 | 5,379,662 |
| Academic support | 219,409 | 219,409 | – |
| Institutional support | 6,694,829 | 6,396,644 | 298,185 |
| Operation and maintenance of plant | 2,222,946 | 2,222,946 | – |
| Scholarships and fellowships | 30,747 | – | 30,747 |
| **Total LSU Agricultural Center** | 94,948,478 | 78,495,068 | 16,453,410 |
| **Total Expenditures and Transfers** | $2,077,043,340 | $1,352,438,027 | $724,605,313 |

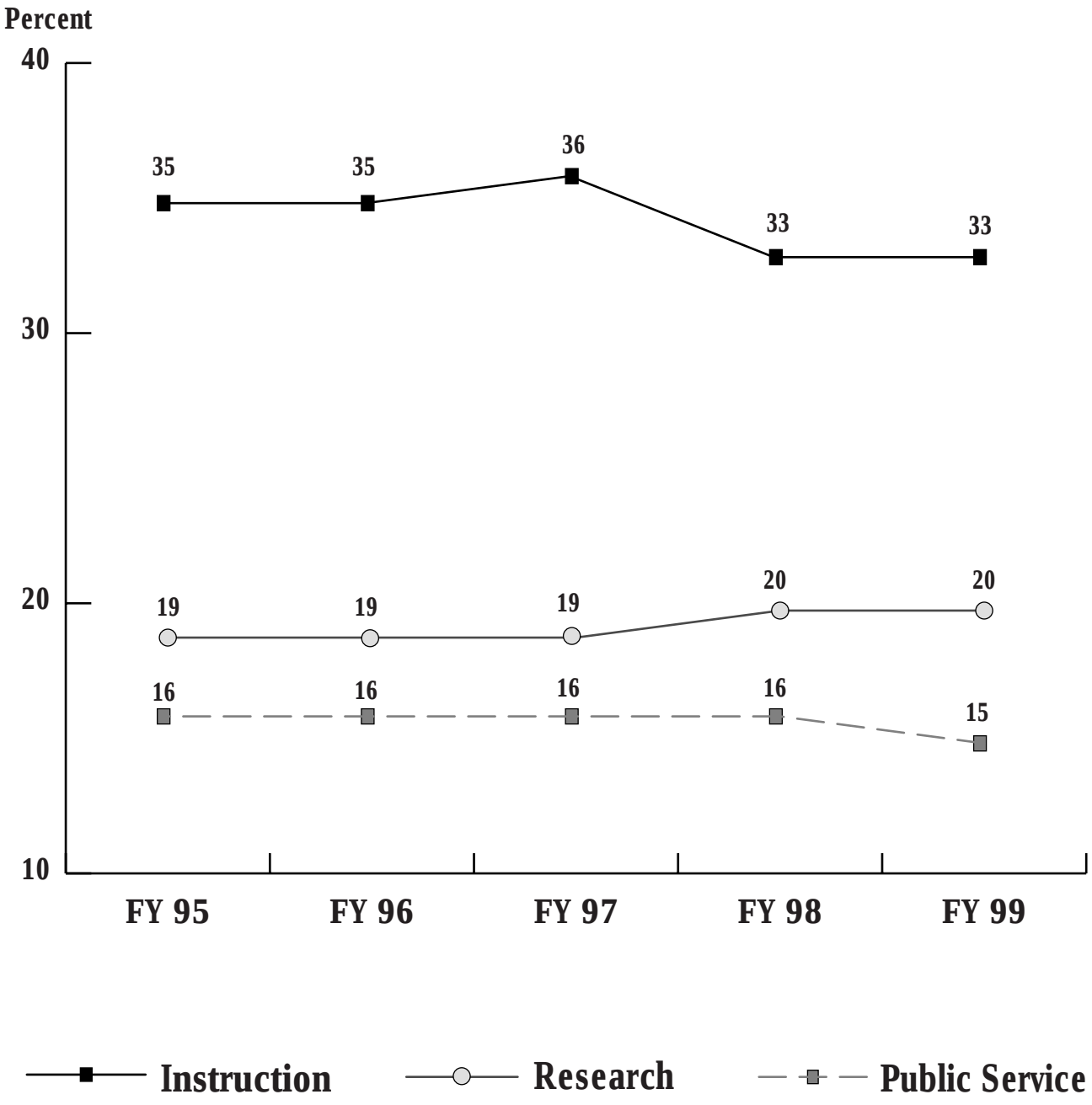
# LSU SYSTEM

## FIVE YEAR COMPARISON OF PRIMARY MISSION EXPENDITURES



# LSU SYSTEM

## FIVE YEAR COMPARISON OF PRIMARY MISSION EXPENDITURES AS A PERCENT OF TOTAL EDUCATIONAL AND GENERAL



**Schedule C-3**

# LSU SYSTEM
## SCHEDULE OF REVENUES AND EXPENDITURES
## RESTRICTED AUXILIARY ENTERPRISES
## For the Year Ended June 30, 1999

| | Revenues | Cost of Goods Sold | Salaries | Wages | Related Benefits |
|---|---|---|---|---|---|
| **LSU and A & M College** | | | | | |
| Athletics | $ 23,591,605 | $ – | $ 5,861,703 | $ 1,793,439 | $1,387,775 |
| Other athletic-related activities | 5,809,078 | 1,179,438 | 695,239 | 424,426 | 107,847 |
| Campus card operations | 172,578 | – | 16,224 | 25,117 | 3,164 |
| Continuing education center | 992,211 | 36,181 | 87,418 | 306,700 | 57,428 |
| Golf course | 978,935 | 166,704 | 186,180 | 197,540 | 56,008 |
| Graphic services | 8,060,731 | 1,884,622 | 565,897 | 1,648,069 | 416,516 |
| Laboratory school cafeteria | 215,311 | 79,871 | 26,725 | 75,158 | 21,532 |
| LSU Press | 2,808,515 | 1,229,892 | 621,111 | 180,206 | 156,574 |
| LSU Union | 14,599,920 | 8,050,198 | 813,259 | 2,233,363 | 432,365 |
| Parking, traffic and transportation | 4,036,709 | – | 161,771 | 879,893 | 148,987 |
| Residential life | 14,085,487 | – | 822,101 | 3,151,021 | 603,259 |
| Student health center | 4,530,735 | 378,371 | 1,294,627 | 1,079,101 | 426,166 |
| Student media | 1,372,848 | – | 188,007 | 439,034 | 33,587 |
| University dining administration | 966,207 | 3,431 | 198,867 | 54,924 | 63,449 |
| University stores | 6,102,683 | 5,314,109 | 113,328 | 382,092 | 90,679 |
| **Total LSU and A & M College** | 88,323,553 | 18,322,817 | 11,652,457 | 12,870,083 | 4,005,336 |
| **University of New Orleans** | | | | | |
| University center | 5,724,666 | 3,657,943 | 521,065 | 245,462 | 98,204 |
| Bienville hall | 963,695 | – | 138,924 | 64,129 | 21,280 |
| Lafitte village apartments | 630,163 | – | 48,784 | 14,164 | 7,407 |
| The Cove | 610,702 | – | – | – | – |
| Intercollegiate athletics | 2,498,196 | 17,610 | 1,057,913 | 45,175 | 189,719 |
| Miscellaneous auxiliaries | 902,291 | – | 280,860 | 10,629 | 8,384 |
| **Total University of New Orleans** | 11,329,713 | 3,675,553 | 2,047,546 | 379,559 | 324,994 |
| **LSU Health Sciences Center** | | | | | |
| New Orleans— | | | | | |
| Bookstore | 10,918,437 | 8,221,458 | 385,470 | 830,187 | 190,870 |
| Cafeteria | 81,593 | – | – | 1,027 | 11 |
| Parking | 739,579 | – | 47,065 | 185,164 | 40,991 |
| Printing services | 2,104,159 | – | 57,714 | 296,045 | 56,269 |
| Residence hall | 974,637 | – | 33,424 | 381,473 | 59,948 |
| Murmur (yearbook) | 56,426 | – | – | – | – |
| Medical center stores | 4,943,237 | 4,405,548 | 176,137 | 57,101 | 48,276 |
| Core laboratories | 754,379 | 243,300 | 241,506 | 26,464 | 50,263 |
| Administrative support | – | – | 221,609 | 249,760 | 94,088 |
| Total New Orleans | 20,572,447 | 12,870,306 | 1,162,925 | 2,027,221 | 540,716 |

## Schedule C-3

| Expenditures | | | | | | |
|---|---|---|---|---|---|---|
| Travel | Supplies and Expense | Principal and Interest | Utilities | Renewals and Replacements | **Total** | **Revenues over Expenditures** |
| $2,829,751 | $ 8,258,213 | $1,772,617 | $ 408,362 | $ 443,976 | $ 22,755,836 | $ 835,769 |
| 29,550 | 1,249,433 | – | – | 82,344 | 3,768,277 | 2,040,801 |
| 1,211 | 125,246 | – | – | 36,276 | 207,238 | (34,660) |
| 1,935 | 359,811 | – | 76,516 | 22,980 | 948,969 | 43,242 |
| 1,186 | 302,029 | 91,299 | 50,865 | 31,476 | 1,083,287 | (104,352) |
| 24,684 | 2,851,228 | – | 101,543 | 443,436 | 7,935,995 | 124,736 |
| – | 11,525 | – | 8,318 | 2,256 | 225,385 | (10,074) |
| 35,288 | 506,983 | – | 7,695 | 8,652 | 2,746,401 | 62,114 |
| 40,665 | 1,392,864 | 287,972 | 348,444 | 101,136 | 13,700,266 | 899,654 |
| 2,784 | 1,762,169 | 105,700 | – | 39,228 | 3,100,532 | 936,177 |
| 37,419 | 3,214,822 | 1,922,356 | 2,162,275 | 239,316 | 12,152,569 | 1,932,918 |
| 37,978 | 583,820 | – | 42,798 | 48,516 | 3,891,377 | 639,358 |
| 19,456 | 543,414 | – | – | 81,924 | 1,305,422 | 67,426 |
| – | 202,817 | 62,047 | 38,919 | – | 624,454 | 341,753 |
| 1,944 | 123,661 | – | 10,330 | 18,936 | 6,055,079 | 47,604 |
| 3,063,851 | 21,488,035 | 4,241,991 | 3,256,065 | 1,600,452 | 80,501,087 | 7,822,466 |
| 7,231 | 771,116 | 35,900 | 90,623 | 44,589 | 5,472,133 | 252,533 |
| 35 | 384,443 | 12,977 | 155,632 | 9,079 | 786,499 | 177,196 |
| – | 181,873 | 24,439 | 119,740 | 4,049 | 400,456 | 229,707 |
| – | 541,561 | 61 | 27,527 | 3,321 | 572,470 | 38,232 |
| 338,771 | 985,191 | – | – | – | 2,634,379 | (136,183) |
| – | 87,756 | 313,717 | – | – | 701,346 | 200,945 |
| 346,037 | 2,951,940 | 387,094 | 393,522 | 61,038 | 10,567,283 | 762,430 |
| 40,307 | 1,211,573 | – | 53,888 | 30,500 | 10,964,253 | (45,816) |
| – | 13,063 | – | 34,338 | – | 48,439 | 33,154 |
| – | 184,457 | 75,603 | 56,777 | 6,829 | 596,886 | 142,693 |
| 82 | 1,648,321 | – | 8,371 | 8,000 | 2,074,802 | 29,357 |
| – | 146,925 | 166,856 | 195,330 | 14,739 | 998,695 | (24,058) |
| – | 64,140 | – | – | – | 64,140 | (7,714) |
| 2,851 | 161,872 | – | 8,536 | 8,000 | 4,868,321 | 74,916 |
| 6,794 | 56,211 | – | 4,905 | 8,000 | 637,443 | 116,936 |
| 1,789 | (574,016) | – | 6,770 | – | – | – |
| 51,823 | 2,912,546 | 242,459 | 368,915 | 76,068 | 20,252,979 | 319,468 |

**Schedule C-3**

# LSU SYSTEM
## SCHEDULE OF REVENUES AND EXPENDITURES
## RESTRICTED AUXILIARY ENTERPRISES
## For the Year Ended June 30, 1999

| | Revenues | Cost of Goods Sold | Salaries | Wages | Related Benefits |
|---|---|---|---|---|---|
| **LSU Health Sciences Center (cont.)** | | | | | |
| Shreveport— | | | | | |
| Bookstore | $ 2,540,392 | $ 993,345 | $ 20,636 | $ 220,268 | $ 35,643 |
| General service stores | 2,338,613 | 1,975,471 | 58,861 | 289,053 | 48,384 |
| Gift shop | 58,432 | 51,559 | 260 | 1,987 | 188 |
| Linwood apartments | 24,706 | – | – | – | – |
| Printing services | 387,394 | 68,049 | 36,075 | 104,812 | 23,127 |
| Union | 94,854 | – | 250 | 659 | 116 |
| Cafeterias | 2,610,761 | – | 62,310 | 399,507 | 61,817 |
| Parking | 290,631 | – | 1,451 | 34,517 | 7,033 |
| Rental properties | 78,295 | – | 133 | 3,224 | 266 |
| Plant stores | – | – | – | – | – |
| Micro services | – | – | – | – | – |
| Vending | – | – | – | – | – |
| Total Shreveport | 8,424,078 | 3,088,424 | 179,976 | 1,054,027 | 176,574 |
| **Total LSU Health Sciences Center** | 28,996,525 | 15,958,730 | 1,342,901 | 3,081,248 | 717,290 |
| **LSU in Shreveport** | | | | | |
| Food service | 28,833 | – | – | 629 | – |
| Bookstore | 1,814,884 | 1,364,624 | 122,083 | 25,895 | 23,530 |
| Almagest (student newspaper) | 23,208 | – | – | 10,223 | – |
| University center | 596,416 | – | 148,247 | 29,365 | 27,071 |
| University Court Apartments | 1,051 | – | – | – | – |
| Intercollegiate athletics | 118,508 | – | 33,790 | 2,869 | 7,799 |
| **Total LSU in Shreveport** | 2,582,900 | 1,364,624 | 304,120 | 68,981 | 58,400 |
| **LSU at Alexandria** | | | | | |
| Union | 305,451 | 79,978 | – | 66,884 | 10,299 |
| Bookstore | 968,967 | 783,274 | 3,995 | 80,122 | 12,637 |
| Sauce Piquante (yearbook) | 15,447 | – | – | 1,056 | – |
| LSU-A Tiger (student newspaper) | 10,621 | – | – | 900 | – |
| Golf course | 178,499 | 5,855 | 21,500 | 26,726 | 7,505 |
| Duplicating and copy service | 84,397 | – | 1,764 | – | 252 |
| Parking, streets and safety | 33,813 | – | – | – | – |
| Child care center | 4,100 | – | 2,875 | – | 545 |
| **Total LSU at Alexandria** | 1,601,295 | 869,107 | 30,134 | 175,688 | 31,238 |
| **LSU at Eunice** | | | | | |
| Bayou Bengal (student newspaper) | 11,135 | – | – | 3,950 | – |
| Bookstore | 1,207,187 | 870,907 | – | 75,390 | 12,834 |
| LeTigre (yearbook) | 5,179 | – | – | – | – |
| Union | 286,172 | 69,257 | – | 91,987 | 14,168 |
| Athletics | 84,463 | – | – | 8,000 | – |
| **Total LSU at Eunice** | 1,594,136 | 940,164 | – | 179,327 | 27,002 |
| **Total Restricted Auxiliary Enterprises** | $134,428,122 | $41,130,995 | $15,377,158 | $16,754,886 | $5,164,260 |

| Expenditures | | | | | | |
|---|---|---|---|---|---|---|
| Travel | Supplies and Expense | Principal and Interest | Utilities | Renewals and Replacements | **Total** | **Revenues over Expenditures** |
| $ – | $ 772,978 | $ – | $ 4,302 | $ 22,733 | $ 2,069,905 | $ 470,487 |
| – | 42,830 | – | 18,821 | 19,415 | 2,452,835 | (114,222) |
| – | 661 | – | 745 | – | 55,400 | 3,032 |
| – | – | – | – | – | – | 24,706 |
| – | 150,428 | – | 5,959 | 7,259 | 395,709 | (8,315) |
| – | 30,174 | – | 783 | 4,308 | 36,290 | 58,564 |
| – | 1,952,869 | – | 57,005 | 8,272 | 2,541,780 | 68,981 |
| – | 131,632 | – | 10,649 | – | 185,282 | 105,349 |
| – | 9,153 | – | 7,112 | – | 19,888 | 58,407 |
| – | – | – | – | – | – | – |
| – | – | – | – | – | – | – |
| – | – | – | – | – | – | – |
| – | 3,090,725 | – | 105,376 | 61,987 | 7,757,089 | 666,989 |
| 51,823 | 6,003,271 | 242,459 | 474,291 | 138,055 | 28,010,068 | 986,457 |
| 707 | 5,980 | – | – | – | 7,316 | 21,517 |
| 4,934 | 102,068 | – | 35,000 | 258 | 1,678,392 | 136,492 |
| 666 | 11,300 | – | – | 1,019 | 23,208 | – |
| 3,460 | 255,409 | 70,714 | 35,000 | 27,150 | 596,416 | – |
| – | – | – | – | – | – | 1,051 |
| 14,924 | 45,551 | – | – | 4,146 | 109,079 | 9,429 |
| 24,691 | 420,308 | 70,714 | 70,000 | 32,573 | 2,414,411 | 168,489 |
| 21 | 10,979 | 110,946 | 20,987 | 3,108 | 303,202 | 2,249 |
| 340 | 87,580 | – | 6,151 | 5,820 | 979,919 | (10,952) |
| 22 | 40,472 | – | 298 | 336 | 42,184 | (26,737) |
| 3 | 4,683 | – | 289 | 660 | 6,535 | 4,086 |
| 2 | 39,302 | – | 1,682 | 1,152 | 103,724 | 74,775 |
| – | 65,152 | – | 413 | 5,472 | 73,053 | 11,344 |
| – | – | – | – | – | – | 33,813 |
| – | 164 | – | – | – | 3,584 | 516 |
| 388 | 248,332 | 110,946 | 29,820 | 16,548 | 1,512,201 | 89,094 |
| – | 2,804 | – | – | 1,968 | 8,722 | 2,413 |
| 1,301 | 44,506 | 135,643 | 1,000 | 2,352 | 1,143,933 | 63,254 |
| – | – | – | – | 24 | 24 | 5,155 |
| 1,625 | 17,170 | – | 2,400 | 8,976 | 205,583 | 80,589 |
| 699 | 17,557 | – | – | – | 26,256 | 58,207 |
| 3,625 | 82,037 | 135,643 | 3,400 | 13,320 | 1,384,518 | 209,618 |
| $3,490,415 | $31,193,923 | $5,188,847 | $4,227,098 | $1,861,986 | $124,389,568 | $10,038,554 |

(THIS PAGE INTENTIONALLY LEFT BLANK)

# LSU SYSTEM FINANCIAL REPORT

## GUIDE TO NOTES


Page

A. Summary of Significant Accounting Policies ..... 30
   1. Fund Accounting ..... 30
   2. Basis of Accounting ..... 31
   3. Budgetary Practices ..... 31
   4. Encumbered, Unencumbered and Unexpended Appropriations ..... 31
   5. Cash and Cash Equivalents ..... 32
   6. Investments ..... 32
   7. Inventories ..... 32
   8. Compensated Absences ..... 32
   9. Deferred Revenues ..... 33

B. Pension Plans and Medicare ..... 33

C. Postretirement Health Care and Life Insurance Benefits ..... 34

D. Federal Grants and Contracts ..... 34

E. Grant Awards ..... 34

F. Changes in Long-Term Debt ..... 34

G. Expansion of Tiger Stadium ..... 35

H. Student Loan Funds ..... 35

I. Accounts Receivable ..... 35

J. Capital Leases ..... 35

K. Physical Plant ..... 36

L. Other Contingent Liabilities ..... 36

M. Due From Private Foundations ..... 37

N. Revenue Transfers ..... 37

O. Baton Rouge Community College ..... 37

P. Prior Period Adjustments ..... 37

Q. Accounting Changes ..... 38

R. Total Columns on Combined Statements ..... 38

S. Subsequent Events ..... 38

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana State University System is comprised of a group of publicly-supported institutions of higher education. The University is a political subdivision of the State of Louisiana and is under the management and supervision of the Louisiana State University Board of Supervisors. As a State agency, certain operations of the University are funded through appropriations made by the Louisiana Legislature.

The Governmental Accounting Standards Board (GASB) has recognized the accounting principles established by the National Association of College and University Business Officers and published in the AICPA Industry Audit Guide for Colleges and Universities as generally accepted accounting principles for publicly-supported institutions of higher education. The accompanying financial statements have been prepared in accordance with such principles, except as described herein.

The GASB has defined the governmental reporting entity to be the State of Louisiana, and the University is considered a component unit of the State. As such, the accompanying financial statements present information only as to the transactions of the programs of the University, as authorized by Louisiana statutes and administrative regulations. Annually, the State of Louisiana issues comprehensive financial statements which include the activity contained in the accompanying financial statements. The general purpose financial statements are audited by the Legislative Auditor.

### 1. FUND ACCOUNTING

In order to ensure observance of limitations and restrictions placed on the use of the resources available, the accounts of the University are maintained in accordance with the principles of fund accounting. Such principles prescribe the manner in which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with the activities or objectives specified. Accounts are separately maintained for each fund. However, in the accompanying financial statements, funds having similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund groups. A brief description of each of the fund groups follows.

*Current Funds*

Current Funds are operating funds that will be expended in the near term. Such funds have two basic subgroups—unrestricted and restricted. Unrestricted current funds include all funds for operating purposes on which there are no restrictions, except the budgetary control provisions included in the annual legislative appropriations act. Restricted current funds represent those operating funds on which restrictions have been imposed which limit the purposes for which such funds can be used. Restricted current funds include auxiliary enterprise funds designated by the Board of Supervisors as applicable to certain activities so classified and used to maintain the operations as essentially self-supporting. Unexpended balances in the auxiliary activities are retained to fund future expenses of the auxiliary operations.

*Student Loan Funds*

The purpose of this fund group is to account for the resources available for loans to students.

*Endowment Funds*

The Endowment Fund group consists of endowment funds, term endowment funds and quasi-endowment funds. Endowment funds are those for which donors or other external agencies stipulate under the terms of the underlying gift instrument that the principal be maintained inviolate and in perpetuity and invested to produce current and future income, which may be expended or added to principal. Term endowment funds differ from endowment funds in that all or a portion of the principal becomes expendable after a stated period of time or on the occurrence of a specified event. Quasi-endowment funds are those funds which the governing board of the institution, rather than a donor or other external agency, has determined to treat as endowment funds, to be retained and invested. Expendable income derived from investment of principal is accounted for in the restricted current fund; any nonexpendable interest is accounted for as income in the endowment fund.

***FUND ACCOUNTING*** *(cont.)*

*Plant Funds*

The Plant Fund group contains four self-balancing subgroups. Unexpended plant funds are used for the acquisition, construction and renovation of long-lived assets for institutional purposes. Funds for renewal and replacement of auxiliary enterprise equipment are set aside from current operating revenues of auxiliary enterprises. Funds for retirement of indebtedness are to service plant indebtedness of the University. Investment in plant includes all long-lived assets of the University.

*Agency Funds*

This fund group represents funds in which the University acts as custodian or fiscal agent on behalf of others, such as student or faculty organizations.

## 2. BASIS OF ACCOUNTING

The financial statements of the University have been prepared on the accrual basis of accounting, except that depreciation is not recognized, annual and sick leave are recognized when paid, and inventories in the unrestricted and restricted funds are recorded as expenditures at the time of purchase. Tuition and fees for the summer session, collected in June, and faculty salaries and the related employee benefits for teaching that portion of the summer session that occurs prior to June 30, are recognized in the next fiscal year.

The Statement of Current Fund Revenues, Expenditures and Other Changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations for the period as would a statement of revenues and expenses. To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as expenditures in the case of normal acquisitions, repairs or renovations; as mandatory transfers in the case of required provisions for debt amortization and interest; and as transfers of a nonmandatory nature for all other cases.

## 3. BUDGETARY PRACTICES

The annual budget for the University's current unrestricted fund is established by annual legislative action and by Titles 17 and 39 of the Louisiana Revised Statutes. State law provides that any encumbered appropriation lapses at the end of the fiscal year; however, such funds are subject to reappropriation into the subsequent year provided certain approvals are obtained at the State level. In compliance with these legal restrictions, budgets are adopted on the accrual basis of accounting, except as follows: leave costs are treated as budgeted expenditures to the extent that they are expected to be paid; inventories in the unrestricted and restricted funds are recorded as expenditures at the time of purchase; and summer session tuition and fees, tax supported appropriations related thereto, and summer session faculty salaries and related benefits for June are not prorated, but are recognized in the succeeding fiscal year.

Although the other funds of the University are subject to internal budgeting, there are no requirements that budgets for such funds be submitted for approval through the legislative budget process.

## 4. ENCUMBERED, UNENCUMBERED AND UNEXPENDED APPROPRIATIONS

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve fund balances, is employed by the University. Encumbrances outstanding at year end in all funds, except for the current unrestricted fund, are reported as reservations of fund balance since they do not constitute expenditures or liabilities in the year encumbered. Encumbrances in the current unrestricted fund are not reported as a reservation of fund balance because the University does not record as revenues in the current fiscal year any appropriated funds related to encumbrances outstanding at fiscal year end. Such orders are subject to reappropriation into the following fiscal year, provided certain approvals are obtained. There were no such encumbrances outstanding at June 30, 1999.

***ENCUMBERED, UNENCUMBERED AND UNEXPENDED APPROPRIATIONS*** *(cont.)*

Louisiana statutes provide that any public university which adopts a preventative maintenance program approved by the Board of Regents may retain funds appropriated from the current unrestricted fund which remain unexpended and unencumbered at fiscal year end, provided that at least fifty percent of these funds are maintained in a preventative maintenance reserve fund to be used solely for preventative maintenance purposes in accordance with the approved plan. Retained funds are to be spent on nonrecurring projects subject to approval by the appropriate higher education management board, the Board of Regents, and the Joint Legislative Committee on the Budget. There were no such unencumbered and unexpended funds at June 30, 1999.

## 5. CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include petty cash, demand deposits, time deposits, and certificates of deposit. Cash and cash equivalents are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. These pledged securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved.

## 6. INVESTMENTS

University investments include repurchase agreements, federated funds, registered common and preferred stock, registered bonds, and U.S. Government securities. Investments are stated either at amortized cost or market value, and investments received as gifts are recorded initially at market value at date of acquisition.

The University has implemented GASB 31, and all adjustments to record and report investments at fair value have been based on quoted market prices. Money market investments and participating interest earning investment contracts with a maturity at time of purchase of less than one year are reported at amortized cost. Income from changes in the fair value of investments are reported as revenue or fund additions in the accompanying statements. Expendable income derived from the investment of endowed assets has been reported as endowment income in the restricted current fund. However, any nonexpendable endowment earnings and all unrealized income from changes in the fair value of endowed assets are reported as endowment income in the endowed fund.

## 7. INVENTORIES

Inventories are valued at cost or replacement cost, except for livestock at LSU and A&M College and at the LSU Agricultural Center and the inventory of Professional Practice and the Dental School of the LSU Medical Center in New Orleans. These inventories are valued at current market prices. The University uses periodic and perpetual inventory systems and values its various other inventories using the first-in, first-out and weighted average valuation methods. Inventories in the unrestricted and restricted funds are recorded as expenditures at the time of purchase, and year-end balances are offset by a reservation of fund balance that indicates this portion of the fund balance does not constitute available spendable resources. The inventories of the auxiliary enterprise funds are expended when sold or used.

## 8. COMPENSATED ABSENCES

Employees accrue and accumulate annual and sick leave in accordance with policies established by the LSU Board of Supervisors for faculty and administrative/professional personnel and by the Department of Civil Service for classified personnel. Substantially all employees accumulate annual and sick leave without limitation. Faculty members appointed on an academic year basis do not accrue annual leave, but are granted faculty leave during holiday periods when students are not in classes.

***COMPENSATED ABSENCES*** *(cont.)*

Upon separation of employment, all personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, faculty and administrative/professional personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Upon retirement, any annual or sick leave not compensated for is used as credited service in either Louisiana Teachers' Retirement System or Louisiana State Employees' Retirement System.

The liability for unused annual and sick leave at June 30, 1999, computed in accordance with GASB 16, is estimated to be $73,808,700 and $21,109,000, respectively. This estimated liability for compensated absences is calculated on a maximum of 300 hours for each employee having accumulated annual leave, and on a maximum of 200 hours of accumulated sick leave for faculty and administrative/professional employees having at least 10 years of retirement system credit. The liability is not calculated on sick leave balances accumulated by classified employees, since lump sum payments for sick leave are made only to retiring faculty or administrative/professional employees.

A liability for compensated absences has not been recorded or reported in the accompanying financial statements. If the estimated amounts indicated above were recorded in the accompanying financial statements, $78,240,400 would be reported in the unrestricted fund, $2,711,100 would be reported in the auxiliary fund, and $13,966,200 would be reported in the restricted fund.

9. **DEFERRED REVENUES**

Tuition and fees collected at June 30, 1999, but applicable to the 1999 summer session, and certain revenues for other programs or activities to be conducted primarily in the next fiscal year, are reported as deferred revenues. Expenses relating to such programs or activities, including the summer session, are reported in the period the tuition and fees are recognized as revenues.

B. **PENSION PLANS AND MEDICARE**

Substantially all employees of the University are members of the Louisiana Teachers' Retirement System, the Louisiana State Employees' Retirement System, the Optional Retirement Plan, or the Federal Civil Service Retirement System.

The Optional Retirement Plan was created effective July 1, 1990, for academic and administrative employees of public institutions of higher education, and was designed to assist universities in recruiting employees not expected to remain in the Teachers' Retirement System long enough for vesting purposes. The purpose of the Optional Retirement Plan is to provide retirement and death benefits, while affording the maximum portability of such benefits to the participants. Eligible employees make an irrevocable election to participate in the Optional Retirement Plan rather than the Teachers' Retirement System, and purchase retirement and death benefits through annuity contracts provided by certain designated companies. As a defined contribution plan, the Optional Retirement Plan provides full and immediate vesting of all contributions remitted to these designated companies on behalf of participating employees.

Employee and employer contributions for Optional Retirement Plan participants are remitted by the University to the Teachers' Retirement System. Upon receipt of such contributions, the Teachers' Retirement System pays over to the appropriate companies, on behalf of participating employees, both employee contributions and amounts equal to the actuarially determined employer portion of the normal cost contribution. The Teachers' Retirement System retains the balance of the University contribution for application to the unfunded accrued liability of the System.

**PENSION PLANS AND MEDICARE** *(cont.)*

During fiscal year 1998-99 employee contributions were 8% to the Teachers' Retirement System and to the Optional Retirement Plan, and 7.5% to the State Employees' Retirement System, for covered salaries and wages. For the Teachers' Retirement System and the Optional Retirement Plan, employer contributions were 16.5%, and for the State Employees' Retirement System, employer contributions were 12.4%. In addition to employee payroll deductions, the University is required to remit the employer share of retirement contributions to the appropriate retirement systems.

Public Law 99-272 requires that all employees hired after March 31, 1986, be covered by the medicare tax. Effective July 1, 1991, all employees not eligible for one of the above retirement systems contribute to Social Security and are also subject to the medicare tax.

The University does not guarantee the benefits granted by the retirement systems cited above.

## C. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The University provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the University's employees become eligible for such benefits as they reach normal retirement age while working for the University. These benefits for retirees and similar benefits for active employees are provided through a state operated group insurance program and various insurance companies whose monthly premiums are paid jointly by the employee and by the University. The University's costs of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 1999, the costs of retiree benefits, net of participant contributions, totaled $12,171,573.

## D. FEDERAL GRANTS AND CONTRACTS

The University participates in a number of federally assisted grant programs which are reported in the Restricted Fund, and are included in the financial and compliance audit of the University performed by the Legislative Auditor of the State of Louisiana. These programs are subject to additional program compliance audits by the grantors, and all such audits for 1999 and prior years have not been conducted. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the University's management believes such disallowances, if any, will be immaterial.

## E. GRANT AWARDS

Grant awards not yet funded and for which the University has not yet performed services have not been considered as assets in the financial statements. The total amount of such uncollected grant awards at June 30, 1999, is $145,847,944.

## F. CHANGES IN LONG-TERM DEBT

The following is a summary of bonds, reimbursement contracts and other long-term debt transactions of the University for the year ended June 30, 1999:

| | Totals | Bonds Payable | Reimbursement Contracts Payable | Notes Payable |
|---|---|---|---|---|
| Outstanding at July 1, 1998 | $115,572,565 | $80,292,780 | $3,820,119 | $31,459,666 |
| Added | 20,454,313 | 19,012,566 | – | 1,441,747 |
| Retired | (7,546,461) | (2,818,513) | (609,897) | (4,118,051) |
| Outstanding at June 30, 1999 | $128,480,417 | $96,486,833 | $3,210,222 | $28,783,362 |

Reimbursement contracts payable are long-term debt instruments issued by the Board of Supervisors to the Treasurer of the State of Louisiana. The purpose of the obligations is to reimburse the State (from University revenues) for its debt service payments on General Obligation Bonds issued by the State to finance certain University projects.

**CHANGES IN LONG-TERM DEBT** *(cont.)*

Included in the notes payable outstanding at July 1, 1998 and at June 30, 1999, is a loan agreement between the University and the Louisiana Public Facilities Authority (LPFA) totaling $28,000,000. This debt is being amortized over 261 monthly installments which began in December, 1988. Interest due on this loan is computed weekly, using floating interest rates as a basis for such calculations. At June 30, 1999, the outstanding balance is $21,262,496.

The long term debt retirement requirements for the next five fiscal years are as follows: $13,783,772 due in fiscal 1999-00; $12,922,188 due in fiscal 2000-01; $14,408,442 due in fiscal 2001-02; $10,592,607 due in fiscal 2002-03; and $9,735,168 due in fiscal 2003-04.

## G. EXPANSION OF TIGER STADIUM

The Tiger Athletic Foundation, a separate corporation created in behalf of the University's intercollegiate athletics program, issued in March, 1999, long-term debt instruments for the expansion of Tiger Stadium. The project, expected to cost $55 million, will be completely financed by the Tiger Athletic Foundation through the sale of bonds through the Louisiana Public Facilities Authority and through a bank loan. The bonds will finance 75% of the cost of the project and the bank loan will finance the remaining balance. The University will lease the space to the Tiger Athletic Foundation for the stadium improvements, and in turn, lease the completed stadium improvements from the Tiger Athletic Foundation in accordance with the terms of a cooperative endeavor agreement. The stadium improvements will be owned by the Tiger Athletic Foundation, but upon payment of the bonds and expiration of the lease, the Tiger Athletic Foundation intends to donate the stadium improvements to the University. Revenues of the Tiger Athletic Foundation from the sale of the ticket premiums related to the stadium improvements are pledged to finance the debt service.

## H. STUDENT LOAN FUNDS

The fund balances of the Student Loan Funds at June 30, 1999, are comprised of the following:

| | |
|---|---|
| Perkins Loan Fund | $23,665,973 |
| Health Professions Loan Fund | 8,524,053 |
| Other Loan Funds | 943,732 |
| Total | $33,133,758 |

## I. ACCOUNTS RECEIVABLE

An allowance for doubtful accounts of $254,871,000 is netted against accounts receivable on the balance sheet. This allowance relates to accounts receivable of $483,280,000 in current funds representing amounts due from patients served at the LSU Health Sciences Center clinics and hospitals.

## J. CAPITAL LEASES

The University has certain lease agreements in effect which are considered capital leases. Capital lease obligations are reported as liabilities in the Net Investment in Plant fund, as such obligations relate to the use and acquisition of plant assets. Assets acquired under such capital lease agreements amounted to $5,995,292 at June 30, 1998, and $7,152,883 at June 30, 1999, which balances have not been included in the Physical Plant assets reflected below in footnote K. All lease agreements contain appropriation clauses providing that continuation is subject to funding by the legislature.

**CAPITAL LEASES** *(cont.)*

The following is a schedule of future minimum lease payments under capital leases together with the present value of net minimum lease payments as of June 30, 1999.

| | |
|---|---|
| Fiscal year ending June 30: | |
| 2000 | $ 1,399,062 |
| 2001 | 1,144,037 |
| 2002 | 937,564 |
| 2003 | 457,500 |
| 2004 | 49,898 |
| Total minimum lease payments | 3,988,061 |
| Less amount representing interest | (331,466) |
| Present value of net minimum lease payments | $ 3,656,595 |

K. **PHYSICAL PLANT**

Physical plant and equipment are stated at estimated cost at June 30, 1939, plus subsequent net additions representing purchases at cost and gifts either at stated cost to donors or estimated values. Depreciation on physical plant and equipment is not recorded. Footnote J addresses capital leases and includes information on capitalized leased assets not included in the totals reflected below.

| | July 1, 1998 | Net Additions | June 30, 1999 |
|---|---|---|---|
| Educational plant: | | | |
| Land and nonstructural improvements | $ 112,783,497 | $ (954,526) | $ 111,828,971 |
| Buildings | 722,797,543 | 48,762,715 | 771,560,258 |
| Movable equipment | 473,594,288 | 16,670,743 | 490,265,031 |
| Library books | 134,908,014 | 7,657,753 | 142,565,767 |
| Total educational plant | 1,444,083,342 | 72,136,685 | 1,516,220,027 |
| Hospitals: | | | |
| Land and nonstructural improvements | 24,652,337 | 9,802 | 24,662,139 |
| Buildings | 233,459,422 | 15,701,180 | 249,160,602 |
| Movable equipment | 224,436,677 | (411,961) | 224,024,716 |
| Total hospitals | 482,548,436 | 15,299,021 | 497,847,457 |
| Auxiliary plant: | | | |
| Nonstructural improvements | 2,423,180 | 2,442,409 | 4,865,589 |
| Buildings | 139,868,503 | 15,046,747 | 154,915,250 |
| Movable equipment | 29,521,593 | 1,373,346 | 30,894,939 |
| Total auxiliary plant | 171,813,276 | 18,862,502 | 190,675,778 |
| Total plant investment | $2,098,445,054 | $ 106,298,208 | $2,204,743,262 |

L. **OTHER CONTINGENT LIABILITIES,**

The University is involved in a number of lawsuits at June 30, 1999. In the opinion of legal counsel for the University, the ultimate outcome of these lawsuits cannot be determined; however, any losses, with few exceptions, would be fully covered by insurance. 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.

At June 30, 1999, the University is contingently liable for $422,947 as guarantor of mortgage loans on sorority and fraternity houses built on University property.

## M. DUE FROM PRIVATE FOUNDATIONS

Included in the Investments reported on the Balance Sheet are assets of $39,512,659 identified in the underlying accounting records as "Due from Private Foundations." This amount represents matching funds received by the University from the State pursuant to the endowed chair and professorship programs administered by the Board of Regents, and the related unexpended earnings. These funds are held and invested by the University's foundations at June 30, 1999, under agreement with the University. These assets are considered to be an external investment pool, and are reported in the accompanying financial statements at market value, in accordance with the requirements of GASB 31.

## N. REVENUE TRANSFERS

During fiscal 1998-99, the LSU Health Sciences Center Healthcare Services Division transferred $23,416,805 to the LSU Health Sciences Center in New Orleans, the authority for which was granted by the Louisiana Legislature through Act 3 of 1997. This transaction has been reported as a reduction in the Unrestricted fund and an increase in the Restricted fund on the "Other changes -- net" line of the Consolidated Statement of Changes in Fund Balances.

## O. BATON ROUGE COMMUNITY COLLEGE

Originally created under the joint management of the LSU Board of Supervisors and the Southern University Board of Supervisors, the Baton Rouge Community College (BRCC) has been reported in the consolidated Financial Report of the LSU System since fiscal year ended June 30, 1996. Effective July 1, 1998, the BRCC joined a community college system in Louisiana and is no longer included as part of the LSU System report. As indicated below in footnote P, related prior period adjustments have been recorded that resulted in restatement of the Restricted fund and the Investment in Plant fund balances at July 1, 1998, as presented in the Consolidated Statement of Changes in Fund Balances for the year ended June 30, 1999. In addition, several other schedules included in this Financial Report have also been affected. The Summary of Revenues and Expenditures on page 3 and the Consolidated Statement of Current Fund Revenues, Expenditures, and Other Changes on page 10 each present comparative operating financial data for 1999 and 1998. In both analyses, the summarized prior year data for 1998 presented do not include operating data of the BRCC. Moreover, there are several graphical presentations in this report providing consolidated financial analyses from fiscal year 1994-95 through fiscal year 1998-99. Although these graphs originally included data for the BRCC when reported in prior years, the data presented herein for all years in these analyses do not include data for the BRCC.

## P. PRIOR PERIOD ADJUSTMENTS

Several prior period adjustments were recognized by the University during fiscal 1998-99. As a result, certain prior year fund balances have been restated at July 1, 1998, in the Consolidated Statement of Changes in Fund Balances for the year ended June 30, 1999, as indicated below.

### *Restricted fund*

The Baton Rouge Community College (BRCC) was originally created under the joint management of the LSU Board of Supervisors and the Southern University Board of Supervisors, and was included as part of the LSU system as of June 30, 1998. Effective July 1, 1998, the BRCC joined a community college system in Louisiana and is no longer included as part of the LSU System. As a result, a prior period adjustment of $1,055 has been recorded in the Restricted fund to remove the restricted net assets of the BRCC. Accordingly, the Restricted fund balance, originally reported as $240,176,835 at June 30, 1998, has been restated as $240,175,780 at July 1, 1998.

### *Unexpended Plant Fund*

The University of New Orleans reported bonds payable of $6,095,735 in the Unexpended Plant fund at June 30, 1998. To provide consistency in the reporting of bonds payable liability throughout the LSU System institutions, a prior period adjustment has been recorded in the Unexpended Plant fund to move this liability to the Investment in Plant fund. Accordingly, the Unexpended Plant fund balance, originally reported as $64,676,451 at June 30, 1998, has been restated as $70,772,186 at July 1, 1998.

**PRIOR PERIOD ADJUSTMENTS** *(cont.)*

***Investment in Plant Fund***

As indicated above, the Baton Rouge Community College (BRCC) is no longer included as part of the LSU System, effective July 1, 1998. As a result, a prior period adjustment of $8,170, 083 has been recorded in the Investment in Plant fund to remove the net plant assets of the BRCC. The University of New Orleans moved all the bonds payable outstanding at June 30, 1998 in its Unexpended Plant fund to the Investment in Plant fund, effective July 1, 1998. As a result, a prior period adjustment of $6,221,955 has been recorded in the Investment in Plant fund to move this liability, net of the related unamortized discount. In addition, certain capital assets of the LSU Health Sciences Center were understated at June 30, 1998. As a result, a prior period adjustment of $5,441,492 has been recorded in the Investment in Plant fund to record such assets. Accordingly, the Investment in Plant fund balance, originally reported as $1,994,381,631 at June 30, 1998, has been restated as $1,985,431,085 at July 1, 1998.

Q. **ACCOUNTING CHANGES**

There were no accounting changes made during the year that have a material effect on the financial statements.

R. **TOTAL COLUMNS ON COMBINED STATEMENTS**

The total columns on the combined statements are presented only to facilitate financial analysis. Data in these columns do not necessarily present financial position or results of operations in conformity with generally accepted accounting principles, nor are such data comparable to a consolidation.

S. **SUBSEQUENT EVENTS**

The University entered into a master agreement for performance-based energy equipment and services with Johnson Controls, Inc. (JCI) on behalf of the University of New Orleans (UNO) on October 30, 1998. The contract provides for the design and installation of $13, 476,377 of equipment, controls, and other energy efficiency improvements by JCI and the leasing of those improvements to UNO for a term of 20 years with semiannual payments of $588,702. The University was not obligated to make payment until the latter of April 30, 1999 or substantial completion executed by a certificate of substantial completion. As of June 30, 1999, substantial completion had not occurred. As a result, UNO did not record either the first rental payment expense or the long-term debt associated with the capital lease.

## BOARD OF SUPERVISORS

Charles S. Weems, III
Chairman

Ronald R. Anderson
Vice Chairman

Dr. Jack A. Andonie

Clarence L. Barney

Bernard E. Boudreaux, Jr.

Victor Bussie

Charles V. Cusimano

Dr. John P. Davis

Damon Dietrich

Gordon E. Doré

Stanley J. Jacobs

Laura A. Leach

Roger H. Ogden

Perry Segura

Virginia K. Shehee

John R. Williams

## LSU SYSTEM OFFICERS

William L. Jenkins
President

William L. Silvia, Jr.
Executive Vice President

H. Douglas Braymer
Vice President
Academic Affairs &
Technology Transfer

Charles L. Martin
Vice President
Institutional Services

## CAMPUS BUSINESS OFFICERS

LSU and A & M College
Jerry J. Baudin
Vice Chancellor for
Business Affairs and
Comptroller

Donna K. Torres
Executive Director of
Accounting Services

Paul M. Hebert Law Center
Glenn G. Morris
Vice Chancellor

University of New Orleans
Linda K. Robison
Vice Chancellor for
Business Affairs

Janice M. Blackwell
Assistant Comptroller

LSU Medical Center
Ronald E. Smith
Vice Chancellor for
Administration and Finance
New Orleans

Harold W. White
Vice Chancellor for
Administration and Finance
Shreveport

Robert A. Bourgeois
Director of Accounting Services
New Orleans

Linda G. Summers
Director of Accounting Services
Shreveport

LSU in Shreveport
Michael T. Ferrell
Vice Chancellor for
Business Affairs

Adnan M. Sanhan
Director of Accounting Services

LSU at Alexandria
Virgil F. Stanford, Jr.
Vice Chancellor for
Business Affairs

LSU at Eunice
Arlene C. Tucker
Vice Chancellor for
Business Affairs

LSU Agricultural Center
Leo J. Guedry
Vice Chancellor for
Administration