

UNIVERSITY OF LOUISIANA SYSTEM
A COMPONENT OF THE
STATE OF LOUISIANA



FINANCIAL STATEMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2012
ISSUED MARCH 6, 2013

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

February 1, 2013

Independent Auditor's Report

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the University of Louisiana System, a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the University of Louisiana System's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Black and Gold Facilities, Inc.; Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; Nicholls State University Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; and University of Louisiana at Monroe Facilities, Inc., which are nonprofit corporations included as blended component units in the basic financial statements representing approximately 28.7% of total assets, 50.6% of total liabilities, 2.8% of net assets, and 4.3% of total revenues. We also did not audit the financial statements of the University of Louisiana at Lafayette Foundation, Inc., the University of New Orleans Foundation, and the University of New Orleans Research and Technology Foundation, Inc., which are discretely presented component units included in the basic financial statements of the University of Louisiana System. The financial statements of the blended and discretely presented component units were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts reported for these component units, are based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Black and Gold Facilities, Inc.; Nicholls State University Facilities Corporation; University Facilities, Inc.; and University of Louisiana at Monroe Facilities, Inc., which were audited by other auditors, were audited in accordance with auditing standards generally accepted in the United States of America but not in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the University of Louisiana System as of June 30, 2012, and the respective changes in its financial position and, where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1-B to the basic financial statements, the University of New Orleans was transferred from the Louisiana State University System to the University of Louisiana System, for the fiscal year ended June 30, 2012. In addition, the University of New Orleans Foundation and University of New Orleans Research and Technology Foundation, Inc., meet the requirements for inclusion in the University of Louisiana System's financial statements as discretely presented component units. As discussed in note 16 to the basic financial statements, the effect of including of the University of New Orleans is an increase of \$143,815,201 in beginning net assets for the University of Louisiana System, and the effect of including the University of New Orleans Foundation and University of New Orleans Research and Technology Foundation, Inc., is an increase of \$61,565,707 and \$73,820,736, respectively, in beginning net assets for the discretely presented component units. These changes affect the comparability of amounts reported for the year ended June 30, 2012, with amounts reported for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2013, on our consideration of the University of Louisiana System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 11 and the Schedule of Funding Progress for the Other Postemployment Benefits Plan on page 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University of Louisiana System's basic financial statements. The accompanying supplemental information schedules, including the Combining Schedule of Net Assets; the Combining Schedule of Revenues, Expenses, and Changes in Net Assets; and the Combining Schedule of Cash Flows, on pages 80 through 93, are presented for the purposes of

additional analysis and are not required parts of the basic financial statements. These schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. The schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described previously, and the reports of other auditors, the schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

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ULS 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of the University of Louisiana System's (System) annual financial report presents a discussion and analysis of the System's financial performance during the fiscal year that ended June 30, 2012. Please read this section in conjunction with the System's financial statements, which follows this section. The System is comprised of the following entities:

- Grambling State University
- Louisiana Tech University
- McNeese State University
- Nicholls State University
- Northwestern State University
- Southeastern Louisiana University
- University of Louisiana at Lafayette
- University of Louisiana at Monroe
- University of New Orleans
- Board of Supervisors

FINANCIAL HIGHLIGHTS

Act 419 of 2011 transferred the University of New Orleans (UNO) to the System. This transfer required certain restatements of balances in the financial statements of the System making certain narratives and comparisons of individual financial highlights in the Management's Discussion and Analysis ineffective.

All June 30, 2011, amounts have been adjusted for the inclusion of UNO and other adjustments for the remaining System universities.

The System's net assets overall changed from \$1,099,785,919 (restated) to \$1,032,335,504 a 6.2% decrease from June 30, 2011, to June 30, 2012. The primary reason for this change is the increase in liabilities for Other Postemployment Benefits (OPEB) payable from the transfer of UNO to the System.

Enrollment changed from approximately 93,913 to approximately 92,986 from July 1, 2011, to June 30, 2012, an overall decrease of 0.99%.

The System's operating revenues increased by approximately 1.5% to \$687,668,315 from June 30, 2011, to June 30, 2012, primarily from increases in revenues from tuition and fees and auxiliary enterprises offset by decreases in grants and contracts. Operating expenses decreased by 3.0% to \$1,257,441,778 for the year ended June 30, 2012.

Nonoperating revenues (expenses) fluctuate depending upon levels of state operating appropriations, interest earnings/expense, and other nonoperating revenue. The change to \$464,338,694 in 2012 from \$652,996,153 in 2011 is primarily attributed to reductions in federal funds from the American Recovery and Investment Act (ARRA), state appropriations, Pell Grant receipts, and investment income offset by a decrease in nonoperating expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and the notes to the financial statements. The basic financial statements present information for the System as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (pages 12-13) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the System is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (pages 15-16) presents information showing how the System's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, transactions are included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 19-20) presents information showing how the System's cash changed as a result of current year operations. The Statement of Cash Flows is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by Governmental Accounting Standards Board Statement No. 34.

The System's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net

Assets. All assets and liabilities associated with the operation of the System are included in the Statement of Net Assets.

The System has three foundations that are discretely presented in its basic financial statements. The foundations reported are the (1) University of Louisiana at Lafayette Foundation, Inc.; (2) University of New Orleans Foundation; and (3) University of New Orleans Research and Technology Foundation, Inc. The financial data of each of these foundations are presented separately in the Statement of Financial Position (page 14) and the Statement of Activities (pages 17-18). Additional information about the foundations is contained in the notes to the financial statements.

FINANCIAL ANALYSIS

Net Assets

The System's total net assets at June 30, 2012, as restated, changed by approximately \$68 million, a 6.2% decrease over June 30, 2011 (see Table A-1). Total assets decreased 1.6% to \$2.2 billion and total liabilities increased 2.6% to \$1.2 billion.

Table A-1
University of Louisiana System
Statement of Net Assets
(in millions of dollars)

	2012	2011 (Restated)	Variance	Percent Variance
Current and other assets	\$877	\$989	(\$112)	(11.3%)
Capital assets	1,384	1,309	75	5.7%
Total assets	<u>2,261</u>	<u>2,298</u>	<u>(37)</u>	(1.6%)
Current liabilities	126	132	(6)	(4.5%)
Noncurrent liabilities	1,103	1,066	37	3.5%
Total liabilities	<u>1,229</u>	<u>1,198</u>	<u>31</u>	2.6%
Net assets:				
Invested in capital assets, net of debt	844	832	12	1.4%
Restricted	386	407	(21)	(5.2%)
Unrestricted	<u>(198)</u>	<u>(139)</u>	<u>(59)</u>	42.4%
Total net assets	<u>\$1,032</u>	<u>\$1,100</u>	<u>(\$68)</u>	(6.2%)

This schedule is prepared from the System's Statement of Net Assets as shown on pages 12-13, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Significant statement of net asset changes from 2011, in addition to the effects of the transfer of UNO to the System, include the following:

- Capital asset increases current year additions and improvements offset by current year depreciation.
- Noncurrent liabilities increased from an increase in the OPEB payable.
- Invested in capital assets, net of related debt, increased from current year capital asset additions offset by increases in long-term debt associated with the acquisition of capital assets and from reclassification adjustments between invested in capital assets and unrestricted net assets.
- Unrestricted net assets decreased from the increase in OPEB payable and from reductions in nonoperating revenues (e.g., state appropriations and ARRA) and capital appropriations.

Net assets invested in capital assets, net of related debt, consist of capital assets net of accumulated depreciation and reduced by the amount of outstanding indebtedness attributable to the acquisition, construction, or improvement of those assets. Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Changes in Net Assets

The change in net assets at June 30, 2012, is approximately \$68 million or 6.2% lower than at June 30, 2011. The changes in net assets are detailed in Table A-2; education and general expenses are detailed in Table A-3.

The System's total operating revenues increased by 1.5% to approximately \$688 million and total operating expenses decreased 3.0% to approximately \$1,257. These changes are the result of several factors, including the following:

- Increases in net tuition and fees
- Decreases in federal, state and local, and nongovernmental grants and contracts
- Decreases in net auxiliary enterprises

Table A-2
University of Louisiana System
Statement of Changes in Net Assets
(in millions of dollars)

	2012	2011 (Restated)	Variance	Percent Variance
Operating revenues:				
Student tuition and fees, net	\$366	\$333	\$33	9.9%
Auxiliary	142	133	9	6.8%
Other	180	212	(32)	(15.1%)
Total operating revenues	<u>688</u>	<u>678</u>	<u>10</u>	1.5%
Nonoperating revenues:				
State appropriations	329	372	(43)	(11.6%)
Gifts	11	11		0.0%
Other	124	271	(147)	(54.2%)
Total nonoperating revenues	<u>464</u>	<u>654</u>	<u>(190)</u>	(29.1%)
Total revenues	<u>1,152</u>	<u>1,332</u>	<u>(180)</u>	(13.5%)
Operating expenses:				
Education and general	1,088	1,149	(61)	(5.3%)
Other	169	147	22	15.0%
Total operating expenses	<u>1,257</u>	<u>1,296</u>	<u>(39)</u>	(3.0%)
Other nonoperating expenses, net	<u>7</u>	<u>5</u>	<u>2</u>	40.0%
Total expenses	<u>1,264</u>	<u>1,301</u>	<u>(37)</u>	(2.8%)
Income (loss) before other revenues	(112)	31	(143)	(461.3%)
Other revenues:				
Capital appropriations	35	66	(31)	(47.0%)
Capital grants and gifts	7	8	(1)	(12.5%)
Additions to permanent endowments	2	7	(5)	(71.4%)
Change in net assets	(68)	112	(180)	(160.7%)
Net assets, beginning of the year (restated)	<u>1,100</u>	<u>988</u>	<u>112</u>	11.3%
Total net assets	<u>\$1,032</u>	<u>\$1,100</u>	<u>(\$68)</u>	(6.2%)

Table A-3
University of Louisiana System
Education and General Expenses
(in millions of dollars)

	2012	2011 (Restated)	Variance	Percent Variance
Instruction	\$390	\$406	(\$16)	(3.9%)
Research	105	114	(9)	(7.9%)
Public service	35	36	(1)	(2.8%)
Academic support	89	87	2	2.3%
Student services	77	81	(4)	(4.9%)
Institutional support	123	127	(4)	(3.1%)
Operations and plant maintenance	103	133	(30)	(22.6%)
Depreciation	71	70	1	1.4%
Scholarships and fellowships	95	95		0.0%
Total	<u>\$1,088</u>	<u>\$1,149</u>	<u>(\$61)</u>	(5.3%)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2012 and 2011, the System's cost of capital assets totaled approximately \$2.6 billion and \$2.4 billion, respectively. Net of accumulated depreciation, the System's capital assets at June 30, 2012, total approximately \$1.4 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$75 million or 5.7% over June 30, 2011. The increases were primarily in construction of buildings financed through long-term obligations, purchases of equipment, and current year depreciation.

Debt Administration

The System had outstanding bonds totaling \$634,775,000, exclusive of bond discounts and premiums at June 30, 2012, compared to \$632,275,000 at June 30, 2011.

Bond activity during the fiscal year ended June 30, 2012, follows:

- Cowboy Facilities, Inc., a blended component unit of McNeese State University issued bonds totaling \$18,655,000 to refund the Series 2001 student lease revenue bonds. In addition, Cowboy Facilities, Inc., issued university student parking bonds totaling \$13,850,000.

- Northwestern State University issued bonds totaling \$4,500,000 to refund the Series 1999 wellness, recreation, and activity center bonds.
- Southeastern Louisiana University issued bonds totaling \$3,650,000 to refund the Series 1998 student recreation and activity center revenue bonds.
- Principal payments totaled \$11,485,000.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The following currently known facts, decisions, or conditions are expected to have a significant effect on financial position or results of operations:

- Changes in current enrollment
- Changes in tuition and fees
- Changes in state appropriations
- Changes in federal grant programs
- Significant new or additional capital appropriations

CONTACTING UNIVERSITY OF LOUISIANA SYSTEM'S FINANCIAL MANAGEMENT

This financial report is designed to provide our legislature, state officials, the Louisiana Legislative Auditor's Office, patrons, and other interested parties with a general overview of the System's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Vice President for Business and Finance at (225) 342-6950.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Net Assets
June 30, 2012**

ASSETS

Current assets:

Cash and cash equivalents (note 2)	\$239,608,604
Investments (note 3)	50,898,380
Receivables, net (note 4)	62,517,806
Due from state treasury	16,452,334
Due from federal government (note 4)	14,857,723
Inventories	6,543,720
Deferred charges and prepaid expenses	5,889,383
Notes receivable, net	4,164,122
Other current assets	3,631,275
Total current assets	<u>404,563,347</u>

Noncurrent assets:

Restricted:

Cash and cash equivalents (notes 2 and 3)	160,707,060
Investments (note 3)	256,300,038
Receivables, net (note 4)	4,419,702
Notes receivable, net	29,403,509
Other	89,486
Investments	22,496
Notes receivable	5,235
Capital assets (net) (note 5)	1,383,857,441
Other noncurrent assets	21,690,718
Total noncurrent assets	<u>1,856,495,685</u>
Total assets	<u>2,261,059,032</u>

LIABILITIES

Current liabilities:

Accounts payable and accruals (note 6)	53,060,636
Deferred revenues	38,115,858
Compensated absences payable (notes 10 and 12)	4,686,249
Capital lease obligations (notes 11 and 12)	1,671,380

(Continued)

The accompanying notes are an integral part of this statement.

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Net Assets, June 2012

LIABILITIES (CONT.)

Current liabilities: (Cont.)

Amounts held in custody for others	\$5,569,467
Claims and litigation payable	852,840
Notes payable (note 12)	338,975
Contracts payable	95,938
Reimbursement contracts payable (note 12)	30,000
Bonds payable (note 12)	12,347,759
Other current liabilities	9,152,226
Total current liabilities	<u>125,921,328</u>

Noncurrent liabilities:

Compensated absences payable (notes 10 and 12)	40,353,371
Capital lease obligations (notes 11 and 12)	44,372,374
Notes payable (note 12)	3,140,910
Reimbursement contracts payable (note 12)	35,000
Other postemployment benefits payable (note 9)	396,299,879
Bonds payable (note 12)	618,477,504
Other noncurrent liabilities	123,162
Total noncurrent liabilities	<u>1,102,802,200</u>
Total liabilities	<u>1,228,723,528</u>

NET ASSETS

Invested in capital assets, net of related debt	844,043,760
Restricted:	
Nonexpendable (note 17)	174,720,275
Expendable (note 17)	211,950,994
Unrestricted	<u>(198,379,525)</u>
Total net assets	<u><u>\$1,032,335,504</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**COMPONENT UNITS
Statement of Financial Position, June 30, 2012**

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	University of New Orleans Research and Technology Foundation, Inc.*	Total Foundations
ASSETS				
Cash and cash equivalents (note 2)	\$8,225,101	\$8,935,107	\$7,770,012	\$24,930,220
Investments (note 3)	121,570,297	56,099,249	4,507,719	182,177,265
Receivables		728,628	4,278,643	5,007,271
Pledges receivable	2,758,180	1,118,428		3,876,608
Capitalized lease receivable			35,411,788	35,411,788
Fixed assets, net (note 5)	11,603,567	12,936,022	72,090,093	96,629,682
Other assets	596,768	208,426	954,560	1,759,754
Total assets	\$144,753,913	\$80,025,860	\$125,012,815	\$349,792,588
LIABILITIES				
Accounts payable	\$97,541	\$1,960,746	\$1,417,584	\$3,475,871
Grants payable to university	1,350			1,350
Interest payable			766,211	766,211
Compensated absences payable		160,654		160,654
Amounts held in custody for others (note 12)	26,981,574	17,336,720	65,912	44,384,206
Bonds payable (note 12)	1,500,000	851,000	39,161,865	41,512,865
Notes payable (note 12)	483,479		6,490,369	6,973,848
Capital lease obligations (note 12)		524,833		524,833
Other liabilities	92,190	260,489	5,267,700	5,620,379
Total liabilities	29,156,134	21,094,442	53,169,641	103,420,217
NET ASSETS				
Unrestricted	3,333,676	13,493,419	71,843,174	88,670,269
Temporarily restricted	45,477,735	16,045,736		61,523,471
Permanently restricted	66,786,368	29,392,263		96,178,631
Total net assets	115,597,779	58,931,418	71,843,174	246,372,371
Total liabilities and net assets	\$144,753,913	\$80,025,860	\$125,012,815	\$349,792,588

* As of December 31, 2011

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Revenues, Expenses, and
Changes in Net Assets
For the Fiscal Year Ended June 30, 2012**

OPERATING REVENUES

Student tuition and fees (net of scholarship allowances of \$123,431,164)	\$366,395,178
Federal grants and contracts	72,683,075
State and local grants and contracts	45,630,366
Nongovernmental grants and contracts	25,408,602
Sales and services of educational departments	3,678,669
Auxiliary enterprise revenues (net of scholarship allowances of \$14,407,141 including revenues used as security for revenue bonds)	141,591,865
Other operating revenues	32,280,560
Total operating revenues	<u>687,668,315</u>

OPERATING EXPENSES

Educational and general:	
Instruction	390,204,963
Research	105,185,243
Public service	34,801,959
Academic support	88,993,664
Student services	76,737,253
Institutional support	122,651,871
Operations and maintenance of plant	102,592,579
Depreciation	71,237,166
Scholarships and fellowships	95,465,481
Auxiliary enterprises	164,439,000
Other operating expenses	5,132,599
Total operating expenses	<u>1,257,441,778</u>

OPERATING LOSS (569,773,463)

(Continued)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Revenues, Expenses, and
Changes in Net Assets, June 2012**

NONOPERATING REVENUES (Expenses)	
State appropriations	\$328,636,365
Gifts	11,340,583
Federal nonoperating revenue	133,089,178
Federal - American Recovery and Reinvestment Act	2,631,184
Investment income, net	5,049,369
Interest expense	(20,784,144)
Payments to or on behalf of the university	4,500
Other nonoperating expenses, net	4,371,659
Net nonoperating revenues	<u>464,338,694</u>
LOSS BEFORE OTHER REVENUES AND EXPENSES	(105,434,769)
Capital appropriations	35,352,503
Capital grants and gifts	7,496,631
Additions to permanent endowments	1,760,000
Other expenses, net	(2,049,831)
Extraordinary item - loss on impairment (note 24)	<u>(4,574,949)</u>
CHANGE IN NET ASSETS	(67,450,415)
NET ASSETS - BEGINNING OF YEAR, Restated (note 16)	<u>1,099,785,919</u>
NET ASSETS - END OF YEAR	<u><u>\$1,032,335,504</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

COMPONENT UNITS

Statement of Activities

For the Year Ended June 30, 2012

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	University of New Orleans Research and Technology Foundation, Inc.*	Total Foundations
Changes in unrestricted net assets:				
Contributions and contributed services	\$240,352	\$89,436		\$329,788
Grants		67,831	\$2,030,996	2,098,827
Interest and dividends	5,704			5,704
Realized gain (loss) on investments	(1,428)	(552,119)	31,514	(522,033)
Other income	576,728	1,308,283	3,751,432	5,636,443
Net assets released from restrictions:				
Satisfaction of purpose restrictions	6,911,863	2,349,334		9,261,197
Transfers between net asset classifications	(1,081,349)			(1,081,349)
Total unrestricted revenues and other support	<u>6,651,870</u>	<u>3,262,765</u>	<u>5,813,942</u>	<u>15,728,577</u>
Expenses - amounts paid to benefit				
University of Louisiana System for:				
Projects specified by donors	5,759,733			5,759,733
Fundraising	369,065			369,065
Grants and contracts			1,119,741	1,119,741
Program operations/services		1,795,606	2,466,555	4,262,161
Property operations		294,716	1,836,861	2,131,577
Total program expenses	<u>6,128,798</u>	<u>2,090,322</u>	<u>5,423,157</u>	<u>13,642,277</u>
Supporting services:				
Salaries and benefits	127,985	699,320		827,305
Insurance	72,368			72,368
Office operations	120,474	30,131		150,605
Travel	8,803	13,577		22,380
Professional services	155,192	258,169		413,361
Dues and subscriptions	1,576	22,301		23,877
Meetings and development	1,659	6,934		8,593
Investment management fee	260,303			260,303
Interest	89,283			89,283

(Continued)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
COMPONENT UNITS
Statement of Activities, June 30, 2012**

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	University of New Orleans Research and Technology Foundation, Inc.*	Total Foundations
Supporting services: (Cont.)				
Depreciation and amortization	\$282,369	\$261,821		\$544,190
Other	13,851	10,421	\$2,368,347	2,392,619
Total supporting services	<u>1,133,863</u>	<u>1,302,674</u>	<u>2,368,347</u>	<u>4,804,884</u>
 Total expenses	<u>7,262,661</u>	<u>3,392,996</u>	<u>7,791,504</u>	<u>18,447,161</u>
 Decrease in unrestricted net assets	<u>(610,791)</u>	<u>(130,231)</u>	<u>(1,977,562)</u>	<u>(2,718,584)</u>
 Changes in temporarily restricted net assets:				
Contributions	6,774,427	838,419		7,612,846
Investment earnings (loss)	217,750	(1,177,223)		(959,473)
Other	453,748	70,103		523,851
Total temporarily restricted revenues	<u>7,445,925</u>	<u>(268,701)</u>	NONE	<u>7,177,224</u>
Net assets released from restrictions:				
Satisfaction of purpose restrictions	(150,665)	(2,349,334)		(2,499,999)
Transfers between net asset classifications	<u>(6,911,863)</u>	<u>(500)</u>		<u>(6,912,363)</u>
 Increase in temporarily restricted net assets	<u>383,397</u>	<u>(2,618,535)</u>	NONE	<u>(2,235,138)</u>
 Changes in permanently restricted net assets:				
Contributions	3,666,569	106,947		3,773,516
Investment earnings		3,930		3,930
Service fees		3,100		3,100
Other income	9,995			9,995
Net assets released from restrictions:				
Transfers between net asset classifications	<u>1,232,014</u>	<u>500</u>		<u>1,232,514</u>
 Increase in permanently restricted net assets	<u>4,908,578</u>	<u>114,477</u>	NONE	<u>5,023,055</u>
 Increase (decrease) in net assets	4,681,184	(2,634,289)	(1,977,562)	69,333
Net assets at beginning of year, restated (note 16)	<u>110,916,595</u>	<u>61,565,707</u>	<u>73,820,736</u>	<u>246,303,038</u>
 Net assets at end of year	<u><u>\$115,597,779</u></u>	<u><u>\$58,931,418</u></u>	<u><u>\$71,843,174</u></u>	<u><u>\$246,372,371</u></u>

*For the year ended December 31, 2011

(Concluded)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES:

Tuition and fees	\$380,655,715
Grants and contracts	146,735,891
Sales and services of educational departments	3,149,394
Auxiliary enterprise receipts	142,167,932
Payments for employee compensation	(545,566,722)
Payments for benefits	(190,703,095)
Payments for utilities	(36,096,575)
Payments for supplies and services	(269,670,019)
Payments for scholarships and fellowships	(113,922,636)
Loans issued to students and employees	(7,461,577)
Collection of loans to students and employees	8,598,625
Other receipts	24,956,695
Net cash used by operating activities	<u>(457,156,372)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State appropriations	355,557,631
Gifts and grants for other than capital purposes	14,874,127
Pell Grant receipts	132,610,367
Private gifts for endowment purposes	1,560,000
Taylor Opportunity Program for Students receipts	83,457,143
Taylor Opportunity Program for Students disbursements	(83,331,319)
Federal Emergency Management Agency receipts	615,030
Federal Emergency Management Agency disbursements	(656,239)
American Recovery and Reinvestment Act receipts	3,005,314
Direct lending receipts	298,906,838
Direct lending disbursements	(301,600,067)
Federal Family Education Loan program receipts	1,030,071
Federal Family Education Loan program disbursements	(1,028,261)
Other receipts	(1,631,035)
Net cash provided by noncapital financing sources	<u>503,369,600</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:

Proceeds from capital debt	44,479,657
Capital appropriations received	93,797
Capital grants and gifts received	698,246
Purchases of capital assets	(105,718,903)
Principal paid on capital debt and leases	(44,363,997)
Interest paid on capital debt and leases	(20,654,930)
Deposit with trustees	12,276,823
Other uses	(229,926)
Net cash used by capital financing activities	<u>(113,419,233)</u>

(Continued)

The accompanying notes are an integral part of this statement.

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows, 2012

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	\$63,339,527
Interest received on investments	5,704,631
Purchase of investments	(22,988,268)
Net cash provided by investing activities	<u>46,055,890</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (21,150,115)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR,
Restated for transfer of UNO to the System 421,465,779

CASH AND CASH EQUIVALENTS AT END OF YEAR \$400,315,664

**RECONCILIATION OF OPERATING LOSS TO
NET CASH USED BY OPERATING ACTIVITIES:**

Operating loss	(\$569,773,463)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	71,237,166
Amortization of bond issuance costs	499,326
Changes in assets and liabilities:	
Decrease in accounts receivable, net	10,433,555
Decrease in inventories	153,682
Decrease in deferred charges and prepaid expenses	435,250
Decrease in notes receivable, net	755,010
(Increase) in other assets	(1,654,250)
(Decrease) in accounts payable and accrued liabilities	(1,706,271)
(Decrease) in deferred revenue	(4,338,397)
Increase in amounts held in custody for others	657,102
Increase in compensated absences	250,755
Increase in other postemployment benefits payable	38,530,133
(Decrease) in other liabilities	<u>(2,635,970)</u>
Net cash used by operating activities	<u><u>(\$457,156,372)</u></u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS
TO THE STATEMENT OF NET ASSETS:**

Cash and cash equivalents classified as current assets	\$239,608,604
Cash and cash equivalents classified as noncurrent assets	<u>160,707,060</u>
Total cash and cash equivalents	<u><u>\$400,315,664</u></u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Capital appropriations	\$36,427,954
Decrease in fair market value of assets	(1,115,628)
Private gifts for endowment purposes	200,000
Capital gifts and grants	8,026,501
Capital assets acquired through capital leases	84,113
Disposition of capital assets	(5,406,436)
Other	(1,159,996)

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The University of Louisiana System (System) is a publicly supported institution of higher education. The System is a component unit of the State of Louisiana, within the executive branch of government. The universities that comprise the System are under the management and supervision of the University of Louisiana System Board of Supervisors; however, the annual budget of the System and changes to the degree programs, departments of instruction, et cetera, of the individual institutions require the approval of the Board of Regents for Higher Education. The board of supervisors is comprised of 15 members appointed for staggered six-year terms by the governor, with the consent of the Senate, and one student member appointed for a one-year term by a council composed of the student body presidents of the universities within the System. As state universities, operations of the universities' instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature. The chief executive officer of the System is the president.

The System is comprised of nine universities in nine cities, which include Grambling State University at Grambling, Louisiana Tech University at Ruston, McNeese State University at Lake Charles, Nicholls State University at Thibodaux, Northwestern State University at Natchitoches, Southeastern Louisiana University at Hammond, University of Louisiana at Lafayette, University of Louisiana at Monroe, and the University of New Orleans. The universities had approximately 92,986 students enrolled during the fall semester of the 2011/2012 academic year and employed approximately 10,363 employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying financial statements have been prepared in accordance with such principles.

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The System is considered a component unit of the State of Louisiana because the state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) the majority of the members of the governing board are appointed by the governor; (2) the state has control and exercises authority over budget matters;

(3) the state issues bonds to finance certain construction; and (4) the universities within the System primarily serve state residents. The accompanying financial statements present information only as to the transactions of the programs of the System as authorized by Louisiana statutes and administrative regulations.

Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements. The financial statements are audited by the Louisiana Legislative Auditor.

Act 419 of the 2011 Regular Session of the Louisiana Legislature transferred the University of New Orleans and its assets, funds, obligations, liabilities, programs, and functions from the Louisiana State University System to the University of Louisiana System for the year ended June 30, 2012.

Blended Component Units

The following are Louisiana nonprofit corporations that are considered blended component units of seven of the universities included in the System:

- Black and Gold Facilities, Inc., at Grambling State University
- Innovative Student Facilities, Inc., at Louisiana Tech University
- Cowboy Facilities, Inc., at McNeese State University
- NSU Facilities Corporation at Nicholls State University
- University Facilities, Inc., at Southeastern Louisiana University
- Ragin' Cajun Facilities, Inc., at the University of Louisiana at Lafayette
- University of Louisiana at Monroe Facilities, Inc., at the University of Louisiana at Monroe

These component units are included in the reporting entity because they are fiscally dependent on the universities. The purpose of these organizations is to promote, assist, and benefit the mission of the universities through the acquisition, construction, development, management, leasing or otherwise assisting in the acquisition, construction, development, management, or leasing of student housing or other facilities on behalf of the universities. Although these facility corporations are legally separate, they are reported as a part of the System because the majority of their revenue comes from the leasing of facilities to the university. To obtain the corporations' latest audit reports, write to:

- Black and Gold Facilities, Inc., c/o Mr. Leon Sanders, Grambling State University, P.O. Box 605, Grambling, Louisiana 71245
- Innovative Student Facilities, Inc., c/o Mr. Joseph Thomas, Louisiana Tech University, P.O. Box 3178, Ruston, Louisiana 71209
- Cowboy Facilities, Inc., c/o Mr. Eddie Meche, McNeese State University, 4205 Ryan Street, Lake Charles, Louisiana 70609
- NSU Facilities Corporation, c/o Mr. Mike Naquin, Nicholls State University, P.O. Box 2003, Thibodaux, Louisiana 70310
- University Facilities, Inc., c/o Mr. Sam Domiano, Southeastern Louisiana University, SLU Box 10709, Hammond, Louisiana 70402
- Ragin' Cajun Facilities, Inc., c/o Mrs. Debbie Calais, University of Louisiana at Lafayette, P.O. Box 42651, Lafayette, Louisiana 70504
- University of Louisiana at Monroe Facilities, Inc., c/o Dr. William Graves, University of Louisiana at Monroe, 700 University Avenue, Monroe, Louisiana 71209

Discretely Presented Component Units

The following legally separate, tax-exempt organizations are reported within the System as discrete component units:

- University of Louisiana at Lafayette Foundation, Inc. (ULL Foundation)
- University of New Orleans Foundation (UNO Foundation)
- University of New Orleans Research and Technology Foundation, Inc.

These foundations act primarily as fund-raising organizations to supplement the resources that are available to their respective universities in support of their programs. Although the universities do not control the timing or amount of receipts from their respective foundations, the majority of resources or income that the foundations hold and invest are restricted to the activities of the university by the donors. Because these restricted resources held by the foundations can only be used by or for the benefit of the universities, the foundations are considered component units of their respective universities and are discretely presented in the financial statements.

During the year ended June 30, 2012, the ULL Foundation made distributions of \$5,759,733 to or on behalf of the university for unrestricted purposes.

To obtain the foundations' latest audit reports, write to:

- University of Louisiana at Lafayette Foundation, Inc., c/o Mrs. Debbie Calais, University of Louisiana at Lafayette, P.O. Box 42651, Lafayette, Louisiana 70504
- University of New Orleans Foundation, c/o Ms. Linda Robison, University of New Orleans, 2000 Lakeshore Drive, New Orleans, Louisiana 70148
- University of New Orleans Research and Technology Foundation, Inc., c/o Ms. Linda Robison, University of New Orleans, 2000 Lakeshore Drive, New Orleans, Louisiana 70148

The blended and discretely presented component units are private nonprofit organizations that report under Financial Accounting Standards Board (FASB) standards, including FASB Accounting Standards Codification (ASC) §958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria, presentation, and disclosure requirements are different from GASB revenue recognition criteria and presentation features. With the exception of presentation adjustments, no modifications have been made to these component units' financial information in the System's report for these differences. Accordingly, the financial data of the discretely presented component units are shown on a statement of financial position and a statement of activities.

Every three years, in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, the System evaluates whether discretely presented component units reported in prior financial statements continue to meet the Division of Administration, Office of Statewide Reporting and Accounting Policy's (OSRAP) guidelines requiring their presentation in the System's financial statements. The University of Louisiana at Lafayette Foundation continues to meet the criteria for presentation in the System's financial statements.

With the transfer of the University of New Orleans to the System, the System determined the University of New Orleans Foundation and the University of New Orleans Research and Technology Foundation, Inc., meet the OSRAP guidelines requiring their presentation in the System's financial statements; therefore, the foundations have been included in the System's financial statements for the year ended June 30, 2012.

C. BASIS OF ACCOUNTING

For financial reporting purposes, the System is considered a special-purpose government engaged only in business-type activities. All activities of the System are accounted for within a single proprietary (enterprise) fund. Accordingly, the System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-system transactions have been eliminated.

Discrete Component Unit

The component units follow the provisions of FASB ASC §958 *Not-for-Profit Entities*, which establishes external financial reporting for not-for-profit organizations, and includes the financial statements and the classifications of resources into three separate classes of net assets as follows:

- Unrestricted - net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted - net assets whose use by the component units are limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the foundations pursuant to those stipulations.
- Permanently Restricted - net assets whose use by the component units is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions by the component unit.

The System has the option to apply all FASB pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The System has elected to not apply FASB pronouncements issued after the applicable date. However, in the current fiscal year, the System has included seven nongovernmental, blended component units that follow FASB ASC §958.

D. BUDGET PRACTICES

The State of Louisiana's appropriation is an annual lapsing appropriation established by legislative action and by Title 39 of the Louisiana Revised Statutes. The statute requires that the budget be approved by the Board of Regents for Higher Education and certain legislative and executive branches of state government. Budget revisions are granted by the Joint Legislative Committee on the Budget. In compliance with these legal restrictions, budgets are adopted on the accrual basis of accounting, except that

(1) depreciation is not recognized; (2) leave costs are treated as budgeted expenditures to the extent that they are expected to be paid; (3) summer school tuition and fees and summer school faculty salaries and related benefits for June are not prorated but are recognized in the succeeding year; and (4) inventories are recorded as expenditures at the time of purchase.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes cash on hand (petty cash), demand deposits, and interest-bearing demand deposits. Cash equivalents include certificates of deposit and all highly liquid investments with a maturity of three months or less when purchased. Under state law, the System may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the System may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash equivalents reported on the Statement of Net Assets include all negotiable certificates of deposit, regardless of maturity.

In accordance with Louisiana Revised Statute (R.S.) 49:327, the System is authorized to invest funds in direct U.S. Treasury obligations, U.S. government agency obligations, and money market funds. In addition, funds derived from gifts and grants, endowments, and reserve funds established in accordance with bond issues may be invested as stipulated by the conditions of the gift instrument or bond indenture. Investments are maintained in investment accounts in external foundations as authorized by policies and procedures established by the Board of Regents and are reported at fair value in accordance with GASB Statement No. 31. Changes in the carrying value of investments, resulting from unrealized gains and losses, are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Assets. For purposes of the Statement of Cash Flows, the System considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

F. INVENTORIES

Inventories are valued at the lower of cost or market. The System uses periodic and perpetual inventory systems and values its various other inventories using the first-in, first-out and weighted-average valuation methods. Adjustments are made at fiscal year-end to account for inventories using the consumption method.

G. NONCURRENT RESTRICTED ASSETS

Cash, investments, receivables, and other assets that are externally restricted for grants, endowments, debt service payments, maintenance of sinking or reserve funds or to purchase or construct capital assets are classified as noncurrent restricted assets in the Statement of Net Assets.

H. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the System's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed \$100,000. Any infrastructure exceeding \$3 million must be capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, three to 10 years for most movable property, three years for software with an acquisition cost of \$1,000,000 or more, and three to 10 years for internally generated software with development costs of \$1,000,000 or more.

I. DEFERRED REVENUES

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but are related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

J. COMPENSATED ABSENCES

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, nine-month faculty members do not accrue annual leave but are granted faculty leave during holiday periods when students are not in classes. Employees who are considered having nonexempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned.

Upon separation of employment, both classified and nonclassified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic and nonclassified personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System, upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave, which would otherwise have been used to compute years of service for retirement. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

Upon termination or transfer, a classified employee will be paid for any one and one-half hour compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the classified employee's hourly rate of pay at termination or transfer.

K. NONCURRENT LIABILITIES

Noncurrent liabilities include principal amounts of revenue bonds payable, reimbursement contracts payable, notes payable, and capital lease obligations with contractual maturities greater than one year and estimated amounts for accrued compensated absences, other postemployment benefits, and other liabilities that will not be paid within the next fiscal year.

L. NET ASSETS

The System's net assets are classified as follows:

(1) Invested in Capital Assets, Net of Related Debt

This represents the System's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisition, construction, or improvement of those capital assets.

(2) Restricted Net Assets - Expendable

Restricted expendable net assets include resources that the System is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

(3) Restricted Net Assets - Nonexpendable

Restricted nonexpendable net assets consist of endowment and similar type funds that donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

(4) Unrestricted Net Assets

Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the System and may be used at the discretion of the governing board to meet current expenses and for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the System's policy is to first apply the expense toward unrestricted resources, and then toward restricted resources.

M. CLASSIFICATION OF REVENUES AND EXPENSES

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

- (a) Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances; and (3) most federal, state, and local grants and contracts and federal appropriations.
- (b) Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as gifts and contributions, state appropriations, and investment income.
- (c) Operating expenses generally include transactions resulting from providing goods or services, such as (1) payment to vendors for goods or services; (2) payments to employees for services; and (3) payments for employee benefits.
- (d) Nonoperating expenses include transactions resulting from financing activities, capital acquisitions, and investing activities.

N. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge for services (tuition and fees) provided by the System and the amount that is paid by students and/or third parties making payments on the students' behalf.

O. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2012, the System has cash and cash equivalents (book balances) of \$400,315,664 as follows:

Petty cash	\$491,257
Demand deposits	303,482,348
Certificates of deposit	54,180,579
Time deposits	5,813
Money market funds	4,666,250
Short-term investments	1,725,085
Cash held in trustee accounts	34,893,183
Cash held in state treasury	871,149
	<hr/>
Total	<u><u>\$400,315,664</u></u>

Custodial credit risk is the risk that in the event of a bank failure, the System's deposits may not be returned to it. Under state law, the System's deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the System or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

As of June 30, 2012, \$64,272 of the System's bank balance of \$412,358,886 was uninsured and uncollateralized and, therefore, exposed to custodial credit risk.

Cash and cash equivalents of the component units totaling \$24,930,220, as shown on the Statement of Financial Position, are reported under FASB ASC §958, which does not require the disclosures of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

3. INVESTMENTS

At June 30, 2012, the System has investments totaling \$308,945,999, which includes \$1,725,085 of short-term investments reported on the Statement of Net Assets as restricted cash equivalents. Each university within the System follows state law (R.S. 49:327) as applicable to institutions of higher education in establishing investment policy. State law authorizes the System universities to invest funds in direct U.S. Treasury obligations, U.S. government agency obligations, direct security repurchase agreements, reverse direct repurchase agreements, investment grade commercial paper, investment grade corporate notes and bonds, and money market funds. A summary of the System's investments follows:

<u>Type of Investment</u>	<u>Percentage of Investments</u>	<u>Credit Quality Rating</u>	<u>Fair Value</u>
U.S. government securities:			
U.S. Treasury Notes ⁴	0.33%		\$1,008,530
Federal Home Loan Mortgage Corporation ¹	0.12%	AA+	355,894
Federal National Mortgage Association ¹	0.06%	AA+	190,373
Federal Home Loan Bank ¹	0.05%	AA+	166,107
Federal Farm Credit Bank ²	0.11%	AA+	350,417
Mutual funds:			
Money market mutual funds	0.23%		723,953
Vanguard Inflation - Protected Securities Fund ¹	0.29%	Aaa	899,182
Vanguard Federal Money Market Fund ¹	0.56%	Aaa	1,732,365
Vanguard Prime Money Market Fund	0.36%		1,107,276
Vanguard Mid-Cap Index Fund ⁴	0.07%		216,035
Vanguard Total Bond Market Index Fund ²	0.69%	Aa1/Aa2	2,120,791
Vanguard REIT Index Fund ⁴	0.07%		215,308
Vanguard Wellington Fund ¹	0.96%	Aa3	2,963,895
Vanguard Small-Cap Index Fund ⁴	0.07%		229,884
Vanguard Total International Stock Fund ⁴	0.05%		164,183
Other money market funds ⁴	0.62%		1,905,069
Common and preferred stock ³	2.41%		7,457,724
Corporate bonds and bond funds	0.23%	various	725,527
Mutual funds ⁴	5.26%		16,261,332
Louisiana Asset Management Pool ²	0.56%	AAAm	1,725,085
Investments held by foundations (component units) ³	52.58%		162,449,135
Fixed income - asset-backed securities	0.01%		40,693
Fixed income - municipal securities	0.70%		2,177,639
Other	0.23%		696,899
Held by blended component units: ³			
Black and Gold Facilities, Inc.	6.56%		20,281,592
NSU Facilities Corporation (Nicholls)	3.49%		10,777,289
Ragin' Cajun Facilities, Inc.	8.01%		24,752,446
University Facilities, Inc.	15.29%		47,251,376
	<u>100.00%</u>		<u>\$308,945,999</u>

¹Credit quality ratings obtained from Moody's Investor Service.

²Credit quality ratings obtained from Standard and Poor's.

³Credit quality ratings not required for these investments.

⁴Credit quality ratings not available.

⁵Credit quality ratings obtained from Morning Star.

Type of Investment	Investment Maturities in Years					Over 20 Years
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	11-20 Years	
U.S. government securities:						
U.S. Treasury Notes	\$1,008,530	\$133,385	\$592,741	\$208,010	\$74,394	
Federal Home Loan Mortgage Corporation	355,894		355,894			
Federal National Mortgage Association	190,373		137,688	50,883	1,802	
Federal Home Loan Bank	166,107			166,107		
Federal Farm Credit Bank	350,417		50,299	151,505	148,613	
Mutual funds:						
Money market mutual funds	723,953					
Vanguard Inflation - Protected Securities Fund	899,182			899,182		
Vanguard Federal Money Market Fund	1,732,365	1,732,365				
Vanguard Prime Money Market Fund	1,107,276	1,107,276				
Vanguard Mid-Cap Index Fund	216,035	216,035				
Vanguard Total Bond Market Index Fund	2,120,791			2,120,791		
Vanguard REIT Index Fund	215,308	215,308				
Vanguard Wellington Fund	2,963,895			2,963,895		
Vanguard Small Cap-Index Fund	229,884	229,884				
Vanguard Total International Stock Fund	164,183	164,183				
Other money market funds	1,905,069					
Common and preferred stock	7,457,724					
Corporate bonds and bond funds	725,527	25,707	102,354	578,728	18,738	
Mutual funds	16,261,332					
Louisiana Asset Management Pool	1,725,085					
Fixed income - asset-backed securities	40,693					\$40,693
Fixed income - municipal securities	2,177,639	11,505	810,780		1,325,365	29,989
Other	696,899					
Investments held by foundations:						
Common and preferred stock	27,136,661					
U.S. Treasury Notes	7,604,339		1,687,054	4,966,922	618,458	331,905
Federal Home Loan Mortgage Corporation	6,274,121	601,011	1,411,330	1,139,690	1,632,347	1,489,744
Federal National Mortgage Association	4,258,657	183,064	524,294	1,150,879	1,066,420	1,248,700
Government National Mortgage Association	1,031,437		11,241		326,327	693,869
Federal Home Loan Bank	355,152		272,139		83,013	
Federal Farm Credit Bank	1,930,645		54,250	975,541	900,854	
Mutual funds	99,139,116	10,787,736				
Money market accounts	1,965,527	1,075,015				
Equity funds						
Corporate bonds/obligations	8,298,651	465,791	2,990,044	3,500,876	705,821	636,119
Certificates of deposit	60,000	60,000				
Fixed income - asset-backed securities	20,659					20,659
Fixed income - municipal securities	2,786,977			1,242,784	1,544,193	
Other	1,587,193			270	17,111	
Held by blended component units:						
Other - Black and Gold Facilities, Inc.	20,281,592					
Other - NSU Facilities Corporation (Nicholls)	10,777,289					
Other - Ragin' Cajun Facilities, Inc.	24,752,446					
Other - University Facilities, Inc.	47,251,376					
Total	\$308,945,999	\$17,008,265	\$9,000,108	\$20,116,063	\$8,463,456	\$4,491,678

Investments held by private foundations in external investment pools are managed in accordance with the terms outlined in management agreements executed between the System universities and their respective foundations. The System universities are voluntary participants. This investment totaling \$162,449,135 has no credit quality rating. The foundations hold and manage funds received by the university as state matching funds for the Endowed Chairs and Endowed Professorship programs. Of the \$162,449,135 reported as investments held by foundations, the amounts held by its discretely presented component units total \$86,349,379.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the System's investments to U.S. Treasury obligations, U.S. government agency obligations, direct security repurchase agreements, reverse direct repurchase agreements, investment grade commercial paper, investment grade corporate notes and bonds, and money market funds. Individual System universities do not have policies to further limit credit risk.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For U.S. Treasury obligations and U.S. government agency obligations, the System universities' investment policies generally require that issuers must provide the universities with safekeeping receipts, collateral agreements, and custodial agreements.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. State law requires that at no time shall the funds invested in U.S. government agency obligations exceed 60% of all monies invested with maturities of 30 days or longer. In addition, state law limits the investment in commercial paper and corporate notes and bonds to 20% of all investments. Individual System universities do not have policies to further limit concentration of credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State law as applicable to institutions of higher education does not address interest rate risk. In addition, individual System universities do not have policies to limit interest rate risk.

INVESTMENTS - COMPONENT UNITS

The component units' investments totaling \$182,177,265, as shown on the Statement of Financial Position, are reported under FASB ASC §958, which does not require the disclosures of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. The fair values of investments held by the component units at June 30, 2012, follow:

<u>Type of Investment</u>	University of Louisiana at Lafayette Foundation	University of New Orleans Foundation	University of New Orleans Research and Technology Foundation, Inc.	Total Investments
Certificates of deposit	\$4,053,953		\$1,315,917	\$5,369,870
U.S. Treasury and agency bonds	8,145,526			8,145,526
Municipal and other government agency bonds	97,423			97,423
Fixed income		\$10,908,521		10,908,521
Asset-backed securities	8,045,219			8,045,219
Commerical bonds	3,365,567			3,365,567
Stocks and equities	7,311,227	9,347,972		16,659,199
International stocks		2,096,276		2,096,276
Mutual and exchange traded funds	70,944,142	32,101,013		103,045,155
Real estate investment trusts		1,645,467		1,645,467
Hedge funds and alternative investments	19,607,240			19,607,240
Other			3,191,802	3,191,802
	<u>\$121,570,297</u>	<u>\$56,099,249</u>	<u>\$4,507,719</u>	<u>\$182,177,265</u>
Total	<u>\$121,570,297</u>	<u>\$56,099,249</u>	<u>\$4,507,719</u>	<u>\$182,177,265</u>

4. RECEIVABLES

Receivables are shown on the Statement of Net Assets, net of an allowance for doubtful accounts, at June 30, 2012. These receivables are composed of the following:

<u>Type</u>	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Restricted Noncurrent Portion
Student tuition and fees	\$31,648,173	(\$10,381,982)	\$21,266,191	\$606,717
Auxiliary enterprises	9,674,062	(2,362,363)	7,311,699	139,474
Contributions and gifts	1,971,088		1,971,088	
Federal, state, and private grants and contracts	32,998,178	(111,961)	32,886,217	
Insurance recoveries	6,188,155		6,188,155	
American Recovery and Reinvestment Act	67,532		67,532	
Other	12,806,533	(702,184)	12,104,349	3,673,511
	<u>\$95,353,721</u>	<u>(\$13,558,490)</u>	<u>\$81,795,231</u>	<u>\$4,419,702</u>
Total	<u>\$95,353,721</u>	<u>(\$13,558,490)</u>	<u>\$81,795,231</u>	<u>\$4,419,702</u>

5. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2012, follows:

University of Louisiana System

	Balance July 1, 2011	Prior Period Adjustment	Restated Balance July 1, 2011	Additions	Transfers	Retirements	Balance June 30, 2012
Capital assets not being depreciated:							
Land	\$47,615,039	\$42,974,000	\$90,589,039	\$175,000	\$2,100,000	(\$650,078)	\$92,213,961
Land improvements	6,894,366		6,894,366				6,894,366
Capitalized collections	314,621		314,621				314,621
Livestock	51,850		51,850	6,600		(5,800)	52,650
Software development in progress	956,341		956,341	2,257,607			3,213,948
Construction-in-progress	144,514,387	5,704,674	150,219,061	123,297,744	(177,548,792)	(593,101)	95,374,912
Total assets not being depreciated	200,346,604	48,678,674	249,025,278	125,736,951	(175,448,792)	(1,248,979)	198,064,458
Capital assets being depreciated:							
Infrastructure	14,622,424	11,383,287	26,005,711	129,417	3,046,531		29,181,659
Land improvements	33,915,851	20,734,322	54,650,173	2,244,300	3,567,091		60,461,564
Buildings	1,418,957,104	262,092,717	1,681,049,821	6,919,976	167,241,864	(8,294,398)	1,846,917,263
Equipment (including library books)	320,532,979	114,989,454	435,522,433	17,889,416	1,593,306	(11,616,963)	443,388,192
Software (internally generated and purchased)	2,458,405		2,458,405				2,458,405
Total capital assets being depreciated	1,790,486,763	409,199,780	2,199,686,543	27,183,109	175,448,792	(19,911,361)	2,382,407,083
Less accumulated depreciation:							
Infrastructure	(3,621,263)	(3,855,189)	(7,476,452)	(710,227)			(8,186,679)
Land improvements	(15,612,307)	(13,427,027)	(29,039,334)	(2,260,107)			(31,299,441)
Buildings	(604,510,202)	(148,803,591)	(753,313,793)	(43,686,750)		2,245,473	(794,755,070)
Equipment	(262,817,335)	(83,071,813)	(345,889,148)	(24,580,082)		10,554,725	(359,914,505)
Software (internally generated and purchased)	(2,458,405)		(2,458,405)				(2,458,405)
Total accumulated depreciation	(889,019,512)	(249,157,620)	(1,138,177,132)	(71,237,166)	NONE	12,800,198	(1,196,614,100)
Total capital assets, net	\$1,101,813,855	\$208,720,834	\$1,310,534,689	\$81,682,894	NONE	(\$8,360,142)	\$1,383,857,441

The prior period adjustments represent the effects of the transfer of the University of New Orleans to the University of Louisiana System and of corrections of errors in recorded capital assets from prior years as shown in note 16.

Component Unit

	Balance July 1, 2011	Prior Period Adjustment	Restated Balance July 1, 2011	Additions	Transfers	Retirements	Balance June 30, 2012
Capital assets not being depreciated:							
Real estate	\$804,541	\$1,853,994	\$2,658,535	\$22,600			\$2,681,135
Art and collectibles	2,685,823		2,685,823	138,775			2,824,598
Construction-in-progress		1,982,954	1,982,954	175,343	(\$68,727)		2,089,570
Total assets not being depreciated	3,490,364	3,836,948	7,327,312	336,718	(68,727)	NONE	7,595,303
Capital assets being depreciated:							
Buildings	10,023,266	108,176,662	118,199,928	208,514			118,408,442
Vehicles, furniture, and equipment	526,451	18,278,243	18,804,694	2,078			18,806,772
Total assets being depreciated	10,549,717	126,454,905	137,004,622	210,592	NONE	NONE	137,215,214
Less accumulated depreciation	(2,459,999)	(43,633,652)	(46,093,651)	(2,087,184)	NONE	NONE	(48,180,835)
Total capital assets, net	\$11,580,082	\$86,658,201	\$98,238,283	(\$1,539,874)	(\$68,727)	NONE	\$96,629,682

The capital asset disclosure for the discretely presented component units has been adjusted to reflect the classifications of the assets as presented in the audited financial statements of the discretely presented component units. Their financial statements have been prepared in accordance with FASB ASC §958. The disclosure requirements of FASB ASC §958 differ from those required for financial statements prepared in accordance with GASB requirements.

The prior period adjustments represent the effects of the inclusion of the University of New Orleans Foundation and the University of New Orleans Research and Technology Foundation, Inc.

Southeastern Louisiana University is the only university within the System that capitalizes its collections, which include various works of art and historical items, including sculptures, statues, portraits, murals, book collections, war artifacts, and maps.

Although not capitalized, the University of Louisiana at Lafayette maintains the Louisiana Room, the Rare Book Room, and the University Archives and Acadiana Manuscripts Collection, the Creole and Cajun Music Collection, the University Records Management Program, and the Microforms Room. In addition, the University of Louisiana at Monroe maintains the Thomas Gilhula War Collection, the Friends of the Library of Louisiana Collection of parish histories, the James A. Noe Collection, the Otto E. Pressman Collection, an African Artifacts collection, a geosciences collection, an herbarium collection, and various artifacts in the Natural History Museum.

The System universities generally do not capitalize collections of works of art or historical treasures either because they do not have any or because they meet the following criteria for exclusion from capitalization in accordance with the requirements of GASB Statement No. 34:

(1) held for public exhibition, education, or research in furtherance of public service rather than financial gain; (2) protected, kept unencumbered, cared for, or preserved; and (3) subject to an organizational policy that requires the proceeds from sales of the items to be used to acquire other items for the collection.

6. PAYABLES

The following is a summary of payables and accrued expenses at June 30, 2012:

<u>Account Name</u>	
Vendor payables	\$20,033,973
Accrued salaries and payroll deductions	26,581,844
Accrued interest	2,238,425
Other	<u>4,206,394</u>
Total payables	<u><u>\$53,060,636</u></u>

7. PENSION PLANS

Plan Description. Substantially all employees of the System are members of three statewide, public employee retirement systems. Academic employees are generally members of the Teachers' Retirement System of Louisiana (TRSL), classified/unclassified state employees are members of the Louisiana State Employees' Retirement System (LASERS), and the Louisiana School Employees' Retirement System (LSERS) includes noninstructional personnel of the Louisiana Public School System. TRSL and LSERS are cost-sharing, multiple-employer defined benefit pension plans, and LASERS is considered a single-employer defined benefit pension plan because the material portion of its activity is with one employer--the State of Louisiana. All three plans are administered by separate boards of trustees. These plans provide retirement, disability, and survivors' benefits to plan members and beneficiaries. The State of Louisiana guarantees benefits granted by the retirement systems by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in the retirement systems; employee benefits vest with TRSL after five years of service and with LASERS and LSERS after 10 years of service. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The retirement systems issue annual publicly available financial reports that include financial statements and required supplementary information for the retirement systems. The reports may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446; the Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (225) 922-0600; and/or the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804-4516.

Funding Policy. The contribution requirements of plan members and the System are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution as set forth in

R.S. 11:102. Employees contribute 8.0% (TRSL) and 7.5% (LASERS and LSERS) of covered salaries. Act 75 of the 2005 Regular Legislative Session now requires that employees hired on or after July 1, 2006, contribute 8.0% to LASERS. The state is required to contribute 23.7% of covered salaries to TRSL, 25.6% of covered salaries to LASERS, and 28.6% of covered salaries to LSERS for fiscal year 2012. The State of Louisiana, through the annual appropriation to the System, funds the System's employer contribution. The System's employer contributions to TRSL for the years ended June 30, 2012, 2011, and 2010 were \$41,590,024; \$30,640,774; and \$24,531,226, respectively, to LASERS for the years ended June 30, 2012, 2011, and 2010 were \$24,227,400; \$19,868,818; and \$17,792,849, respectively, and to LSERS for the years ended June 30, 2012, 2011, and 2010 were \$72,436; \$32,830; and \$26,802, respectively, equal to the required contributions for each year.

8. OPTIONAL RETIREMENT SYSTEM

R.S. 11:921 created an optional retirement plan for academic and administrative employees of public institutions of higher education. This program was designed to aid universities in recruiting employees who may not be expected to remain in the TRSL for five or more years. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants.

The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRSL and purchase retirement and death benefits through contracts provided by designated companies.

Total contributions by the System are 23.7% of the covered payroll for fiscal year 2012. The participant's contribution (8.0%), less any monthly fee required to cover the cost of administration and maintenance of the optional retirement plan, is remitted to the designated company or companies. Upon receipt of the employer's contribution, the TRSL pays over to the appropriate company or companies, on behalf of the participant, an amount equal to the employer's portion of the normal cost contribution as determined annually by the actuarial committee. The TRSL retains the balance of the employer contribution for application to the unfunded accrued liability of the System. Benefits payable to participants are not the obligations of the State of Louisiana or the TRSL. Such benefits and other rights of the optional retirement plan are the liability and responsibility solely of the designated company or companies to whom contributions have been made. Employer and employee contributions to the optional retirement plan totaled \$45,308,478 and \$15,302,655, respectively, for the year ended June 30, 2012.

9. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The System provides certain continuing health care and life insurance benefits for its retired employees. Substantially, all System employees become eligible for these benefits if they reach normal retirement age while working for the System.

The System offers its employees the opportunity to participate in one of two medical coverage plans. One plan is from the state's Office of Group Benefits (OGB), which offers a life insurance plan, and the other plan is with the Louisiana State University (LSU) System Health Plan, which originally began as a pilot program within OGB. The LSU System Health Plan is offered only to employees at the University of New Orleans. GASB Statement No. 45 promulgates the accounting and financial reporting requirement by employers that offer other postemployment benefits (OPEB) besides pensions. Both of the medical coverage plans and the life insurance plan available would be subject to the provisions of this statement. Information about these two plans is presented below.

Plan Descriptions

State OGB Plan

Employees of the System voluntarily participate in the State of Louisiana's health insurance plan. OGB provides medical and life insurance benefits to eligible retirees and their beneficiaries. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in the applicable retirement system, and they must be covered by the active medical plan immediately prior to retirement. The postemployment benefits plan is a cost-sharing, multiple-employer defined benefit plan but is classified as an agent multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provide the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report; however, the entity is included in the Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

LSU System Health Plan

The System offers eligible UNO employees and UNO retirees and their beneficiaries the opportunity to participate in comprehensive health and preventive care coverage under the LSU Health System Plan, which is administered by the LSU System, that gives members a unique, consumer-driven health care approach to pay routine health expenses and provides coverage for major health care expenses. Within the Health Plan, members have a choice of selecting Option 1 or Option 2. The LSU System Health Plan is defined as a single-employer defined benefit health care plan that is not administered as a trust or equivalent arrangement.

The LSU System selects claim and pharmaceutical administrators to administer the program through a formal request for proposals process.

The Health Plan does not issue a publicly available financial report, but it is included in the LSU System's audited financial statements.

Funding Policy

State OGB Plan

The contribution requirements of plan members and the System are established and may be amended by R.S. 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree health care based on a service schedule. Contribution amounts vary depending on what health care provider is selected from the plan and if the member has Medicare coverage. OGB offers four standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Health Maintenance Organization (HMO) Plan, the Medical Home HMO Plan, and the Regional HMO Plan. OGB also offers the Consumer Driven Health Plan with a Health Savings Account option (CDHP-HSA) to active employees. Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare Advantage plans: three HMO plans and two PPO plans, which are based on a calendar year. The three HMO plans are Humana Regional HMO Plan, Peoples Health Regional HMO POS Plan, and Vantage HMO-POS Plan. The two PPO plans are Humana PPO Plan and United Healthcare PPO Plan.

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Total annual per capita medical contribution rates for 2011-2012 are shown in the Premium Rates table that follows.

Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

<u>Service</u>	<u>Employer Contribution Percentage</u>	<u>Employee Contribution Percentage</u>
Under 10 years	19%	81%
10 - 14 years	38%	62%
15 - 19 years	56%	44%
20+ years	75%	25%

LSU System Health Plan

While actuarially determined, the plan rates must be approved by OGB under R.S 42:851(B). Plan rates are in effect for one year and members have the opportunity to switch providers during the open enrollment period.

The plan is financed on a pay-as-you-go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits. This expense includes all expected claims and related expenses and is offset by retiree contributions.

Effective January 1, 2012, the LSU Health Plan changed from a fiscal year plan to a calendar year plan. On this date, the rates increased 5% for all levels of coverage in both Option 1 and Option 2. Effective January 1, 2012, the OGB Plan changed from a fiscal year plan to a calendar year plan. On this date, the rates increased 5% for the PPO, HMO, and CDHP plans; 7% for the MHHP Plan; and 0% for the fully insured HMO. The following table shows the rates in effect at June 30, 2012.

	LSU System Health Plan		State OGB Plans				
	Option 1	Option 2	PPO	HMO	Regional Home Health Plan	Medical Home HMO Plan	CDHP Plan
<u>Active</u>							
Single	\$584.16	\$505.10	\$619.28	\$585.08	\$553.28	\$609.08	\$480.72
With Spouse	1,042.22	901.12	1,315.36	1,242.52	1,158.32	1,293.72	1,021.04
With Children	716.74	640.44	755.28	713.52	671.72	743.08	586.48
Family	1,245.98	1,090.06	1,387.28	1,310.40	1,220.76	1,364.36	1,076.76
<u>Retired No Medicare and Re-employed Retiree</u>							
Single	\$1,109.24	\$1,013.88	\$1,152.12	\$1,091.92	\$1,016.20	\$1,132.88	N/A
With Spouse	1,958.72	1,790.26	2,034.44	1,928.04	1,783.24	2,000.84	N/A
With Children	1,235.56	1,124.36	1,283.32	1,216.32	1,130.32	1,262.00	N/A
Family	1,949.28	1,776.78	2,024.26	1,918.80	1,774.64	1,991.08	N/A
<u>*Retired with 1 Medicare</u>							
Single	\$340.00	\$293.96	\$374.64	\$361.24	\$340.68	\$368.48	N/A
With Spouse	1,174.22	1,015.28	1,384.28	1,320.20	1,218.08	1,361.28	N/A
With Children	645.84	581.26	648.48	621.40	578.60	637.72	N/A
Family	1,666.06	1,456.58	1,844.44	1,757.28	1,618.00	1,813.84	N/A
<u>*Retired with 2 Medicare</u>							
With Spouse	\$593.32	\$513.02	\$673.44	\$647.52	\$600.12	\$662.08	N/A
Family	805.64	704.38	833.84	801.72	739.52	819.84	N/A

*All members who retire on or after July 1, 1997, must have Medicare Parts A and B to qualify for the reduced premium rates.

<u>Medicare Supplemental Rates</u>	Calendar Year 2012		Calendar Year 2011	
	Retired with		Retired with	
	1 Medicare	2 Medicare	1 Medicare	2 Medicare
Humana HMO	\$156.00	\$312.00	\$145.00	\$290.00
Humana PPO	150.00	300.00	149.00	298.00
People's Health HMO	167.00	334.00	115.00	230.00
Vantage HMO	279.01	558.20	258.00	516.00
United Healthcare PPO	213.77	427.54	198.50	397.00

OGB also provides eligible retirees and their spouses Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life, and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total

premium is approximately \$1 per thousand dollars of coverage of which the employer pays fifty cents for retirees and twelve cents for spouses. The monthly premium is reduced to less than \$1 per thousand for retired employees age 70 and over. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death and disability coverage ceasing at age 70 for retirees.

Annual Other Postemployment Benefit Cost and Liability. The System's annual required contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period of 30 years. A 30-year, open amortization period has been used. The total ARC for fiscal year 2012 is \$64,822,442.

The following schedule presents the System's OPEB obligation for fiscal year 2012:

	State OGB Plan	LSU System Health Plan	Total
Beginning net OPEB obligations at July 1, 2011 (restated)	\$351,548,029	\$6,221,717	\$357,769,746
Annual required contribution	62,095,900	2,726,542	64,822,442
Interest on net OPEB obligation	14,061,900	311,086	14,372,986
ARC adjustment	(13,433,300)	(249,316)	(13,682,616)
OPEB cost	62,724,500	2,788,312	65,512,812
Contributions made - current year retiree premiums	(26,163,823)	(818,856)	(26,982,679)
Increase in net OPEB obligation	36,560,677	1,969,456	38,530,133
Ending net OPEB obligation at June 30, 2012	\$388,108,706	\$8,191,173	\$396,299,879

The System's annual OPEB cost contributed to the plan using the pay-as-you-go method and the net OPEB obligation for the fiscal year ended June 30, 2012, and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$86,984,400	24.2%	\$261,952,789
June 30, 2011	74,691,400	28.7%	315,195,625
June 30, 2012*	65,512,812	41.2%	396,299,879

* The fiscal year 2012 amounts include the costs and obligations related to employees of the University of New Orleans, which transferred to the University of Louisiana System in fiscal year 2012.

Funded Status and Funding Progress. During fiscal year 2012, neither the System nor the State of Louisiana made contributions to its postemployment benefits plan trust. A trust was established during fiscal year 2008, but was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the System's entire actuarial accrued liability of \$794,558,166 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2011, was as follows:

	State OGB Plan	LSU System Health Plan	Total
Actuarial accrued liability (AAL)	\$766,073,400	\$28,484,766	\$794,558,166
Actuarial value of plan assets	NONE	NONE	NONE
UAAL	<u>\$766,073,400</u>	<u>\$28,484,766</u>	<u>\$794,558,166</u>
Funded ratio (actuarial value of plan assets/AAL)	0%	0%	0%
Covered payroll	\$316,334,152	\$21,608,354	\$337,942,506
UAAL as percentage of covered payroll	242%	132%	235%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the AAL consistent with the long-term perspective of the calculations.

The RP 2000 Mortality Table was used in making actuarial assumptions. Retirement rate assumptions differ by employment group and date of plan participation. The state's UAAL is being amortized as a level percentage of projected payroll over an open amortization period of 30 years. Annual per capita medical claims costs were updated to reflect an additional year of actual experience.

The OGB Plan AAL decreased from the last actuarial valuation. Contributing to the decrease were (1) the implementation of the Medicare Prescription Employee Group Waiver plan; (2) claims for the year ended June 30, 2011, were less than expected; and (3) changes in retirement eligibility provisions.

The LSU Health System Plan AAL increased since the last actuarial evaluation because of (1) additional benefit accrual by plan participants; (2) interest cost on the obligations; and (3) payment of benefits to retired participants.

A summary of the actuarial assumptions is presented as follows:

	<u>State OGB Plan</u>	<u>LSU System Health Plan</u>
Actuarial valuation date	July 1, 2011	July 1, 2011
Actuarial cost method	Projected Unit Cost	Projected Unit Cost
Amortization method	Level % of payroll	Level % of payroll
Amortization period	30 years, open	30 years, open
Asset valuation method	None	None
Actuarial assumptions:		
Discount rate	4%	4.25%
Projected salary increases	3%	4%
Health care inflation rate	7.5%-8.6%	9%
Health care inflation rate - ultimate	5%	5%

10. COMPENSATED ABSENCES

At June 30, 2012, employees of the System have accumulated and vested annual, sick, and compensatory leave of \$25,461,656; \$18,587,905; and \$990,059, respectively. These balances were computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements.

11. LEASE OBLIGATIONS

Operating Leases

For the year ended June 30, 2012, the total rental expense for all operating leases is \$1,552,015. The following is a schedule by years of future minimum annual rental payments required under operating leases:

<u>Fiscal Year Ending June 30</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total Minimum Payments Required</u>
2013	\$1,098,837	\$27,572	\$13,145	\$167,977	\$1,307,531
2014	364,274	26,133	4,893	166,208	561,508
2015	354,374	10,308	4,977	164,351	534,010
2016	354,374	10,308	5,061	166,686	536,429
2017	239,708	10,308	5,147	171,020	426,183
2018-2022	1,159,490	51,540	27,079	569,904	1,808,013
2023-2027	1,159,490	51,540	29,461	400,000	1,640,491
2028-2032	10		32,051	400,000	432,061
2033-2037	10		34,870	400,000	434,880
2038-2042	10		37,936	400,000	437,946
Thereafter			177,181	480,000	657,181
Total	<u>\$4,730,577</u>	<u>\$187,709</u>	<u>\$371,801</u>	<u>\$3,486,146</u>	<u>\$8,776,233</u>

Capital Leases

The System records items under capital leases as assets and obligations in the accompanying financial statements. The System's capital leases at June 30, 2012, consist of various leases as follows:

<u>Nature of Lease</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Gross amount of leased assets (historical cost)	\$41,058,464	\$14,014,050	\$55,072,514
Remaining interest to end of lease	33,367,361	1,432,462	34,799,823
Remaining principal to end of lease	39,705,000	6,338,754	46,043,754

On August 8, 2006, the University of New Orleans (UNO) Research and Technology Foundation, Inc. (Foundation), entered into a ground lease with UNO to finance, plan, construct, and equip a student residence facility (Ponchartrain Hall). The Foundation subsequently entered into a facility lease with UNO when Ponchartrain Hall was completed. UNO's payments under the lease support the Foundation's payments on the Foundation's Louisiana Public Facilities Corporation Revenue Bonds, Series 2006 (note 12). In accordance with FASB Accounting Standards Codification §840, the lease meets the requirements for classification as a capital lease.

The Foundation has recognized a lease receivable in accordance with the FASB standards and UNO has recognized a capital lease obligation. The Foundation recognized a capital lease receivable totaling \$35,411,788 in its financial statements for the year ended December 31, 2011. UNO has recognized a capital lease obligation in its financial statements for the year ended June 30, 2012, and has included the gross amount of the leased assets, remaining interest to the end of the lease, and remaining principal to the end of the lease totaling \$35,535,000; \$32,813,900; and \$34,735,000, respectively. The UNO lease amounts are included in the above table and in the following capital lease amortization schedule.

The System's component unit foundations' capital leases at June 30, 2012, consist of:

<u>Nature of Lease</u>	<u>Equipment</u>
Gross amount of leased assets (historical cost)	\$963,388
Remaining interest to end of lease	100,677
Remaining principal to end of lease	524,833

The following is a schedule of future minimum lease payments under these capital leases, together with the present value of minimum lease payments at June 30, 2012:

<u>Fiscal Year Ending June 30</u>	<u>System</u>	<u>Component Units</u>
2013	\$4,083,478	\$78,449
2014	4,079,348	78,449
2015	4,115,139	78,449
2016	4,169,881	78,449
2017	4,211,963	78,449
2018-2022	17,695,720	233,265
2023-2027	14,476,125	
2028-2032	15,535,350	
2033-2037	12,476,575	
Total minimum lease payments	<u>80,843,579</u>	<u>625,510</u>
Less - amount representing executory costs	NONE	NONE
Net minimum lease payments	<u>80,843,579</u>	<u>625,510</u>
Less - amount representing interest	<u>34,799,825</u>	<u>100,677</u>
Present value of net minimum lease payments	<u><u>\$46,043,754</u></u>	<u><u>\$524,833</u></u>

Lessor - Operating Lease

The System's leasing operations consist primarily of leasing property for providing food services to students; bookstore operations; and office space for postal services, banking services, and vending operations.

The following schedule provides an analysis of the System's investment in property on operating leases and property held for lease by major classes as of June 30, 2012:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Amount</u>
Office space	\$17,355,353	(\$11,107,228)	\$6,248,125
Buildings	8,555,465	(2,946,350)	5,609,115
Land	3,457,081		3,457,081
Other	161,821	(117,962)	43,859
Total	<u>\$29,529,720</u>	<u>(\$14,171,540)</u>	<u>\$15,358,180</u>

The following is a schedule by years of minimum future rentals on noncancelable operating leases as of June 30, 2012:

<u>Fiscal Year Ending June 30</u>	<u>Office Space</u>	<u>Buildings</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2013	\$2,858,441	\$170,000	\$2,221	\$533,378	\$3,564,040
2014	2,361,701	170,000	2,221	489,527	3,023,449
2015	2,390,084	170,000	2,221	420,000	2,982,305
2016	2,075,000	170,000	2,221	420,000	2,667,221
2017	2,325,000	170,000	2,221	420,000	2,917,221
2018-2022	9,514,583	850,000	11,105	210,000	10,585,688
2023-2027	1,750,000	340,000	11,105		2,101,105
2028-2032			11,105		11,105
Thereafter			7,255		7,255
Total minimum future rentals	<u>\$23,274,809</u>	<u>\$2,040,000</u>	<u>\$51,675</u>	<u>\$2,492,905</u>	<u>\$27,859,389</u>

Minimum future rentals do not include contingent rentals that may be received as stipulated in the lease contracts. These contingent rental payments occur as a result of sales volume or customer usage of services provided. Contingent rentals received from operating leases of office space and buildings for the year ended June 30, 2012, were \$753,596 and \$300,000, respectively.

12. LONG-TERM LIABILITIES

The following is a summary of bond and other long-term debt transactions of the System for the year ended June 30, 2012:

University of Louisiana System

	Balance June 30, 2011	Adjustments	Balance June 30, 2011 Restated	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
Bonds and notes payable:							
Bonds payable	\$606,175,642	\$22,870,000	\$629,045,642	\$35,009,657	(\$33,230,036)	\$630,825,263	\$12,347,759
Notes payable	3,965,180		3,965,180		(485,295)	3,479,885	338,975
Total bonds and notes payable	<u>610,140,822</u>	<u>22,870,000</u>	<u>633,010,822</u>	<u>35,009,657</u>	<u>(33,715,331)</u>	<u>634,305,148</u>	<u>12,686,734</u>
Other liabilities:							
Accrued compensated absences payable (note 10)	36,284,180	8,504,685	44,788,865	10,129,065	(9,878,310)	45,039,620	4,686,249
Capital lease obligations (note 11)	12,296	46,887,357	46,899,653	5,105,918	(5,961,818)	46,043,753	1,671,380
Reimbursement contracts payable	95,000		95,000		(30,000)	65,000	30,000
OPEB payable (note 9)	315,195,625	42,574,121	357,769,746	65,512,812	(26,982,679)	396,299,879	
Total other liabilities	<u>351,587,101</u>	<u>97,966,163</u>	<u>449,553,264</u>	<u>80,747,795</u>	<u>(42,852,807)</u>	<u>487,448,252</u>	<u>6,387,629</u>
Total	<u>\$961,727,923</u>	<u>\$120,836,163</u>	<u>\$1,082,564,086</u>	<u>\$115,757,452</u>	<u>(\$76,568,138)</u>	<u>\$1,121,753,400</u>	<u>\$19,074,363</u>

Component Units

	Balance June 30, 2011	Adjustments	Balance June 30, 2011 Restated	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
Bonds and notes payable:							
Bonds payable	\$1,500,000	\$40,181,596	\$41,681,596		(\$168,731)	\$41,512,865	\$428,000
Notes payable	497,452	6,580,708	7,078,160		(104,312)	6,973,848	271,243
Total bonds and notes payable	<u>1,997,452</u>	<u>46,762,304</u>	<u>48,759,756</u>	<u>NONE</u>	<u>(273,043)</u>	<u>48,486,713</u>	<u>699,243</u>
Other liabilities:							
Accrued compensated absences payable (note 10)		162,190	162,190		(1,536)	160,654	
Capital lease obligations (note 11)		549,529	549,529		(24,696)	524,833	51,116
Amounts held in custody for others	27,234,149	16,296,482	43,530,631	\$1,106,150	(252,575)	44,384,206	
Total other liabilities	<u>27,234,149</u>	<u>17,008,201</u>	<u>44,242,350</u>	<u>1,106,150</u>	<u>(278,807)</u>	<u>45,069,693</u>	<u>51,116</u>
Total	<u>\$29,231,601</u>	<u>\$63,770,505</u>	<u>\$93,002,106</u>	<u>\$1,106,150</u>	<u>(\$551,850)</u>	<u>\$93,556,406</u>	<u>\$750,359</u>

Details of all debt outstanding at June 30, 2012, are as follows:

Bonds Payable - University of Louisiana System

Issue	Date of Issue	Original Issue	Principal Outstanding June 30, 2011	Issued (Redeemed)	Principal Outstanding June 30, 2012	Maturities	Interest Rates	Interest Outstanding June 30, 2012
Grambling State University								
Black & Gold Facilities, Inc. (blended component unit):								
Louisiana Public Facilities Authority - Student Housing Revenue Bonds:								
Series 2006 A	October 24, 2006	\$55,705,000	\$55,705,000		\$55,705,000	2039	3.79%-4.38%	\$43,218,750
Series 2006 B	October 24, 2006	3,595,000	1,865,000	(\$1,000,000)	865,000	2013	5.32%-5.41%	23,571
Series 2006 C	December 28, 2006	5,700,000	5,420,000	(90,000)	5,330,000	2038	5.15%-5.8%	5,058,525
Series 2007 A	December 5, 2007	39,330,000	39,330,000		39,330,000	2040	4%-5%	35,492,663
Series 2007 B	December 5, 2007	2,595,000	2,320,000	(355,000)	1,965,000	2016	5.72%	217,789
Louisiana Tech University								
Academic Facilities Extension Use Fee Revenue Bonds - Series 1972 B								
	July 1, 1972	4,750,000	705,000	(705,000)				
Revenue Bonds - Power Plant 2002 Series								
	July 1, 2002	5,920,000	4,120,000	(300,000)	3,820,000	2022	4.0%-4.9%	1,088,230
Innovative Student Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority: Student Housing and Related Facilities - 2003 Series								
	July 1, 2003	21,840,000	20,335,000	(390,000)	19,945,000	2034	3.25%-4.5%	11,671,063
Student Housing and Recreational Facilities - 2007 Series								
	September 26, 2007	51,670,000	50,630,000	(610,000)	50,020,000	2030	4.0%-4.5%	36,873,450
McNeese State University								
Parking Lot - Series 1997								
	February 12, 1997	1,500,000	150,000	(150,000)				
Field House - Series 2009								
	August 6, 2009	6,000,000	5,795,000	(210,000)	5,585,000	2029	3.93%	2,201,291
Cowboy Facilities, Inc. (blended component unit):								
Calcasieu Parish Trust Authority: University Student Lease Revenue Bonds - Series 2001								
	May 31, 2001	21,120,000	18,070,000	(18,070,000)				
University Scoreboard Project Bonds - Series 2005								
	April 1, 2005	1,900,000	905,000	(205,000)	700,000	2015	6.50%	92,950
University Student Lease Revenue Bonds - Series 2011								
	December 7, 2011	18,655,000		18,155,000	18,155,000	2033	2.0%-5.0%	10,139,763
Louisiana Local Government Environmental Facilities and Community Development Authority: University Student Parking Bonds - Series 2011								
	December 28, 2011	13,850,000		13,850,000	13,850,000	2042	2.0%-5.0%	12,454,651
Nicholls State University								
NSU Facilities Corporation (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority: Streets and Parking Revenue Bonds - Series 2006 A								
	May 1, 2006	3,320,000	2,725,000	(130,000)	2,595,000	2026	4.76%	1,030,100
Cafeteria & Student Union Revenue Bonds - Series 2006 B								
	May 1, 2006	5,000,000	4,475,000	(115,000)	4,360,000	2031	6.69%	3,494,949
Student Revenue Housing - Series 2007A								
	August 23, 2007	17,680,000	16,385,000	(720,000)	15,665,000	2024	4.38%	4,965,538
Student Revenue Housing - Series 2007B								
	August 23, 2007	32,380,000	32,380,000		32,380,000	2039	4.49%	26,986,580
Student Self-Assessed Fees - Series 2010								
	December 1, 2010	10,860,000	10,860,000		10,860,000	2041	4.90%	9,749,531
Northwestern State University								
Wellness, Recreation, and Activity Center Bonds - Series 1999								
	April 1, 1999	6,850,000	4,500,000	(4,500,000)				
Wellness, Recreation, and Activity Center Bonds - Series 2011								
	October 25, 2011	4,500,000		4,230,000	4,230,000	2024	3.80%	1,115,870

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding June 30, 2011</u>	<u>Issued (Redeemed)</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Interest Outstanding June 30, 2012</u>
Southeastern Louisiana University								
Student Recreation and Activity Center Revenue Bonds - Series 1998	June 30, 1998	\$7,690,000	\$4,100,000	(\$4,100,000)				
Student Recreation and Activity Center Revenue Bonds - Series 2011	December 7, 2011	3,650,000		3,330,000	\$3,330,000	2020	2.0%-3.375%	\$470,192
University Facilities, Inc. (blended component unit):								
Student Housing, Intermodal Parking and Stadium - Series 2004	August 13, 2004	76,910,000	72,295,000	(1,500,000)	70,795,000	2035	3.5%-5.0%	45,592,597
Intermodal Parking - Series 2007(A)	March 14, 2007	5,545,000	4,930,000	(160,000)	4,770,000	2031	4.2%-4.25%	2,248,622
Intermodal Parking - Series 2007(B)	March 14, 2007	2,490,000	330,000		330,000	2037	4.375%	326,594
Student Union - Series 2010	November 3, 2010	31,255,000	31,255,000	(440,000)	30,815,000	2041	3.38%-4.75%	25,278,795
University of Louisiana at Lafayette								
Ragin' Cajun Facilities, Inc. (blended component unit) - Lafayette Public Trust Financing Authority:								
Student Housing and Child Care Facilities - Series 2002	October 1, 2002	19,065,000	16,800,000	(425,000)	16,375,000	2033	4.0%-5.0%	9,874,469
Student Housing - Series 2009	April 14, 2009	12,500,000	12,500,000	(60,000)	12,440,000	2039	3.5%-6.0%	12,395,124
Student Union and University Facilities Project - Series 2010	November 15, 2010	22,200,000	22,200,000	(350,000)	21,850,000	2040	2.0%-5.0%	17,843,788
Housing and Parking Project - Series 2010	December 1, 2010	100,050,000	100,050,000		100,050,000	2041	2.0%-5.5%	101,509,864
University of Louisiana at Monroe								
ULM Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Housing, Infirmary, and Student Center: Revenue Bonds Series 2004 A & A-T	June 30, 2004	35,210,000	33,365,000		33,365,000	2034	Variable	8,787,544
Revenue Bonds Series 2004 C & C-T	December 8, 2004	33,680,000	32,055,000	(510,000)	31,545,000	2035	Variable	8,400,902
Intermodal Transit Facility and Parking - Revenue Bonds Series 2006	November 7, 2006	1,500,000	990,000	(145,000)	845,000	2016	5.06%	110,686
Clarke Williams Student Center Renovation Project - Series 2007	October 25, 2007	2,045,000	1,860,000	(70,000)	1,790,000	2027	5.40%	878,850
University of New Orleans								
Housing Revenue Bonds of 1998	August 15, 1998	15,915,000	12,950,000	(395,000)	12,555,000	2031	3.9%-5%	6,869,098
Revenue Bonds of 2004 - Series A	June 17, 2004	9,440,000	3,180,000	(1,020,000)	2,160,000	2014	3%-4.125%	133,150
Revenue Bonds of 2004 - Series B	October 19, 2004	8,480,000	6,740,000	(340,000)	6,400,000	2026	3%-4.67%	2,253,788
Total		722,345,000	632,275,000	2,500,000	634,775,000			\$448,849,327
Premiums/discounts, net		(5,390,405)	(3,229,358)	(720,379)	(3,949,737)			
Total		<u>\$716,954,595</u>	<u>\$629,045,642</u>	<u>\$1,779,621</u>	<u>\$630,825,263</u>			

On December 28, 2011, Cowboy Facilities, Inc., entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for the construction of a new parking garage. The project is being financed with the issuance of Revenue Bonds, Series 2011 totaling \$13,850,000.

Component Units

Issue	Date of Issue	Original Issue	Outstanding June 30, 2011	Issued (Redeemed)	Outstanding June 30, 2012	Maturities	Interest Rates	Interest Outstanding June 30, 2012
University of Louisiana at Lafayette Foundation, Inc. Lafayette Economic Development Authority	February 1, 2002	\$8,500,000	\$1,500,000		\$1,500,000	2015-2017	4.50%	\$373,500
University of New Orleans Foundation** Film Studio Bond Debt - NIMS Center	August 1, 2001	2,000,000	996,000	(\$145,000)	851,000	2016	5.30%	46,371
University of New Orleans Research and Technology Foundation** LPFA Revenue Bonds, Series 2006 (includes unamortized premium)	August 6, 2006	<u>39,900,442</u>	<u>39,185,596</u>	<u>(23,731)</u>	<u>39,161,865</u>	2037	3.75%-5.25%	<u>33,884,933</u>
Total		<u>\$50,400,442</u>	<u>\$41,681,596</u>	<u>(\$168,731)</u>	<u>\$41,512,865</u>			<u>\$34,304,804</u>

** Fiscal year ended December 31, 2011

Reimbursement Contracts Payable - University of Louisiana System

Issue	Date of Issue	Original Issue	Outstanding June 30, 2011	Issued (Redeemed)	Outstanding June 30, 2012	Maturities	Interest Rates	Interest Outstanding June 30, 2012
Northwestern State University General Obligation Bonds - Series 1993-B	February 1, 1993	<u>\$460,000</u>	<u>\$95,000</u>	<u>(\$30,000)</u>	<u>\$65,000</u>	2014	5.625%	<u>\$3,797</u>

The annual requirements to amortize all System bonds and reimbursement contracts outstanding at June 30, 2012, are as follows:

	Principal	Interest	Total
2013	\$12,410,000	\$28,609,665	\$41,019,665
2014	15,075,000	27,308,075	42,383,075
2015	15,205,000	26,735,931	41,940,931
2016	16,160,000	26,149,418	42,309,418
2017	17,050,000	25,514,825	42,564,825
2018-2022	96,670,000	116,394,568	213,064,568
2023-2027	116,005,000	93,196,282	209,201,282
2028-2032	139,440,000	64,632,062	204,072,062
2033-2037	132,810,000	32,862,028	165,672,028
2038-2042	<u>74,015,000</u>	<u>7,450,270</u>	<u>81,465,270</u>
Sub-total	634,840,000	448,853,124	1,083,693,124
Unamortized Discount/Premium	<u>(3,949,737)</u>	NONE	<u>(3,949,737)</u>
Total	<u>\$630,890,263</u>	<u>\$448,853,124</u>	<u>\$1,079,743,387</u>

The annual requirements to amortize all component unit bonds outstanding at June 30, 2012, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$929,000	\$3,003,156	\$3,932,156
2014	575,000	1,996,963	2,571,963
2015	659,000	1,973,155	2,632,155
2016	1,438,000	1,949,609	3,387,609
2017	1,425,000	1,891,074	3,316,074
2018-2022	4,405,000	8,774,580	13,179,580
2023-2027	7,105,000	7,371,127	14,476,127
2028-2032	10,375,000	5,160,351	15,535,351
2033-2037	13,415,000	2,184,789	15,599,789
Sub-total	<u>40,326,000</u>	<u>34,304,804</u>	<u>74,630,804</u>
Unamortized Discount/Premium	<u>1,186,865</u>	<u>NONE</u>	<u>1,186,865</u>
Total	<u><u>\$41,512,865</u></u>	<u><u>\$34,304,804</u></u>	<u><u>\$75,817,669</u></u>

The following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2012:

<u>Bond Issue</u>	<u>Reserves Available</u>	<u>Reserve Requirement</u>	<u>Excess/ (Deficiency)</u>
Grambling State University			
U.S. Department of Education Note	\$528,000	\$528,000	NONE
Revenue Bonds - Debt Service	7,593,369	7,500,890	\$92,479
Revenue Bonds - Maintenance	6,554,596	5,370,766	1,183,830
Louisiana Tech University			
Innovative Student Facilities, Inc., Revenue Bonds 2003	1,485,475	1,485,475	NONE
Innovative Student Facilities, Inc., Revenue Bonds 2007	3,416,811	3,416,725	86
McNeese State University			
Cowboy Facilities, Inc., Student Lease Revenue Bonds 2001	1,356,535	1,356,513	22
McNeese State University Field House Project, Series 2009	442,621	437,286	5,335
Cowboy Facilities, Inc., Student Lease Revenue Bonds 2011	879,260	879,256	4
Nicholls State University			
NSU Facilities, Inc., Revenue Bonds 2006, Series A and B	677,170	677,170	NONE
NSU Facilities, Inc., Revenue Bonds 2007, Series A and B	3,275,945	3,275,945	NONE
NSU Facilities, Inc., Revenue Bonds, Series 2010	689,750	689,750	NONE
Northwestern State University			
Reimbursement Contracts Payable - General Obligation Bonds, 1993-B	38,250	38,250	NONE
Southeastern Louisiana University			
University Facilities, Inc., (UFI) Revenue Bonds 2004	5,265,872	5,265,837	35
University Facilities, Inc., (UFI) Revenue Bonds 2007	482,989	482,969	20
University Facilities, Inc., (UFI) Revenue Bonds 2010A	1,579,096	1,578,569	527
University Facilities, Inc., (UFI) Revenue Bonds 2010B	358,649	358,540	109
University of Louisiana at Lafayette			
Ragin' Cajun Facilities, Inc., Student Housing and Child Care Facilities Revenue Bonds 2002	1,289,767	1,242,745	47,022
Ragin' Cajun Facilities, Inc., Project Series 2009	975,115	975,300	(185)
Ragin' Cajun Facilities, Inc., Student Union/University Facilities Project Series 2010	1,380,142	1,379,681	461
Ragin' Cajun Facilities, Inc., Housing and Parking Project Series 2010	6,847,913	6,845,625	2,288
University of Louisiana at Monroe			
ULM Facilities, Inc., Student Housing and Student Center Revenue Bonds 2004 A & B	2,630,403	2,616,279	14,124
ULM Facilities, Inc., Student Housing and Student Center Revenue Bonds 2004 C & C-T	2,054,961	2,044,761	10,200
ULM Facilities, Inc., Intermodal Transit Facility and Parking Project Revenue Bonds 2006	150,002	150,000	2
Total	<u>\$49,952,691</u>	<u>\$48,596,332</u>	<u>\$1,356,359</u>

As permitted by the Bond Resolution for the Revenue Refunding Bonds, Series 2004, Louisiana Tech University obtained a surety bond of \$722,500 issued by an insurance company as a substitute for the reserve requirement for the bonds. The surety bond meets the definition as a “Reserve Fund Investment” and guarantees payment of principal and interest on the bonds when they are due in the event of nonpayment.

Notes Payable - University of Louisiana System

Note	Date of Issue	Original Issue	Outstanding June 30, 2011	Issued (Redeemed)	Outstanding June 30, 2012	Maturities	Interest Rates	Interest Outstanding June 30, 2012
Grambling State University U.S. Department of Education	May 1, 1993	\$3,500,000	\$1,841,497	(\$123,428)	\$1,718,069	2023	3.0%	\$326,102
Nicholls State University Bus	September 11, 2007	219,016	58,133	(46,317)	11,816	2013	3.25%	64
University of Louisiana at Monroe Regions Bank - field turf Regions Bank - scoreboard	April 17, 2007 September 20, 2004	577,150 2,000,000	115,550 1,950,000	(115,550) (200,000)	<u>1,750,000</u>	2012 2016	6.0% 4.6%	<u>244,906</u>
Total		<u>\$6,296,166</u>	<u>\$3,965,180</u>	<u>(\$485,295)</u>	<u>\$3,479,885</u>			<u>\$571,072</u>

The System’s component unit foundations had the following outstanding note payable at June 30, 2012.

Note	Date of Issue	Original Issue	Outstanding June 30, 2011	Issued (Redeemed)	Outstanding June 30, 2012	Maturities	Interest Rates	Interest Outstanding June 30, 2012
University of Louisiana at Lafayette Foundation, Inc. U.S. Department of Education	June 9, 2011	\$500,000	\$497,452	(\$13,973)	\$483,479	2016	4.75%	\$83,790
University of New Orleans R & T Foundation* LPFA note, net of unamortized discount Whitney Bank FNBC (formerly Dryades Bank)	October 19, 1999 October 19, 1999 December 23, 2009	1,500,000 7,350,000 1,136,019	1,238,403 4,694,120 648,185	31,496 (94,687) (27,148)	1,269,899 4,599,433 621,037	2014 2016 2014	0.00% 6.50% 3.75%	<u>1,185,695</u> <u>61,423</u>
Total		<u>\$10,486,019</u>	<u>\$7,078,160</u>	<u>(\$104,312)</u>	<u>\$6,973,848</u>			<u>\$1,330,908</u>

*As of December 31, 2011

The annual requirements to amortize all notes outstanding for the System at June 30, 2011, including interest of \$571,072, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$338,975	\$128,782	\$467,757
2014	331,002	115,548	446,550
2015	334,961	102,262	437,223
2016	1,289,041	77,232	1,366,273
2017	143,243	34,511	177,754
2018-2022	783,837	104,933	888,770
2023-2027	258,826	7,804	266,630
	<u>\$3,479,885</u>	<u>\$571,072</u>	<u>\$4,050,957</u>
Total			

The annual requirements to amortize notes outstanding for the component unit foundations at June 30, 2012, including interest of \$1,330,908, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$542,681	\$647,461	\$1,190,142
2014	2,022,024	309,185	2,331,209
2015	261,361	274,639	536,000
2016	4,147,782	99,623	4,247,405
	<u>\$6,973,848</u>	<u>\$1,330,908</u>	<u>\$8,304,756</u>
Total			

13. REFUNDING OF BONDS AND CAPITAL LEASE

McNeese State University

In December 2011, Cowboy Facilities, Inc., issued \$18,655,000 of nontaxable University Student Lease Revenue Refunding Bonds Series 2011. The purpose of this issue was to refund the University Student Lease Series 2001 bonds. Proceeds totaling \$18,345,014 were deposited in a bond redemption account to pay the principal, redemption premium, and interest. The refunding reduced the total debt service payments by \$1,240,000 and resulted in an economic gain of \$752,180.

Northwestern State University

On October 25, 2011, the Board of Supervisors for the University of Louisiana System issued \$4,500,000 of Revenue Refunding Bonds - Wellness, Recreation and Activity Center, Series 2011. The purpose of the issue was to refund portions of Northwestern State University Wellness, Recreation, and Activity Center Revenue Bonds, Series 1999. Unspent proceeds from the 1999 series bonds totaling \$35,833 were combined with the 2011 series bond proceeds totaling \$4,500,000 and deposited and held in an escrow fund created pursuant to an escrow

deposit agreement dated October 25, 2011, between the Board of Supervisors for the University of Louisiana System and the escrow trustee. The amount in the escrow account, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. Northwestern State University transferred an additional \$85,000 to the costs of issuance fund. The refunding reduced the total debt service payments by \$454,756 and resulted in an economic gain of \$240,145 (net present value). Of the debt considered legally or in-substance defeased, \$4,245,000 is outstanding as of June 30, 2012.

Southeastern Louisiana University

On December 7, 2011, Southeastern Louisiana University issued \$3,650,000 of nontaxable Board of Supervisors for the University of Louisiana System Revenue Refunding Bonds (Southeastern Louisiana University Student Recreation and Activity Center Project, Series 2011). The purpose of the issue was to refund the Southeastern Louisiana University Student Recreation and Activity Center Project, Series 1998 revenue bonds totaling \$4,100,000 and pay bond issuance costs. The refunding reduced the total debt service payments by \$1,023,177. No economic gain or loss resulted from the refunding. Of the debt considered legally defeased, none is outstanding as of June 30, 2012.

On June 28, 2012, Southeastern Louisiana University signed a refinancing agreement of the \$7,450,000 Certificates of Participation pursuant to a lease agreement between the Board of Supervisors for the University of Louisiana System and SEMPRA Energy Services Company. Prior to the refinancing, the capital lease obligation was \$4,715,000. After the refinancing, the capital lease obligation was \$4,970,000; however, the total debt reduction after refinancing was \$370,643 and the annual debt service payments were reduced by approximately \$65,000 annually throughout the remaining life of the lease. In addition, the balance in the debt service reserve fund, totaling \$612,276, was returned to the university. Of the debt considered defeased in substance, \$4,715,000 is outstanding as of June 30, 2012, and will be paid in full in December 2012.

14. INTEREST RATE SWAP AGREEMENTS

The NSU Facilities Corporation (Nicholls) and University of Louisiana Monroe Facilities, Inc., are reported under FASB accounting standards, the requirements of which differ from the requirements of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* and GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*.

NSU Facilities Corporation (Nicholls)

The Louisiana Local Government Environmental Facilities and Community Development Authority (Authority) issued its \$32,380,000 Revenue Bonds (Nicholls State University Student Housing/NSU Facilities Corporation Project) Series 2007B Bonds (Bonds), the proceeds of which were loaned to the NSU Facilities Corporation (Corporation). The Bonds were issued as variable rate securities and bear interest at the variable rate in effect from time to time. On December 16, 2010, the Bonds were converted to a different variable rate mode, from auction

rate to a variable rate demand bond secured by the existing AGC bond insurance with liquidity provided by a Regions Bank stand-by bond purchase agreement confirmed by a Federal Home Loan Bank-Atlanta letter of credit.

Objective of the interest rate swap: On August 15, 2007, to hedge interest rate exposure on the bonds at the request of the Corporation, the Authority entered into an interest rate swap (Swap) with Morgan Keegan Financial Products, Inc. (Provider). The Swap was amended on June 20, 2008, as more fully described in the Master Agreement, Schedule of the Master Agreement, Replacement Transaction Agreement, and Confirmation dated August 15, 2007 (Swap Documents). The Corporation is liable to the Authority to make swap payments and bond payments pursuant to the terms of the bond documents. Capitalized terms used herein but not defined shall have the meaning set forth in the Swap Documents.

Terms: Under the terms of the Swap since July 1, 2010, the Authority pays a fixed rate of 4.122%, and the Provider pays a rate equal to 70% of the London Interbank Offered Rate (LIBOR) beginning July 1, 2010, through June 1, 2039, as more fully described in the Swap Documents.

Fair Value: The fair value of the swap agreement as of June 30, 2012, which is not reported in the financial statements, was \$13,202,000 in favor of the Provider. The fair value was provided by Sisung Securities Corporation.

Credit Risk: Credit risk is the risk that the counterparty will not fulfill its obligations. At June 30, 2012, the Authority is not exposed to credit risk because the swap has a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the Authority would be exposed to credit risk in the amount of the swap's fair value.

Basis Risk: Basis risk is the risk that arises when variable rates on a swap and the associated debt are based on different indexes. The interest rates for the Swap are based on LIBOR, and the interest rates for the bonds are based on the Securities Industry and Financial Markets Association Swap Index (SIFMA); therefore, the Authority is subject to basis risk.

Termination Risk: The Authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap agreement may be terminated if either party fails to make payment, when due, under the swap agreement; breaches the agreement; made or repeated or deemed to have made or repeated a misrepresentation; bankrupts; or merges without assumption or commits an illegality. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

Rollover Risk: Rollover risk is the risk that the swap does not extend to the maturity of the associated debt. The Authority is not exposed to rollover risk because the swap terminates in conjunction with the maturity of the associated bond. The swap terminates on June 1, 2039, and the bonds mature on June 1, 2039.

Interest Rate Risk: Interest rate risk is the risk that the interest rate will change over some interval while the bonds are outstanding. The Authority has entered into this fixed rate swap agreement to mitigate interest rate risk associated with the underlying variable rate bonds.

University of Louisiana Monroe Facilities, Inc. (ULM Facilities)

On October 31, 2007, the Louisiana Local Government Environmental Facilities and Community Development Authority (Authority) and Regions Bank entered into two interest rate swap agreements (Swap Agreements) on its Series 2004A and Series 2004C bonds. During the year ended June 30, 2010, the Authority and Regions Bank terminated the existing Swap Agreements and entered into four new Swap Agreements. The Swap Agreements are fixed rate swaps that are used to mitigate or eliminate the interest rate exposure of the variable rate bonds. The intention of the Swap Agreements is to effectively change the ULM Facilities variable interest rate on the bonds to a synthetic fixed rate. The Swap Agreements terminate on November 1, 2012.

The notional amount, the fixed rate, and the floating rate option of each Swap Agreement are as follows:

<u>Bond</u>	<u>Notional Amount</u>	<u>Fixed Rate</u>	<u>Floating Rate Option</u>
Series 2004A Bonds	\$30,000,000	3.3440%	59.80% of LIBOR
Series 2004A-T Bonds	1,065,000	3.9150%	LIBOR
Series 2004C Bonds	30,000,000	3.2440%	59.80% of LIBOR
Series 2004C-T Bonds	2,240,000	4.1600%	LIBOR

Generally accepted accounting principles require derivative instruments, such as interest rate swap agreements, to be recognized at fair value as either assets or liabilities in the Statement of Financial Position. Accordingly, the negative \$841,445 total value of the Swap Agreements at June 30, 2012, is reported as a liability in the statement of net assets. This reflects a \$1,946,570 decrease in the liability (i.e., increase in value of the swap) since the prior fiscal year. The increase in value is reported in the Statement of Revenues, Expenses, and Changes in Net Assets. The fair values at June 30, 2012 and 2011 use significant unobservable inputs (Level 3) based on the expected cash flows over the life of the trade as calculated by Regions Bank. The expected cash flows are determined by evaluating transactions with a pricing model using the closing midmarket market rate/price environment of June 30, 2012 and June 30, 2011, as applicable. There have been no changes in valuation techniques and related inputs.

15. REVENUE USED AS SECURITY FOR REVENUE BONDS

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. Pledged revenues must be disclosed for each period in which the secured debt remains outstanding and for each secured debt issued.

Louisiana Tech University**Revenue Bonds Series 2002**

Revenue pledged for this bond includes all auxiliary fund revenues. The original issue of the bonds was \$5,920,000 and these bonds were issued for the installation of a turbine generation system. The debt secured by the pledge is \$3,820,000. The approximate remaining amount of the pledge is \$4,908,230. The term of commitment is July 1, 2002, through April 1, 2022. For the year ended June 30, 2012, the requirements for principal and interest were \$300,000 and \$192,583, respectively. The amount of pledged revenues recognized for fiscal year 2012 was \$6,932,632.

McNeese State University

The pledged revenues for the Board of Supervisors for the University of Louisiana System Revenue Bonds (McNeese State University Field House Project) Revenue Bonds Series 2009 include (1) a university student self-assessed fee in the amount of \$10 per semester obligated and dedicated to the Field House Project and the maintenance and operations; (2) the entirety of the university's portion of the monies in the Calcasieu Parish Higher Education Improvement Fund from the 1% hotel motel occupancy tax; (3) revenues received by the university's athletic department budget from a \$2 increase in ticket sales that began with the 2008 football season, the total dedication not to exceed \$100,000 annually from the university's budget; and (4) all funds and accounts held pursuant to the Bond Resolution, except any fund created to hold monies pending rebate to the United States for payment of costs of issuance of bonds. Pledged revenues shall not include funds appropriated to the board or the university by the legislature of the state from time to time. The bonds were originally issued for \$6,000,000. As of June 30, 2012, the principal and interest outstanding totaled \$5,585,000 and \$2,201,291, respectively. The revenues are pledged for the period July 2009 through June 2030.

The debt secured by the revenues pledged was for renovation and expansion of the university's athletic field house including adding a second floor to the facility, funding a debt service reserve fund, funding a maintenance reserve fund and paying the costs of issuance of the bonds.

For the year ending June 30, 2012, the requirements for principal and interest were \$210,000 and \$223,617, respectively. Pledged revenues recognized for the period were \$1,148,910.

Northwestern State University

Specific pledged revenue is student self-assessed fees approved for the project by the students of the Northwestern State University in the amount of \$75 per semester. The debt secured by the pledged revenue was \$6,850,000, the original bond issue. The approximate remaining amount of the pledge is \$5,345,870 at June 30, 2012, representing \$4,230,000 in principal and \$1,115,870 in interest. The term of commitment was 25 years beginning in October 1999 and ending in April 2024. The general purpose for the debt secured by the pledge was the planning, acquisition, construction, and equipping of the university's Student Wellness, Recreation, and Activity Center. The dedicated revenues are pledged 100% annually up to the current amount

due for principal and interest. For the year ended June 30, 2012, the requirements for principal and interest were \$270,000 and \$233,089, respectively. The amount of pledged revenues recognized for fiscal year 2011 was \$1,436,347.

Southeastern Louisiana University

Board of Supervisors for the University of Louisiana System Revenue Refunding Bonds (Southeastern Louisiana University Student Recreation and Activity Center Project) Series 2011

Revenue pledged for this bond includes all revenue related to the Student Recreation and Activity Center, including student fees, membership fees, and other miscellaneous revenue related to the Recreation Center. The bond was originally issued for \$3,650,000. As of June 30, 2012, principal and interest outstanding was \$3,330,000 and \$470,192, respectively. The revenue was pledged for the purpose of this bond for the period July 1995 through June 2020.

The debt secured by the revenue pledged was for the purpose of providing funds to refund the \$4,100,000 outstanding Board of Trustees for State Colleges and Universities, State of Louisiana Revenue Bonds (Southeastern Louisiana University Student Recreation and Activity Center Project), Series 1998; to fund a debt service reserve fund, if necessary; and to pay the costs of issuance of the bonds. Pledged revenue related to this bond includes (1) all revenue derived by the university from the levy and collection of the pledged student fee; any other student fees levied and collected to pay for the Recreation Center pledged to the payment of bonds from time to time; and membership fees imposed by the university from time to time on Recreation Center users other than Southeastern Louisiana University students. The pledged student fee is equal to \$25 per student per regular semester and \$12.50 per student per summer semester.

For the year ending June 30, 2012, principal and interest requirements were \$320,000 and \$48,759, respectively. Pledged revenues recognized for the period were \$1,435,800.

16. RESTATEMENT OF BEGINNING NET ASSETS

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

	<u>University</u>	<u>Component Units</u>
Net assets at June 30, 2011	\$957,777,621	\$110,916,595
Transfer of UNO to System	143,815,201	
Inclusion of UNO Foundation		61,565,707
Inclusion of UNO R & T Foundation		73,820,736
Capital asset adjustments:		
Southeastern Louisiana University	1,061,779	
University of Louisiana at Lafayette	511,676	
University of Louisiana at Monroe	(3,158)	
University of New Orleans	494,167	
Compensated absences:		
Louisiana Tech University	(61,485)	
Southeastern Louisiana University	(1,210,527)	
Revenues:		
University of Louisiana at Lafayette	403,732	
University of Louisiana at Monroe	64,041	
Nicholls State University:		
Invested in capital assets, net of related debt	11,586,938	
Restricted expendable net assets	811,920	
Unrestricted net assets	(12,398,858)	
Southeastern Louisiana University:		
Reclassification of capital lease	(3,149,567)	
University of Louisiana at Monroe:		
Accounts receivable	(900)	
Expenses	(96,038)	
Other	179,377	
Net assets at June 30, 2011, restated	<u><u>\$1,099,785,919</u></u>	<u><u>\$246,303,038</u></u>

17. RESTRICTED NET ASSETS

The System has the following restricted expendable net assets at June 30, 2012:

<u>Account Title</u>	<u>Amount</u>
Student fees	\$41,571,590
Grants and contracts	10,234,061
Gifts - restricted by donors	1,345,246
Endowment	41,217,186
Auxiliary enterprises	13,343,617
Student loan fund	40,311,788
Capital construction/plant projects	32,007,904
Debt service/retirement of indebtedness	20,232,369
WRAC Fund	1,801,082
Scholarships	1,388,903
Other	<u>8,497,248</u>
Total expendable	<u><u>\$211,950,994</u></u>

The System's restricted nonexpendable net assets of \$174,720,275 as of June 30, 2012, were comprised entirely of endowment funds.

Of the total net assets reported on Statement A for the year ended June 30, 2012, \$29,132,698 was restricted by enabling legislation.

RESTRICTED NET ASSETS - COMPONENT UNITS

Restricted net assets for the component units within the System are as follows:

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation
Temporarily restricted:		
Donor-restricted endowment funds	\$31,917,796	\$7,692,931
Chair and professorship endowment funds	13,559,939	
Other programs		8,352,805
	<u> </u>	<u> </u>
Total temporarily restricted net assets	<u><u>\$45,477,735</u></u>	<u><u>\$16,045,736</u></u>
Permanently restricted:		
Donor-restricted endowment funds	\$34,194,810	\$29,392,263
Chair and professorship endowment funds	32,591,558	
	<u> </u>	<u> </u>
Total permanently restricted net assets	<u><u>\$66,786,368</u></u>	<u><u>\$29,392,263</u></u>

18. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies such as guaranty of mortgage loans on sorority and fraternity houses are considered state liabilities and paid upon appropriation by the legislature and not the university. Therefore, the System, through its respective universities' legal advisors, estimates that potential claims not covered by insurance would not materially affect the financial statements. In addition, the System had not incurred any claims and/or litigation cost in the current year. Other losses of the System arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by appropriation from the state's General Fund. The Office of Risk Management insures all of these lawsuits.

19. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

On-behalf payments for salaries and fringe benefits are direct payments made by one entity to a third-party recipient for the employees of another legally separate entity. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends. For example, a nongovernmental fund-raising foundation affiliated with a governmental university may supplement salaries of certain university employees. Those payments constitute on-behalf payments for purposes of reporting by the System.

The amount of on-behalf payments for salaries and fringe benefits included in the accompanying financial statements for the fiscal year ended June 30, 2012, was \$1,748,377.

20. DONOR RESTRICTED ENDOWMENTS

If a donor has not provided specific instructions, state law permits the University of Louisiana System Board of Supervisors to authorize expenditure of the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established.

At June 30, 2012, net appreciation of donor restricted endowments is equal to \$36,212,299, which is available to be spent for restricted purposes. The System limits endowment spending to the income earned in a given year for purposes specified by donors. The donated portion of the endowments is reported in restricted net assets - nonexpendable in the Statement of Net Assets; the endowment income is reported in restricted net assets - expendable.

21. FOUNDATIONS

The accompanying financial statements do not include the accounts of the following foundations:

- Grambling University Athletic Foundation
- Grambling Black & Gold Foundation
- Louisiana Tech University Foundation
- Louisiana Tech University Alumni Association
- McNeese State University Foundation
- McNeese State University Alumni Association
- Nicholls State University Foundation
- Nicholls Alumni Federation
- PRO NSU
- Northwestern State University Foundation
- Lion Athletic Association
- Southeastern Louisiana University Foundation
- Southeastern Louisiana University Alumni Association
- The University of Louisiana at Lafayette Alumni Association
- The University of Louisiana at Monroe Foundation
- The University of Louisiana at Monroe Athletic Scholarship Foundation
- The University of Louisiana at Monroe Alumni Association
- University of New Orleans Alumni Association

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

Certain universities of the System have contracted with their respective foundations to invest the universities' Endowed Chair/Professorship Program endowment funds in accordance with the Board of Regents for Higher Education's investment policies. The Endowed Chair endowment funds are established for \$1,000,000 each, with \$600,000 of private contributions and \$400,000 of state matching portion allocated by the Board of Regents for Higher Education. The Endowed Professorship Program endowment funds are established for \$100,000 each, with \$60,000 of private contributions and \$40,000 of state matching portion allocated by the Board of Regents

for Higher Education. At June 30, 2012, the foundations held in custody \$162,449,135 of Endowed Chair and Endowed Professorship Program funds. Amounts invested by private foundations for the System are included as investments held by private foundations in external investment pools in the disclosures in note 3.

22. DEFERRED COMPENSATION PLAN

Certain employees of the System participate in the Louisiana Public Employees' Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available on the Internet at www.la.gov.

23. ALTERNATIVE FINANCING AGREEMENTS

Grambling State University (Grambling)

On October 1, 2006, Black and Gold Facilities, Inc., entered into a loan agreement with the Louisiana Public Facilities Authority (LPFA) to obtain financing for the demolition of existing residential facilities; the acquisition of existing apartments and related parking facilities; and the planning, designing, constructing, furnishing, and equipping of residence facilities for use by Grambling. The project also includes the conversion of an existing bookstore to a student food-service and conference facility. Financing for the project is through the issuance of \$65,000,000 of LPFA Revenue Bonds, Series 2006 A, B, and C.

Pursuant to the terms of the ground lease agreement, the corporation will lease land from the Board of Supervisors of the University of Louisiana System upon which the new student housing will be built and food service facilities that will be renovated. The corporation will contract with Ambling, Inc., to manage the residential facilities and with Aramark to manage the food services upon completion. The board's right to obtain title to the facilities is set forth in the facilities lease agreement. The rental income derived from the facilities lease will be used to pay the bonds.

On December 5, 2007, Black and Gold Facilities, Inc., entered into a loan agreement with the LPFA to obtain financing for the acquisition, design, development, equipping, renovation, reconstruction and/or construction of new residence hall facilities, related parking facilities, related sewer and water lines, and the demolition of existing facilities. Financing for the project is through the issuance of \$41,925,000 of LPFA Revenue Bonds, Series 2007 A and B.

Pursuant to the terms of the ground lease agreement, the corporation will lease land from the Board of Supervisors of the University of Louisiana System upon which the new residence halls will be built. The board's right to obtain title to the facilities is set forth in the facilities lease agreement. The rental income derived from the facilities lease will be used to pay the bonds.

Louisiana Tech University (Tech)

On July 1, 2003, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$21,840,000 for the Innovative Student Facilities Inc., a nonprofit corporation, for constructing student housing and related facilities for the Board of Supervisors of the University of Louisiana System.

Pursuant to the terms of the ground lease agreement, the corporation will lease land from the board upon which the facilities will be built. The new facilities will be leased by the corporation to the board in accordance with the provisions of an agreement to lease (facilities lease). In accordance with the facilities lease, the corporation will construct student housing facilities and lease back the facilities to the board for use by students, faculty, and staff of Tech. The rental income derived from the facilities lease will be used to pay the bonds.

On September 26, 2007, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$51,670,000 for the Innovative Student Facilities Inc., a nonprofit corporation, for acquiring land to be purchased by the Board of Supervisors for the University of Louisiana System and financing the development, design, construction, renovation, and equipping of certain student housing and recreational facilities, including all furnishings, fixtures, and equipment necessary for the completion of the projects.

Pursuant to the terms of the ground lease agreement, the corporation will lease land from the board upon which the facilities will be built. The new facilities will be leased by the corporation to the board in accordance with the provisions of an agreement to lease (facilities lease). In accordance with the facilities lease, the corporation will construct student housing facilities and lease back the facilities to the board for use by students, faculty, and staff of Tech. The rental income derived from the facilities lease will be used to pay the bonds.

McNeese State University (McNeese)

On May 31, 2001, Cowboy Facilities, Inc., entered into a loan agreement with the Calcasieu Parish Public Trust Authority to obtain financing for constructing student housing facilities on the McNeese campus. Financing for the project is through the issuance of \$21,120,000 of University Student Lease Revenue Bonds, Series 2001. On December 7, 2011, the Calcasieu Parish Trust Authority issued \$18,655,000 of nontaxable University Student Lease Revenue Refunding Bonds Series 2011. The purpose of this issue was to refund the University Student Lease Series 2001 Bond.

Pursuant to the terms of the ground lease agreement, the corporation leases land from the Board of Supervisors of the University of Louisiana System upon which the new public parking facilities have been built. The new parking is leased by the corporation to the board in accordance with the provisions of the lease agreement. The board's right to obtain title to the facilities is set forth in the facilities lease agreement. The rental income derived from the facilities lease will be used to pay the bonds.

On April 1, 2005, Cowboy Facilities, Inc., entered into a loan agreement with the Calcasieu Parish Public Trust Authority to obtain financing for purchasing scoreboards on the McNeese campus. Financing for the project is through the issuance of \$1,900,000 of Revenue Bonds, Series 2005.

Pursuant to the terms of the ground lease agreement, the corporation leases the facilities from the Board of Supervisors of the University of Louisiana System upon which the scoreboards are installed. The property is leased by the corporation to the board in accordance with the provisions of the lease agreement. The board's right to obtain title to the scoreboards is set forth in the facilities lease agreement. The rental income derived from the facilities lease will be used to pay the bonds.

On December 7, 2011, Cowboy Facilities, Inc., entered into a loan agreement with the Calcasieu Parish Public Trust Authority to obtain financing for the construction of student housing on the McNeese campus. Financing of the project is through the issuance of \$18,655,000 of Revenue Bonds, Series 2011.

Pursuant to the terms of the ground lease agreement, the corporation leases the facilities from the Board of Supervisors of the University of Louisiana System upon which the scoreboards are installed. The property is leased by the corporation to the board in accordance with the provisions of the lease agreement. The board's right to obtain title to the scoreboards is set forth in the facilities lease agreement. The income derived from the facilities lease will be used to pay the bonds.

On December 28, 2011, Cowboy Facilities, Inc., entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for the construction of a new parking garage. Financing of the project is through the issuance of \$13,850,000 of Revenue Bonds, Series 2011.

In April 2011, McNeese students approved a \$75 per semester self-assessed fee. The self-assessed fee will generate sufficient income to pay the annual principal and interest payments.

Nicholls State University (Nicholls)

On May 1, 2006, NSU Facilities Corporation entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for street and parking lot improvements along with renovations to the cafeteria on the Nicholls campus. Financing for the project is through the issuance of \$8,320,000 of Series 2006 A tax exempt bonds and Series B taxable bonds.

Pursuant to the terms of a ground lease agreement, the corporation leases land from the Board of Supervisors of the University of Louisiana System on which the improvements to the streets, parking lots, and facilities will take place. In return, the university leases the facilities from the corporation for use by university students, faculty, and staff and others. The university has agreed to make lease payments to the corporation in amounts sufficient to allow the corporation to pay the debt service and related bond expenses.

On August 23, 2007, NSU Facilities Corporation entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for the demolition of four existing housing facilities; the renovation of existing facilities; and the development and construction of new student housing, including parking improvements; and the construction of a convenience store. Financing for the project is through the issuance of \$50,060,000 of tax-exempt Series 2007 A and B bonds.

Pursuant to the terms of the ground lease agreement, the corporation leases land from the Board of Supervisors of the University of Louisiana System on which the additional facilities will be located, the existing facilities are located, and certain other land. In return, the university leases the facilities from the corporation for use by university students, faculty, and staff. Proceeds of the rental payments will be used to pay the debt service and related bond expenses.

On December 1, 2010, NSU Facilities Corporation entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for the construction of a student recreation center. Financing for the project is through the issuance of \$10,860,000 of Series 2010 tax exempt bonds.

Pursuant to the terms of a ground lease agreement, the corporation leases land from the Board of Supervisors of the University of Louisiana System on which the construction will take place. In return, the university leases the facilities from the corporation for use by university students, faculty, and staff and other persons who are participants in any other activities related to the mission of the university. The university has agreed to make lease payments to the corporation in amounts sufficient to allow the corporation to pay the debt service and related bond expenses.

Southeastern Louisiana University (SLU)

On August 13, 2004, University Facilities, Inc. (UFI), entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing for the acquisition, construction, renovation, and furnishing of student housing and demolishing existing housing; to provide working capital; to fund interest on the Series 2004 bonds; and to repay certain indebtedness of the corporation. Financing for the project is through the issuance of \$76,910,000 of Revenue Bonds, Series 2004(A), Series 2004(B), and Series 2004(C).

Pursuant to the terms of the ground lease agreement, the corporation leases land from the Board of Supervisors of the University of Louisiana System upon which the new facilities will be built. The new facilities are leased by the corporation to the board in accordance with the provisions of the lease agreement. The board's right to obtain title to the facilities is set forth in the facilities lease agreement. The rental income derived from the facilities lease will be used to pay the bonds.

On March 14, 2007, UFI entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing of \$8,035,000 for a new intermodal transit facility to be located on the SLU campus. This project is

a continuation of the improvements and construction on the SLU campus that were financed with Revenue Bonds, Series 2004.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land from the board. The new parking facility will be leased back to and operated by the board in accordance with the provisions of an agreement to lease with option to purchase by and between the board and UFI. Revenues from auxiliary operations and student fees will be used to pay the bonds.

On November 3, 2010, UFI entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority to obtain financing of \$31,255,000 for demolishing certain existing facilities and renovating, developing, and constructing the Student Union, the Center for Student Excellence, Student Health Center, Food Services Areas, the Bookstore and other related facilities on the campus of Southeastern Louisiana University.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land from the board. The student union and related facilities will be leased back to and operated by the board in accordance with the provisions of an agreement to lease with option to purchase by and between the board and UFI. Revenues derived from the facilities lease will be used to pay the bonds.

University of Louisiana at Lafayette (ULL)

On October 1, 2002, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling \$19,065,000 for the Ragin' Cajun Facilities, Inc., for constructing a student apartment complex, food service facility, and child care facility including parking and other infrastructure on land owned by the Board of Supervisors of the University of Louisiana System on behalf of ULL.

Pursuant to the terms of the ground lease agreements, the corporation leases the land from the board. The new facilities are leased by the corporation to the board in accordance with the provisions of an agreement to lease (facilities lease). In accordance with the facilities lease, the corporation has constructed and equipped student housing facilities and leased the facilities back to the board for use by students, faculty, and staff of ULL. The rental income derived from the facilities lease will be used to pay the bonds.

On April 14, 2009, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling \$12,500,000 for the Ragin' Cajun Facilities, Inc., for demolishing certain facilities and the development, design, construction, and equipping of a student parking complex, including parking and other infrastructure at ULL.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new student parking complex will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease (facilities lease). The income derived from parking fees will be used to pay the bonds.

On November 15, 2010, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling \$22,200,000 for the Ragin' Cajun Facilities, Inc., for demolishing certain facilities and the development, design, expansion, and renovation of the existing ULL student union.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new student union will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease (facilities lease). The income derived from rental revenues will be used to pay the bonds.

On December 1, 2010, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling \$100,050,000 for the Ragin' Cajun Facilities, Inc., for demolishing certain facilities and the development, design, construction, and equipping of student housing facilities and certain other facilities at ULL.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new student housing facilities will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease (facilities lease). The income derived from rental income will be used to pay the bonds.

University of Louisiana at Monroe (ULM)

On June 30, 2004, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$35,210,000 for the University of Louisiana Monroe Facilities, Inc., for paying prior debt and constructing student housing, a student union, a student health center, and other facilities for the Board of Supervisors of the University of Louisiana System.

Pursuant to the terms of the ground lease agreement, the corporation leases the land from the board. The new facilities are leased by the corporation to the board in accordance with the provisions of an agreement to lease (facilities lease). In accordance with the facilities lease, the corporation constructed student housing facilities, a student health center, and other student facilities and leased the facilities back to the board for use by students, faculty, and staff of ULM. The rental income derived from the facilities lease will be used to pay the bonds.

On December 8, 2004, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$33,680,000 for the University of Louisiana Monroe Facilities, Inc., for demolishing existing dormitories on the campus; to design, develop, and construct new student housing and a student union; and to refurbish existing on-campus student housing.

Pursuant to the terms of the ground lease agreement, the corporation leased the land from the board. The new facilities are leased by the corporation to the board in accordance with the provisions of an agreement to lease (facilities lease). In accordance with the facilities lease, the corporation constructed student housing facilities and leased the facilities back to the board for use by students, faculty, and staff of ULM. The rental income derived from the facilities lease will be used to pay the bonds.

On November 7, 2006, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$1,500,000 for the University of Louisiana Monroe Facilities, Inc. Bond proceeds will be used for constructing and equipping an intermodal transit facility and improving existing parking lots or constructing new parking lots for students, faculty, staff, and the public on the ULM campus.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new facilities/parking lots will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease with option to purchase (facilities lease). The income derived from parking fees will be used to pay the bonds.

On October 25, 2007, the Louisiana Local Government Environmental Facilities and Community Development Authority agreed to issue revenue bonds totaling \$2,045,000 for the University of Louisiana Monroe Facilities, Inc., for demolishing and renovating certain existing buildings and developing, constructing, and equipping a student learning enhancement facility and related facilities.

Pursuant to the terms of the loan and assignment agreement, the corporation transferred, assigned, and pledged to the Authority all right, title, and interest of the corporation in, to, and under the agreement to lease with option to purchase, and all rents, issues, receipts, and profits derived related to the learning center.

24. IMPAIRMENT OF CAPITAL ASSETS

GASB Statement No. 42 established accounting and financial reporting standards for impairment of capital assets. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. The Division of Administration, Office of Statewide Reporting and Accounting Policy, provides guidance on impairment test criteria by stating that the greater of the capitalization threshold, \$100,000 or 20% of the capitalized cost of the building impaired by physical damage be used as the test of whether the magnitude in the decline was significant. As of June 30, 2012, the System reported two buildings that were permanently impaired. Grambling State University reported one building impaired and reported an impairment loss totaling \$4,574,949. The university determined the impairment, caused by structural deficiencies and physical damage that reduced the building's useful life by 75%, met the definition of an extraordinary item. ULM reported one building impaired from fire damage with no carrying value.

The carrying amount of impaired capital assets that are idle at year-end is disclosed, regardless of whether the impairment is considered permanent or temporary. At June 30, 2012, McNeese reported one building, with no remaining life and no carrying value that was temporarily impaired.

25. INSURANCE RECOVERIES

The total amount of insurance recoveries received during fiscal year 2012 included \$699,641 for wind damage and \$12,519 for collision damage, for a total of \$712,160. This amount was recorded as other nonoperating revenue.

**26. COOPERATIVE ENDEAVOR AGREEMENTS -
UNIVERSITY OF NEW ORLEANS (UNO) RESEARCH
AND TECHNOLOGY FOUNDATION****University of New Orleans/Avondale Maritime
Technology Center of Excellence**General

On May 16, 1997, the State of Louisiana (the State), the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College acting on behalf of UNO (the University), the UNO Research and Technology Foundation, Inc. (the Foundation), and Avondale Industries, Inc., entered into a Cooperative Endeavor Agreement (the Agreement) for an initial term of 15 years and from one-to-seven additional five-year periods.

The Agreement and related amendments provided for the use of annually appropriated state funds and the corporate guarantee by Avondale of certain financial obligations incurred by the Foundation for the purpose of enhancing or maintaining the economic well-being of the State. As a material inducement to the State to enter into the Agreement, Avondale represented that it was awarded a contract for the construction of certain U.S. Department of Navy vessels that will provide a substantial economic benefit to the State. The Foundation and Avondale represented that the economic benefit occurring as a result of the payment or performance of the State's obligation will equal or exceed the value of the State's obligations.

Obligations

Avondale donated certain property to UNO, which is leased to the Foundation pursuant to the terms of a Ground Lease. A ship design facility including a laboratory and support area (the Facility) for the UNO School of Naval Architecture and Marine Engineering has been built on such property by the Foundation and is subleased to Avondale. Also, the Foundation has equipped the facility and leased such equipment to Avondale.

Furthermore, Avondale agrees that it will provide support to the UNO School of Naval Architecture and Marine Engineering by providing the University a Right of Use of space constituting 21,000 square feet in the facility subleased by Avondale from the Foundation.

In the event the costs of the project required to be expended by the Foundation in constructing the facility and acquiring the equipment exceed the amounts paid by the State, Avondale will pay to the Foundation the amounts required for the Foundation to fulfill the obligations to construct and equip the facility.

National Center for Advanced Manufacturing/NASA Facilities Modifications and Equipment Acquisitions

General

Effective July 15, 2007, the State, the University, the Foundation, and NASA entered into a Cooperative Endeavor Agreement for an initial term of 10 years with options for four additional five-year periods.

The Agreement provides for the use of a state appropriation to fund an approximate \$20 million expansion of the University's National Center for Advanced Manufacturing (NCAM), located in NASA's Michoud Assembly Facility in New Orleans (MAF), to include the purchase of new equipment by the State and the completion of facilities modifications made by the Foundation to MAF to accommodate installation and operation of new equipment.

The NCAM collaboration was established to strengthen the competitiveness of the United States of America in aerospace and other commercial markets that require large structure manufacturing. NASA intends to implement programs at MAF that will result in the growth of jobs at MAF and the growth in the local and State economy resulting in an economic benefit exceeding the value of the State's obligations. The expanded use of MAF by NASA, its contractors, the University and the Foundation will further research and development initiatives, educational opportunities and production work on NASA's planned Orion Crew Exploration Vehicle, Ares Crew Launch Vehicle, and related projects (Orion projects).

Obligations

NASA provides physical and operational access to MAF for use by NCAM and others and will provide routine maintenance and repair of the MAF building and new equipment as necessary. NASA agrees to use reasonable efforts to perform substantial work at MAF on the Orion Project. In the event the costs of the project exceed the State appropriation, NASA agrees to use its reasonable efforts to obtain other funds as required to complete the project.

The University will accept title to the new equipment purchased by the State and seek cooperative opportunities with NASA and the private sector and coordinate education, research, skills training, and related activities for academic entities desiring to use NCAM and the new equipment.

The Foundation arranged for the design and construction of the MAF facilities modifications to support the installation of the new equipment. As of October 2011, NASA assumed management and leasing responsibilities for the use of the NCAM equipment.

National Center for Advanced Manufacturing/NASA Supplemental Equipment and Facilities Modifications

General

The State, the University, the Foundation, and NASA entered into a Supplemental Cooperative Endeavor Agreement/Space Act Agreement (the Supplemental Agreement) effective October 1, 2008, for an initial period of 10 years with four options to renew for periods of five years each.

Expanding on the Cooperative Endeavor Agreement of July 15, 2007, the Supplemental Agreement further enhances the capabilities of the University's NCAM located in the NASA's MAF in New Orleans. This Supplemental Agreement provides for the use of additional State appropriations to fund approximately \$42 million of supplemental equipment, additional changes to MAF/NCAM facilities, and installation of the supplement equipment. The facilities modifications and supplemental equipment installation are projected to cost approximately \$10 million.

The Supplemental Agreement augments the previous agreement, significantly broadening the use of MAF research, development, and production work on the Ares Launch Systems, Orion Crew Exploration Vehicle and related R&D projects (Orion Project) and collaborative R&D initiatives at NCAM.

Obligations

Access to MAF will be provided by NASA for construction of the facilities modifications, installation, use, and operation of the supplemental equipment by NCAM and other users. NASA will provide routine maintenance of the supplemental equipment and repair the facilities as necessary. NASA agrees to use its reasonable efforts to perform substantial work at MAF on the Orion Project. As required to achieve the functional use of the facilities modifications and supplemental equipment, NASA agrees to use its reasonable efforts to obtain other funds to complete the project in the event the State appropriations are insufficient.

The State will purchase the supplemental equipment and transfer such title to the University. The University will seek cooperative opportunities with NASA and the private sector regarding the University's instruction, research, and public service missions as well as coordinate education, research, skills training, and related activities for academic entities desiring to use NCAM and the supplemental equipment.

The Foundation will arrange for the design and construction of the MAF facilities modifications to support the installation of the supplemental equipment. On behalf of the University, the Foundation will manage use of the supplemental equipment and will enter into agreements with other entities as necessary for the use of NCAM and the supplemental equipment.

National Center for Advanced Manufacturing/MAF Research and Development Administration Building

General

On December 18, 2007, the State, the Foundation, and NASA entered into another Cooperative Endeavor Agreement for a period of 30 years.

The Agreement provides for the use of State funds to pay approximately \$40 million of project costs associated with the planning, design, construction, and equipping of a new NASA Research and Development Administration Building to be built at MAF. The building will be used collaboratively by the Foundation and NASA for research and development administration, production work on the Orion Project, education, training, and related matters for NASA, its contractors, the University, other federal and state agencies, other higher educational institutions, and private industry. The additional investment from this agreement will retain critical research and engineering skills and capacity in Louisiana necessary to support NASA's mission, attract high technology companies, and provide educational and training opportunities generally improving the State's economy and recover of the New Orleans Metropolitan area from Hurricane Katrina.

At December 31, 2011, the agreement for this project was on hold until further notice.

Obligations

The Foundation will use the funds provided by the State for the planning, design, acquisition, construction, and equipping of the building. NASA will operate and maintain the building and use approximately 70% of the square footage for its programs. The Foundation will manage the use by the University and commercial entities of the remaining square footage of the building. Commercial users will pay their pro-rata share of the building maintenance and operating costs to NASA. The Foundation will retain title to the building, furniture, fixtures, and equipment during the term of the agreement.

27. SUBSEQUENT EVENTS

In July 2012, the University of Louisiana at Lafayette sold/exchanged a parcel of land with a recorded value of \$11,800 for another parcel of land owned by the Lafayette City-Parish Government, valued at \$808,000, and for cash totaling \$5,803,000.

Act 236 of the 2012 Legislative Session, effective August 1, 2012, assigned the property previously known as Ruston State School to Grambling State University. The approximate value of the 62 buildings that make up this facility, net of depreciation, is \$400,000. Grambling expended approximately \$625,000 between August 1, 2012 and October 11, 2012 to ready the property to house students and secure the premises. At present, the university has named the facility "West Campus" and is housing 54 students. These students began moving in August 17, 2012.

Effective August 2, 2012, UNO and the Louisiana State University Agriculture and Mechanical College entered into a cooperative endeavor agreement with various parties including the State of Louisiana and NASA for continuation of the operation of NCAM for a period of five years. Upon the effective date of this agreement, the original memorandum of understanding and associated agreements between the parties were superseded.

In August 2012, UNO issued \$9,700,000 of Board of Supervisors for the University of Louisiana System Revenue Refunding Bonds (University of New Orleans Wellness Center Project) Series 2012. The proceeds of the Series 2012 Bonds will be used for the purpose of providing for a current refunding of a portion of UNO's outstanding Revenue Bonds, Series 1998.

In October 2012, the University of Louisiana at Lafayette issued \$14,740,000 to refund its Student Housing and Child Care Facilities Bonds, Series 2002. Principal outstanding on the Series 2002 bonds totaled \$16,375,000 at June 30, 2012.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress for the Other Postemployment Benefits Plan

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

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Schedule of Funding Progress for the
Other Postemployment Benefits Plan
Fiscal Year Ended June 30, 2012**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2009	NONE	\$1,046,763,700	\$1,046,763,700	0.0%	\$328,881,302	318%
July 1, 2010	NONE	908,192,900	908,192,900	0.0%	308,315,460	295%
July 1, 2011*	NONE	794,558,166	794,558,166	0.0%	337,942,506	235%

*Amounts reported in the funding progress for fiscal year 2012 include employees of University of New Orleans as the university was transferred to the University of Louisiana System.

SCHEDULES

Combining Schedule of Net Assets, by University

Schedule 2 presents the current and long-term portions of assets and liabilities and net assets for each university.

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

Schedule 3 presents information showing how the assets of each university changed as a result of current year operations.

Combining Schedule of Cash Flows, by University

Schedule 4 presents information showing how each university's cash changed as a result of current year operations.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Assets, by University
June 30, 2012**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY
ASSETS				
Current assets:				
Cash and cash equivalents	\$10,750,991	\$21,878,481	\$29,009,481	\$10,740,598
Investments	6,133,627			5,199,982
Receivables (net)	2,900,526	4,254,150	9,643,941	3,454,509
Due from state treasury	2,262,587	425,890	1,661,553	890,219
Due from federal government	404,158	3,633,008	742,681	669,282
Inventories	156,044	509,113	1,676,671	92,693
Deferred charges and prepaid expenses	212,002	2,033,770	210,794	678,347
Notes receivable (net)		783,466	352,707	
Other current assets		175,213		
Total current assets	<u>22,819,935</u>	<u>33,693,091</u>	<u>43,297,828</u>	<u>21,725,630</u>
Noncurrent assets:				
Restricted:				
Cash and cash equivalents	2,838,970	16,711,391	18,918,828	5,230,828
Investments	20,681,966	37,243,809	15,516,751	19,520,772
Receivables (net)	3,673,511			
Notes receivable (net)	479	5,604,403	1,879,188	
Other				
Investments				
Notes receivable (net)				5,235
Capital assets (net)	148,168,132	196,733,755	85,731,226	108,138,932
Other noncurrent assets	4,683,135	3,191,776	982,432	2,878,456
Total noncurrent assets	<u>180,046,193</u>	<u>259,485,134</u>	<u>123,028,425</u>	<u>135,774,223</u>
Total assets	<u>202,866,128</u>	<u>293,178,225</u>	<u>166,326,253</u>	<u>157,499,853</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accruals	4,548,411	4,853,151	4,352,266	4,383,261
Deferred revenues	1,203,482	6,825,771	2,433,345	2,298,915
Compensated absences payable	358,271	385,152	171,969	301,954
Capital lease obligations		5,290		
Amounts held in custody for others	721,451	803,745	408,548	332,247
Claims and litigation payable	852,840			
Notes payable	127,159			11,816
Contracts payable				
Reimbursement contracts payable				
Bonds payable	1,590,000	1,387,759	1,185,000	1,250,000
Other current liabilities	3,441,051	1,184,227		278,778
Total current liabilities	<u>12,842,665</u>	<u>15,445,095</u>	<u>8,551,128</u>	<u>8,856,971</u>

(Continued)

Schedule 2

NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
\$31,169,481	\$32,237,645	\$57,886,059	\$28,386,316	\$16,628,774	\$920,778	\$239,608,604
	39,564,771					50,898,380
5,266,400	5,545,863	15,304,385	6,444,182	9,703,850		62,517,806
1,578,440	2,495,782	2,904,219	1,121,060	3,112,584		16,452,334
2,615,481	1,279,265		1,199,188	4,314,660		14,857,723
381,089	964,500	1,817,675	183,000	762,935		6,543,720
275,619	259,150	1,304,595	349,594	565,512		5,889,383
30,636	335,391	1,427,884	761,061	472,977		4,164,122
100,631	3,145,407	207,358			2,666	3,631,275
41,417,777	85,827,774	80,852,175	38,444,401	35,561,292	923,444	404,563,347
2,880,233	22,618,691	73,428,686	15,323,372	2,756,061		160,707,060
10,145,981	19,152,453	94,258,931	22,199,876	17,579,499		256,300,038
29,447			716,744			4,419,702
2,032,160	1,951,749	9,339,724	4,312,680	4,283,126		29,403,509
		89,486				89,486
				22,496		22,496
						5,235
67,852,193	159,265,778	288,619,757	126,271,245	203,076,423		1,383,857,441
	3,727,304	4,651,606	1,576,009			21,690,718
82,940,014	206,715,975	470,388,190	170,399,926	227,717,605	NONE	1,856,495,685
124,357,791	292,543,749	551,240,365	208,844,327	263,278,897	923,444	2,261,059,032
3,103,061	6,999,261	11,218,850	6,515,299	6,965,824	121,252	53,060,636
2,902,994	5,432,354	9,099,463	3,538,476	4,381,058		38,115,858
539,633	536,022	647,670	911,349	754,651	79,578	4,686,249
	460,000	51,805	9,334	1,144,951		1,671,380
33,184	295,883	1,463,985	309,248	354,193	846,983	5,569,467
						852,840
			200,000			338,975
			95,938			95,938
30,000						30,000
285,000	2,830,000	945,000	1,055,000	1,820,000		12,347,759
	4,108	2,129,263	2,111,170		3,629	9,152,226
6,893,872	16,557,628	25,556,036	14,745,814	15,420,677	1,051,442	125,921,328

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Net Assets, by University
June 30, 2012**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY
LIABILITIES (CONT.)				
Noncurrent liabilities:				
Compensated absences payable	\$3,233,540	\$3,759,306	\$3,046,363	\$3,035,809
Capital lease obligations		19,303		
Notes payable	1,590,910			
Reimbursement contracts payable				
Other postemployment benefits payable	25,260,789	41,528,933	31,694,947	31,460,083
Bonds payable	102,082,551	71,643,500	36,019,281	64,610,000
Other noncurrent liabilities				
Total noncurrent liabilities	<u>132,167,790</u>	<u>116,951,042</u>	<u>70,760,591</u>	<u>99,105,892</u>
Total liabilities	<u>145,010,455</u>	<u>132,396,137</u>	<u>79,311,719</u>	<u>107,962,863</u>
NET ASSETS				
Invested in capital assets, net of related debt	67,742,239	127,208,568	65,108,285	41,439,870
Restricted for:				
Nonexpendable	10,669,180	30,121,927	11,700,000	15,250,419
Expendable	6,514,066	24,319,072	19,491,803	20,365,353
Unrestricted	<u>(27,069,812)</u>	<u>(20,867,479)</u>	<u>(9,285,554)</u>	<u>(27,518,652)</u>
Total net assets	<u>\$57,855,673</u>	<u>\$160,782,088</u>	<u>\$87,014,534</u>	<u>\$49,536,990</u>

(Concluded)

Schedule 2

NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
\$1,896,547	\$6,402,193 4,510,000	\$9,166,086	\$3,412,229 28,083 1,550,000	\$6,219,625 39,814,988	\$181,673	\$40,353,371 44,372,374 3,140,910 35,000
35,000					817,621	396,299,879
36,154,682	62,960,923	76,040,491	42,340,740	48,040,670		618,477,504
3,945,000	107,219,109	147,173,063	66,490,000	19,295,000		123,162
24,759				98,403		
<u>42,055,988</u>	<u>181,092,225</u>	<u>232,379,640</u>	<u>113,821,052</u>	<u>113,468,686</u>	<u>999,294</u>	<u>1,102,802,200</u>
<u>48,949,860</u>	<u>197,649,853</u>	<u>257,935,676</u>	<u>128,566,866</u>	<u>128,889,363</u>	<u>2,050,736</u>	<u>1,228,723,528</u>
63,557,193	94,554,440	185,353,350	56,938,828	142,140,987		844,043,760
10,933,447	10,015,615	45,915,000	20,387,286	19,727,401		174,720,275
9,792,012	37,202,565	56,441,870	18,543,350	19,280,903		211,950,994
(8,874,721)	(46,878,724)	5,594,469	(15,592,003)	(46,759,757)	(1,127,292)	(198,379,525)
<u>\$75,407,931</u>	<u>\$94,893,896</u>	<u>\$293,304,689</u>	<u>\$80,277,461</u>	<u>\$134,389,534</u>	<u>(\$1,127,292)</u>	<u>\$1,032,335,504</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Revenues, Expenses,
and Changes in Net Assets, by University
For the Fiscal Year Ended June 30, 2012**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowances of \$123,431,164)	\$18,010,282	\$47,192,123	\$27,811,204	\$25,172,273
Federal grants and contracts	8,544,839	11,549,018	1,878,678	1,738,021
State and local grants and contracts	576,242	3,727,596	2,093,219	2,883,088
Nongovernmental grants and contracts	39,222	473,174	811,973	215,149
Sales and services of educational departments	313,298	529,229	151,211	175,378
Auxiliary enterprise revenues (net of scholarship allowances of \$14,407,141, including revenues used as security for revenue bonds)	14,705,016	21,807,986	12,290,218	14,644,751
Other operating revenues	11,240,735	1,004,448	3,647,439	249,074
Total operating revenues	<u>53,429,634</u>	<u>86,283,574</u>	<u>48,683,942</u>	<u>45,077,734</u>
OPERATING EXPENSES				
Educational and general:				
Instruction	25,361,472	43,681,834	31,511,662	29,745,662
Research	412,145	21,876,812	3,196,332	2,524,210
Public service	59,774	359,115	1,522,383	2,401,424
Academic support	6,427,596	10,906,720	7,621,396	7,149,724
Student services	5,671,071	5,223,492	5,868,699	7,024,426
Institutional support	13,757,430	9,615,158	8,489,852	7,388,496
Operations and maintenance of plant	7,267,062	10,409,339	8,804,698	6,735,272
Depreciation	6,814,116	8,487,827	4,839,975	5,625,171
Scholarships and fellowships	8,751,249	8,104,792	9,843,671	4,799,174
Auxiliary enterprises	16,419,879	31,280,011	15,067,129	14,479,252
Other operating expenses	3,600,402	422,502	246,233	100,635
Total operating expenses	<u>94,542,196</u>	<u>150,367,602</u>	<u>97,012,030</u>	<u>87,973,446</u>
OPERATING LOSS	<u>(41,112,562)</u>	<u>(64,084,028)</u>	<u>(48,328,088)</u>	<u>(42,895,712)</u>
NONOPERATING REVENUES (Expenses)				
State appropriations	18,558,919	41,116,436	26,866,473	21,914,026
Gifts	337,923	4,941,246	1,474,754	585,367
Federal nonoperating revenues	17,460,741	9,181,617	13,004,784	10,013,121
American Recovery and Reinvestment Act revenues		1,378,722		309,210
Investment income (loss)	685,631	(564,090)	119,205	844,910
Interest expense	(5,109,912)	(1,187,268)	(1,376,429)	(2,870,316)
Payments to or on behalf of the university				4,500
Other nonoperating revenues (expenses)		1,227,429	(773,204)	823,369
Net nonoperating revenues	<u>31,933,302</u>	<u>56,094,092</u>	<u>39,315,583</u>	<u>31,624,187</u>

(Continued)

Schedule 3

NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
\$37,736,610	\$52,141,487	\$66,042,771	\$36,417,836	\$55,870,592		\$366,395,178
1,807,836	6,064,463	20,154,989	7,273,248	13,671,983		72,683,075
4,591,944	4,326,468	5,875,818	10,404,293	11,151,698		45,630,366
761,446	232,365	15,358,563	989,024	6,527,686		25,408,602
1,367,541	425,802	83,535	499,413	133,262		3,678,669
4,024,852	18,122,036	26,786,115	16,695,111	12,515,780		141,591,865
3,091,489	2,401,257	4,640,728	431,468	5,571,256	\$2,666	32,280,560
53,381,718	83,713,878	138,942,519	72,710,393	105,442,257	2,666	687,668,315
37,241,962	62,580,333	66,455,381	40,185,570	53,441,087		390,204,963
1,682,872	1,694,327	46,334,306	5,526,589	21,937,650		105,185,243
1,833,874	3,111,649	4,975,278	10,577,387	9,961,075		34,801,959
7,371,205	12,947,703	17,671,228	7,276,109	11,621,983		88,993,664
8,160,881	10,024,055	17,555,906	9,418,113	7,790,610		76,737,253
9,295,669	13,587,375	24,586,887	12,939,984	19,350,940	3,640,080	122,651,871
10,417,852	13,953,481	16,206,233	10,896,369	17,902,273		102,592,579
4,766,372	7,370,622	12,490,886	6,884,061	13,954,553	3,583	71,237,166
14,871,306	20,463,154	7,066,361	9,928,212	11,637,562		95,465,481
10,122,520	13,584,846	34,190,787	16,838,038	12,456,538		164,439,000
337,877	288,442	399,274	(262,766)			5,132,599
106,102,390	159,605,987	247,932,527	130,207,666	180,054,271	3,643,663	1,257,441,778
(52,720,672)	(75,892,109)	(108,990,008)	(57,497,273)	(74,612,014)	(3,640,997)	(569,773,463)
29,981,147	46,407,987	62,969,092	35,000,838	44,334,821	1,486,626	328,636,365
	609,003	2,659,322	248,253	484,715		11,340,583
15,200,515	20,331,889	23,542,043	13,263,387	11,091,081		133,089,178
	53,466		595,270	294,516		2,631,184
230,705	541,743	787,158	2,049,463	308,644	46,000	5,049,369
(227,589)	(3,449,054)	(2,032,565)	(3,490,001)	(1,041,010)		(20,784,144)
						4,500
(76,936)	(813,732)	3,319,850	(1,374,117)	(41,209)	2,080,209	4,371,659
45,107,842	63,681,302	91,244,900	46,293,093	55,431,558	3,612,835	464,338,694

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Revenues, Expenses,
and Changes in Net Assets, by University
For the Fiscal Year Ended June 30, 2012**

	<u>GRAMBLING STATE UNIVERSITY</u>	<u>LOUISIANA TECH UNIVERSITY</u>	<u>MCNEESE STATE UNIVERSITY</u>	<u>NICHOLLS STATE UNIVERSITY</u>
LOSS BEFORE OTHER REVENUES AND EXPENSES	(\$9,179,260)	(\$7,989,936)	(\$9,012,505)	(\$11,271,525)
Capital appropriations	212,079	11,755,641	4,307,080	421,993
Capital grants and gifts			5,302,518	(605,916)
Additions to permanent endowments		200,000		200,000
Other		(1,916,391)		
Extraordinary item - loss on impairment of capital asset	(4,574,949)			
CHANGE IN NET ASSETS	(13,542,130)	2,049,314	597,093	(11,255,448)
NET ASSETS - BEGINNING OF YEAR (Restated)	<u>71,397,803</u>	<u>158,732,774</u>	<u>86,417,441</u>	<u>60,792,438</u>
NET ASSETS - END OF YEAR	<u>\$57,855,673</u>	<u>\$160,782,088</u>	<u>\$87,014,534</u>	<u>\$49,536,990</u>

(Concluded)

Schedule 3

<u>NORTHWESTERN STATE UNIVERSITY</u>	<u>SOUTHEASTERN LOUISIANA UNIVERSITY</u>	<u>UNIVERSITY OF LOUISIANA AT LAFAYETTE</u>	<u>UNIVERSITY OF LOUISIANA AT MONROE</u>	<u>UNIVERSITY OF NEW ORLEANS</u>	<u>BOARD</u>	<u>TOTAL SYSTEM</u>
(\$7,612,830)	(\$12,210,807)	(\$17,745,108)	(\$11,204,180)	(\$19,180,456)	(\$28,162)	(\$105,434,769)
5,415,145	3,485,296	275,296	573,786	8,906,187		35,352,503
53,244	1,092,796	436,518	729,596	487,875		7,496,631
200,000	560,000	600,000				1,760,000
				(133,440)		(2,049,831)
						(4,574,949)
(1,944,441)	(7,072,715)	(16,433,294)	(9,900,798)	(9,919,834)	(28,162)	(67,450,415)
77,352,372	101,966,611	309,737,983	90,178,259	144,309,368	(1,099,130)	1,099,785,919
<u>\$75,407,931</u>	<u>\$94,893,896</u>	<u>\$293,304,689</u>	<u>\$80,277,461</u>	<u>\$134,389,534</u>	<u>(\$1,127,292)</u>	<u>\$1,032,335,504</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2012**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY
CASH FLOWS FROM OPERATING ACTIVITIES:				
Tuition and fees	\$31,071,986	\$47,017,485	\$29,426,584	\$25,180,237
Grants and contracts	9,662,479	14,857,090	1,839,498	3,824,861
Sales and services of educational departments	313,298	522,527	(103,160)	34,425
Auxiliary enterprise receipts	15,388,856	22,820,560	10,778,277	14,905,600
Payments for employee compensation	(36,233,023)	(66,958,046)	(40,289,578)	(36,487,066)
Payments for benefits	(12,523,460)	(23,102,789)	(15,189,463)	(18,937,296)
Payments for utilities	(2,376,487)	(6,576,104)	(2,395,430)	(2,732,894)
Payments for supplies and services	(21,206,210)	(33,132,354)	(13,267,639)	(12,314,850)
Payments for scholarships and fellowships	(23,086,217)	(9,381,917)	(11,855,255)	(8,682,000)
Loans to students		(922,424)	(167,524)	
Collection of loans to students		783,329	390,579	
Other receipts (payments)	8,586,120	979,593	957,466	(56,528)
Net cash used by operating activities	<u>(30,402,658)</u>	<u>(53,093,050)</u>	<u>(39,875,645)</u>	<u>(35,265,511)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State appropriations	18,808,367	45,891,208	29,184,089	23,888,758
Gifts and grants for other than capital purposes		5,782,306	1,474,754	585,367
Pell grant receipts	17,798,664	8,907,651	13,004,784	10,013,121
Private gifts for endowment purposes				200,000
Taylor Opportunity Program for Students receipts	652,060	12,781,871	7,523,779	8,182,893
Taylor Opportunity Program for Students disbursements	(652,060)	(12,881,352)	(7,523,779)	(8,182,893)
Federal Emergency Management Agency receipts				
Federal Emergency Management Agency disbursements				
American Recovery and Reinvestment Act receipts	1,528,401	202,823		309,210
Direct lending receipts	52,562,089	29,491,750	28,887,750	24,000,986
Direct lending disbursements	(52,562,089)	(29,421,471)	(28,887,750)	(24,000,986)
Federal Family Education Loan program receipts				
Federal Family Education Loan program disbursements				
Other receipts (payments)		1,228,283	(856,328)	827,867
Net cash provided by noncapital financing sources	<u>38,135,432</u>	<u>61,983,069</u>	<u>42,807,299</u>	<u>35,824,323</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Proceeds from capital debt			31,354,561	
Capital appropriations received		93,797		
Capital grants and gifts received				
Purchases of capital assets	(1,961,316)	(10,081,085)	(2,336,837)	(13,941,573)
Principal paid on capital debt and leases	(1,568,428)	(2,055,703)	(18,789,822)	(1,011,317)
Interest paid on capital debt and leases	(5,156,400)	(1,106,906)	(1,376,429)	(2,869,355)
Deposit with trustees	493,499			11,783,324
Other receipts (payments)		(693,733)		
Net cash provided (used) by capital financing activities	<u>(8,192,645)</u>	<u>(13,843,630)</u>	<u>8,851,473</u>	<u>(6,038,921)</u>

(Continued)

Schedule 4

NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
\$36,115,324	\$51,831,755	\$67,236,419	\$36,179,186	\$56,596,739		\$380,655,715
7,594,779	12,519,672	40,807,788	20,813,997	34,815,727		146,735,891
1,367,541	(97,780)	83,535	521,041	507,967		3,149,394
4,024,852	18,000,516	26,798,426	16,641,712	12,809,133		142,167,932
(46,973,641)	(73,191,786)	(116,503,478)	(51,339,807)	(75,696,029)	(\$1,894,268)	(545,566,722)
(9,986,560)	(25,601,645)	(37,843,810)	(21,182,220)	(25,656,722)	(679,130)	(190,703,095)
(2,311,158)	(4,212,226)	(7,428,417)	(2,316,443)	(5,747,416)		(36,096,575)
(23,524,127)	(26,459,855)	(57,758,640)	(37,298,281)	(44,708,063)		(269,670,019)
(14,871,306)	(15,361,148)	(9,097,159)	(9,928,212)	(11,659,422)		(113,922,636)
(434,349)	(306,503)	(4,972,804)	(282,500)	(375,473)		(7,461,577)
321,173	297,067	4,930,984	1,360,939	514,554		8,598,625
2,889,696	2,937,094	5,283,154	(1,438,476)	5,576,179	(757,603)	24,956,695
<u>(45,787,776)</u>	<u>(59,644,839)</u>	<u>(88,464,002)</u>	<u>(48,269,064)</u>	<u>(53,022,826)</u>	<u>(3,331,001)</u>	<u>(457,156,372)</u>
32,494,068	50,424,226	68,415,359	38,582,387	46,382,543	1,486,626	355,557,631
378,608		5,760,882	456,493	435,717		14,874,127
14,821,907	20,045,337	23,163,308	13,764,514	11,091,081		132,610,367
200,000	560,000	600,000				1,560,000
6,061,712	14,990,288	19,006,349	7,252,829	7,005,362		83,457,143
(6,061,712)	(14,768,333)	(19,025,823)	(7,255,229)	(6,980,138)		(83,331,319)
				615,030		615,030
				(656,239)		(656,239)
	53,466		616,898	294,516		3,005,314
38,689,415	13,295,309	43,492,017	34,349,842	34,137,680		298,906,838
(38,689,415)	(13,257,213)	(46,609,252)	(34,349,842)	(33,822,049)		(301,600,067)
	1,026,340	3,731				1,030,071
	(1,024,530)	(3,731)				(1,028,261)
(76,936)	(4,179,507)	237,179	(891,802)		2,080,209	(1,631,035)
<u>47,817,647</u>	<u>67,165,383</u>	<u>95,040,019</u>	<u>52,526,090</u>	<u>58,503,503</u>	<u>3,566,835</u>	<u>503,369,600</u>
4,500,000	8,625,096					44,479,657
						93,797
			255,757	442,489		698,246
(6,639,890)	(726,646)	(64,403,445)	(2,188,187)	(3,439,924)		(105,718,903)
(4,800,000)	(11,457,062)	(835,000)	(1,059,246)	(2,787,419)		(44,363,997)
(227,589)	(3,449,054)	(1,938,186)	(3,490,001)	(1,041,010)		(20,654,930)
						12,276,823
	175,684	223,266		64,857		(229,926)
<u>(7,167,479)</u>	<u>(6,831,982)</u>	<u>(66,953,365)</u>	<u>(6,481,677)</u>	<u>(6,761,007)</u>	<u>NONE</u>	<u>(113,419,233)</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by University, 2012**

	<u>GRAMBLING STATE UNIVERSITY</u>	<u>LOUISIANA TECH UNIVERSITY</u>	<u>MCNEESE STATE UNIVERSITY</u>	<u>NICHOLLS STATE UNIVERSITY</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	\$21,469,630			\$509,786
Interest received on investments	160,162	\$3,565	\$196,061	308,922
Purchase of investments	<u>(21,125,961)</u>			<u>(378,342)</u>
Net cash provided by investing activities	<u>503,831</u>	<u>3,565</u>	<u>196,061</u>	<u>440,366</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	43,960	(4,950,046)	11,979,188	(5,039,743)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR				
	<u>13,546,001</u>	<u>43,539,918</u>	<u>35,949,121</u>	<u>21,011,169</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR				
	<u>\$13,589,961</u>	<u>\$38,589,872</u>	<u>\$47,928,309</u>	<u>\$15,971,426</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:				
Operating loss	(\$41,112,562)	(\$64,084,028)	(\$48,328,088)	(\$42,895,712)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation expense	6,814,116	8,487,827	4,839,975	5,625,171
Amortization of bond issuance costs	188,252			266,418
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable, net	1,168,170	335,603	951,874	(867,741)
(Increase) Decrease in inventories	40,206	(2,875)	(202,242)	20,530
(Increase) Decrease in deferred charges and prepaid expenses	(20,516)	582,407	(61,436)	306,456
(Increase) Decrease in notes receivable	44	217,108	177,090	
(Increase) Decrease in other assets		(1,857,678)		171,046
Increase (Decrease) in accounts payable and accrued liabilities	1,032,786	(1,708)	(415,187)	144,343
Increase (Decrease) in deferred revenue	(728,612)	(744,867)	(42,106)	(994,516)
Increase (Decrease) in amounts held in custody for others	134,223	29,007	(25,903)	3,630
Increase (Decrease) in compensated absences	286,924	50,131	120,540	243,406
Increase in other postemployment benefits payable	2,197,521	3,821,647	3,109,838	2,685,256
Increase (Decrease) in other liabilities	<u>(403,210)</u>	<u>74,376</u>		<u>26,202</u>
Net cash used by operating activities	<u>(\$30,402,658)</u>	<u>(\$53,093,050)</u>	<u>(\$39,875,645)</u>	<u>(\$35,265,511)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS:				
Cash and cash equivalents classified as current assets	\$10,750,991	\$21,878,481	\$29,009,481	\$10,740,598
Cash and cash equivalents classified as noncurrent assets	<u>2,838,970</u>	<u>16,711,391</u>	<u>18,918,828</u>	<u>5,230,828</u>
Cash and cash equivalents at the end of the year	<u>\$13,589,961</u>	<u>\$38,589,872</u>	<u>\$47,928,309</u>	<u>\$15,971,426</u>

(Continued)

Schedule 4

NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
	\$1,426,608	\$39,412,764	\$520,739			\$63,339,527
\$413,542	541,743	\$2,241,043	1,620,857	\$172,736	\$46,000	5,704,631
	(1,282,109)		(201,856)			(22,988,268)
<u>413,542</u>	<u>686,242</u>	<u>41,653,807</u>	<u>1,939,740</u>	<u>172,736</u>	<u>46,000</u>	<u>46,055,890</u>
(4,724,066)	1,374,804	(18,723,541)	(284,911)	(1,107,594)	281,834	(21,150,115)
<u>38,773,780</u>	<u>53,481,532</u>	<u>150,038,286</u>	<u>43,994,599</u>	<u>20,492,429</u>	<u>638,944</u>	<u>421,465,779</u>
<u>\$34,049,714</u>	<u>\$54,856,336</u>	<u>\$131,314,745</u>	<u>\$43,709,688</u>	<u>\$19,384,835</u>	<u>\$920,778</u>	<u>\$400,315,664</u>
(52,720,672)	(75,892,109)	(108,990,008)	(57,497,273)	(74,612,014)	(3,640,997)	(569,773,463)
4,766,372	7,370,622	12,490,886	6,884,061	13,954,553	3,583	71,237,166
		44,656				499,326
(1,153,499)	621,278	2,723,613	2,354,833	4,299,424		10,433,555
32,898	35,160	88,916	(14,746)	155,835		153,682
(42,296)	(59,562)	(248,395)	105,396	(126,804)		435,250
(113,176)	(9,436)		344,300	139,080		755,010
(22,439)	(184,457)		101,337		137,941	(1,654,250)
(151,929)	2,360,142	(701,806)	(1,223,184)	(2,610,445)	(139,283)	(1,706,271)
(34,234)	(146,813)	(1,460,368)	(751,351)	564,470		(4,338,397)
	(126,453)	3,558	(212,866)	4,923	846,983	657,102
130,737	(204,908)	131,867	(263,123)	(258,398)	13,579	250,755
3,525,667	6,591,697	7,494,899	3,554,550	5,466,550	82,508	38,530,133
(5,205)		(41,820)	(1,650,998)		(635,315)	(2,635,970)
<u>(\$45,787,776)</u>	<u>(\$59,644,839)</u>	<u>(\$88,464,002)</u>	<u>(\$48,269,064)</u>	<u>(\$53,022,826)</u>	<u>(\$3,331,001)</u>	<u>(\$457,156,372)</u>
\$31,169,481	\$32,237,645	\$57,886,059	\$28,386,316	\$16,628,774	\$920,778	\$239,608,604
<u>2,880,233</u>	<u>22,618,691</u>	<u>73,428,686</u>	<u>15,323,372</u>	<u>2,756,061</u>		<u>160,707,060</u>
<u>\$34,049,714</u>	<u>\$54,856,336</u>	<u>\$131,314,745</u>	<u>\$43,709,688</u>	<u>\$19,384,835</u>	<u>\$920,778</u>	<u>\$400,315,664</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by University, 2012**

	<u>GRAMBLING STATE UNIVERSITY</u>	<u>LOUISIANA TECH UNIVERSITY</u>	<u>MCNEESE STATE UNIVERSITY</u>	<u>NICHOLLS STATE UNIVERSITY</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Capital appropriations	\$212,079	\$12,831,092	\$4,307,080	\$421,993
Change in fair market value of assets	523,922	(568,234)	698,796	(612,071)
Private gifts for endowment purposes		200,000		
Capital gifts and grants			5,302,518	622,200
Capital assets acquired through capital leases		28,000		
Disposition of capital assets	(4,577,643)	(687,530)		(7,823)
Other	(27,818)			(1,228,116)

(Concluded)

Schedule 4

<u>NORTHWESTERN STATE UNIVERSITY</u>	<u>SOUTHEASTERN LOUISIANA UNIVERSITY</u>	<u>UNIVERSITY OF LOUISIANA AT LAFAYETTE</u>	<u>UNIVERSITY OF LOUISIANA AT MONROE</u>	<u>UNIVERSITY OF NEW ORLEANS</u>	<u>BOARD</u>	<u>TOTAL SYSTEM</u>
\$5,415,145	\$3,485,296 187,197	\$275,296 (993,858)	\$573,786	\$8,906,187 (351,380)		\$36,427,954 (1,115,628) 200,000
53,244	1,092,796	436,518	473,839 56,113 95,938	45,386 (133,440)		8,026,501 84,113 (5,406,436) (1,159,996)

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Exhibit A

The following pages contain a report on internal control over financial reporting and on compliance with laws, regulations, and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

February 1, 2013

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

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the financial statements of the business-type activities and discretely presented component units of the University of Louisiana System, a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the System's basic financial statements and have issued our report thereon dated February 1, 2013. Our report was modified to include an emphasis of a matter paragraph regarding financial statement comparability. Our report also includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Black and Gold Facilities, Inc.; Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; Nicholls State University Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; and University of Louisiana at Monroe Facilities, Inc., which are nonprofit corporations included as blended component units in the basic financial statements of the University of Louisiana System. Other auditors also audited the financial statements of the University of Louisiana at Lafayette Foundation, Inc., University of New Orleans Foundation, and University of New Orleans Research and Technology Foundation, Inc., which are discretely presented component units in the basic financial statements of the University of Louisiana System as described in our report on the University of Louisiana System's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Black and Gold Facilities, Inc.; Nicholls State University Facilities Corporation; University Facilities, Inc.; and University of Louisiana at Monroe Facilities, Inc., which were audited by other auditors, were audited in accordance with auditing standards generally accepted in the United States of America but not in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of the University of Louisiana System is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the University of Louisiana System's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University of Louisiana System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University of Louisiana System's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University of Louisiana System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Other Reports

Other external auditors audited the Black and Gold Facilities, Inc.; Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; Nicholls State University Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; and University of Louisiana at Monroe Facilities, Inc., which are blended component units included in the University of Louisiana System's basic financial statements for the year ended June 30, 2012. In addition, other external auditors audited the University of Louisiana at Lafayette Foundation, Inc., University of New Orleans Foundation, and University of New Orleans Research and Technology Foundation, Inc., which are discretely presented component units included in the basic financial statements of the

University of Louisiana System. To obtain copies of those reports, refer to note 1-B to the basic financial statements for mailing addresses.

As a part of our audit of the University of Louisiana System's basic financial statements for the year ended June 30, 2012, we performed certain procedures on campuses within the University of Louisiana System. Our reports on those procedures for those campuses are listed as follows:

	<u>Issue Date</u>
Grambling State University	November 7, 2012
McNeese State University	December 19, 2012
Southeastern Louisiana University	January 16, 2013
University of Louisiana at Lafayette	January 9, 2013
University of Louisiana at Monroe	January 9, 2013
University of New Orleans	Pending

These reports contain compliance and internal control findings, where applicable, relating to those facilities. Management's responses are also included in those reports. Copies of those reports are available for public inspection at the Baton Rouge office of the Legislative Auditor, and those reports can also be found on the Internet at www.lla.la.gov.

This report is intended solely for the information and use of the University of Louisiana System, its management, others within the entity, the Board of Supervisors of the University of Louisiana System, the Louisiana Board of Regents for Higher Education, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

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ULS 2012