



## **LSU Board of Supervisors**

3810 W. Lakeshore Drive  
Baton Rouge, Louisiana

**Friday, December 9, 2016**

10:00 AM

### **PUBLIC COMMENT**

Public Comments may be made only (1) when they relate to a matter on the agenda and (2) when individuals desiring to make public comments have registered at least one hour prior to the meeting. For additional information see: <http://www.lsu.edu/bos/public-comments.php>

### **COMMITTEE MEETINGS**

#### **A. HEALTHCARE AND MEDICAL EDUCATION COMMITTEE**

**Bobby Yarborough, Chair**

1. Request from LSU Health Sciences Center at New Orleans to Approve a Cooperative Endeavor Agreement Between the Louisiana Department of Health and the School of Public Health
2. Presentation on Performance Metrics for Health Sciences Centers

#### **B. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND DISTINCTION COMMITTEE**

**James W. Moore, Chair**

1. Request from LSU A&M to Establish the Global Scholarship Program
2. Request from LSU A&M to Establish a Bachelor of Science in Entrepreneurship
3. Request from LSU Health Sciences Center at New Orleans for Conditional (One Year) Approval of the Center for Health Transformation
4. CONSENT AGENDA
  - i. Recommendation to Approve Fall 2016 Conferral of Degrees at LSU Campuses
  - ii. Request from LSU A&M to Change the Name of the Department of Information Systems and Decision Sciences to the Department of Entrepreneurship and Information Systems in the E.J. Ourso College of Business (tentative)
  - iii. Request from LSU A&M to Establish the Douglas L. Manship, Sr.-Dori J. Maynard Chair in Race, Media & Cultural Literacy

iv. Request from LSU A&M to Establish 15 Endowed Superior Graduate Student Scholarships

- Hannelore & Johannes Storz Graduate Student Excellence Fund
- Lamar Family Post-doctoral Fellowship
- Kenneth R. Hogstrom Superior Graduate Student Scholarship in Medical Physics
- Neil & Arlene Kestner Superior Graduate Student Scholarship in Honor of Imre Zupkay
- Mark & Carolyn Campbell Guidry Doctoral Fellowship #2
- T. J. Moran Endowed Law Scholarship
- T. J. Moran Superior Graduate Student Scholarship, College of Human Sciences & Education
- T. J. Moran Superior Graduate Student Scholarship, E. J. Ourso College of Business
- Dr. Jack Van Lopik & Annagreta Hojhdal Superior Graduate Scholarship
- Carraway Foundation Graduate Excellence Scholarship #2
- Joseph F. Domino Superior Graduate Student Scholarship
- Friedhelm Goronzy Endowed Superior Graduate Student Scholarship
- Lynne & Kit Marye Superior Graduate Student Scholarship in Finance
- Robert K. & Elizabeth F. Reeves Endowed Scholarship
- Robert R. and Melissa B. Rabalais Energy Law Endowment

v. Request from LSU-Alexandria to Establish 4 Endowed Scholarships for First Generation Students

- Mary Jane Brown Endowed Scholarship for First Generation College Students
- Dr. David and Mrs. Nicole Holcombe Endowed Scholarship for First Generation College Students in Creative Arts and Language
- Virginia Harvey Holcombe Endowed Scholarship for First Generation College Students in Nursing
- Jeremiah and Kenneth Grant Holcombe Endowed Scholarship for First Generation College Students in Allied Health

vi. Request from LSU Health Sciences Center-New Orleans to Change the Name of the Leslie Lewinter-Suskind and the Robert Suskind Professorship for International Pediatric Collaboration

vii. Request from LSU Health Sciences Center-New Orleans to Waive the National Search Requirement for the Elaine A. Doré Endowed Chair in Orthopaedics

**C. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE**

**Ronald R. Anderson, Chair**

1. Recommendation to Amend the Bylaws and Regulations of the Board, Related to Rights, Duties, and Responsibilities of Principal Administrative Officers of the University

**D. PROPERTY AND FACILITIES COMMITTEE**

**Rolfe McCollister, Jr., Chair**

1. Recommendation to Amend the FY 2017-18 Five-Year Capital Outlay Budget Request and First Year Prioritized Categories to Include Projects at Louisiana State University A&M: LSU A&M Veterinary Medicine Clinical Facility and LSU A&M Memorial Tower
2. Request from LSU A&M to Approve the Schematic Design of the Companion Animal Alliance Facility
3. Request from LSU Health Sciences Center-New Orleans to Approve the Purchase of Land in Square 440 in the First District New Orleans

**E. ATHLETIC COMMITTEE**

**Blake Chatelain, Chair**

1. Request from LSU A&M to Approve Amendment to the Employment Contract with Edward J. Orgeron, Jr., Interim Head Coach Football
2. CONSENT AGENDA
  - i. Authorization for the LSU President to Approve Football Postseason Additional Compensation in Accordance with Existing Board Policy or Coaches' Contracts

**F. AUDIT COMMITTEE**

**Lee Mallett, Chair**

The Audit Committee will meet at 8:00am in Conference Room 112, University Administration Building, 3810 W. Lakeshore Drive, Baton Rouge, Louisiana 70808.

**LSU Board of Supervisors Meeting**  
**3810 W. Lakeshore Drive**  
**Baton Rouge, Louisiana 70808**  
**Board Room**  
**Friday, 12/9/2016**  
**1:00 - 4:00 PM CT**

1. Call to Order and Roll Call
2. Invocation and Pledge of Allegiance
3. Approval of Minutes of Board Meeting of October 21, 2016  
*BOS Meeting Minutes.102116 - Page 2*
4. Personnel Actions Requiring Board Approval  
*Guiyou Huang Contract - Page 12*  
*BoS\_December2016\_CA\_Personnel requiring BoS Approval - Page 14*
5. Reports from Staff Advisors and Faculty Advisors
6. President's Report
7. Reports to the Board
  - a. FY 2016 4th Quarter Internal Audit Summary  
*FY 2016 4th Quarter Audit Summary - Page 18*
  - b. FY 2016 Internal Audit Annual Report  
*FY 2016 Annual Audit Report - Page 33*
  - c. FY 2016-17 1st Quarter Consolidated LSU Investment Report (Written Report Only)  
*FY 2016-17 1st Quarter Consolidated LSU Investment Report - Page 46*
8. Committee Reports
9. Chairman's Report
10. Adjournment

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October 21, 2016

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MINUTES

REGULAR BOARD MEETING

October 21, 2016

1. Call to Order and Roll Call

Mr. Scott Ballard, Chair, called to order the Regular Meeting of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College in the University Medical Center, New Orleans, Louisiana, on October 21, 2016 at 1:05 p.m.

The secretary called the roll.

PRESENT

Mr. Scott Ballard  
Chairman  
Mr. Glenn J. Armentor  
Mr. Stanley J. Jacobs  
Mr. Lee Mallett  
Mr. James M. Williams  
Mr. Zachary Faircloth

Mr. Stephen Perry  
Chairman-Elect  
Mr. R. Blake Chatelain  
Ms. Valencia Sarpy Jones  
Mr. Jim McCrery  
Mr. Robert "Bobby" Yarborough

ABSENT

Ms. Ann Duplessis  
Mr. Scott A. Angelle  
Mr. James W. Moore Jr.

Mr. Ronnie Anderson  
Mr. Rolfe McCollister, Jr.

Also present for the meeting were the following: Dr. F. King Alexander, President of LSU; Mr. Tom Skinner, General Counsel; LSU officers and administrators from their respective campuses; faculty representatives; interested citizens and representatives of the news media.

Public Comments

There was one (1) comment registered from Ms. Kristi Trail from the LSU New Orleans Advisory Group to address the Board on Agenda Item #7B2: Request from LSU A&M to Establish Three New Scholarship Programs.

2. Invocation and Pledge of Allegiance

Chairman Ballard recognized Dr. Larry H. Hollier, Chancellor from the LSU Health Science Center New Orleans. Dr. Hollier introduced the two students addressing the Board.

Ms. Jada Foley gave the Invocation. Ms. Danielle Morelli led the Pledge of Allegiance.

Chief Medical Officer and LSU Health Sciences Center at New Orleans faculty member, Dr. Peter M.C. DeBlieux, spoke on the honor and privilege to work in the University Medical Center facility and thanked the Board for their involvement.

3. Approval of the Minutes of the Board Meeting held on September 9, 2016

Upon motion of Mr. Chatelain, seconded by Mr. McCrery, the Board voted unanimously to approve the Minutes of the Regular Board Meeting held on September 9, 2016.

4. Reports from Staff Advisors and Faculty Advisors

Dr. Kevin Cope, Council of Faculty Advisors gave an informational report. There was no report from Staff Advisors.

5. President's Report

Dr. F. King Alexander, President of LSU advised the Board on various matters including:

Appointment of Dr. G. E. Ghali, Chancellor LSU Health Science Center at Shreveport

LSUA Chancellor Search Update

Election Day - Proposition 2

Dr. Alexander commended LSU A&M University Student Government, Faculty Senate, and Ashley Arceneaux for their contribution to the President's Symposium: a Moment or a Movement?

Dr. Alexander thanked Board member Mr. Stephen Perry for hosting the Board in New Orleans.

Dr. Alexander, recognized:

Dr. Bill Richardson, VP for Agriculture & Dean of College of Agriculture, for an update on therapeutic marijuana cultivation at AgCenter.

6. Reports to the Board

- a. Fall 2016 14<sup>th</sup> Day Enrollment & Trend Report
- b. FY16 Semi-Annual Consolidated Financial Report

Upon motion by Mr. Chatelain, seconded by Mr. Faircloth, the Board voted unanimously to accept these reports.

7. Committee Reports

A motion was made by Mr. Williams, seconded by Mr. Armentor, to approve the Committee resolutions that were unanimously approved by the Committees. The Board voted unanimously to approve all Committee resolutions.

7A. Healthcare and Medical Education Committee

Mr. Yarborough, Chair of the Healthcare and Medical Education Committee, reported that the Committee received one (1) presentation.

7A1. Presentation by University Medical Center

Mr. Bill Masterton, University Medical Center President & CEO presented an overview & update on the University Medical Center.



7B. Academic and Student Affairs, Achievement and Distinction Committee

Mr. Williams, Vice Chairman of the Academic and Student Affairs, Achievement and Distinction Committee, reported that the Committee received two (2) requests for Board approval and two (2) consent agenda items. It is the recommendation of the Committee that the requests receive Board approval.

7B1. Request from LSU Alexandria to Establish a Bachelor of Science in Health Professions

Upon motion of Mr. Perry, seconded by Mr. Armentor, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request from LSU Alexandria to establish a Bachelor of Science in Health Professions, subject to approval by the Board of Regents.

7B2. Request from LSU A&M to Establish Three New Scholarship Programs

a. The LA Tiger Legacy Scholarship Program

Upon a motion of Mr. Armentor, seconded by Mr. Faircloth, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors hereby approves the LSU A&M request to establish the LA Tiger Legacy Scholarship Program; and

**BE IT FURTHER RESOLVED** that a report detailing the fiscal and enrollment impacts of the LA Tiger Legacy program will be submitted annually to the President of LSU and the Board of Supervisors each year through 2021.

b. The Tiger Alumni Scholarship Program

Upon motion of Mr. Armentor, seconded by Mr. Faircloth, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request to establish the Tiger Alumni Legacy Scholarship Program at LSU A&M; and

**BE IT FURTHER RESOLVED** that a report detailing the fiscal and enrollment impacts of the Tiger Alumni Scholarship Program will be submitted annually to the President of LSU and the Board of Supervisors each year through 2021.

c. The Tiger Nation Scholarship Program

Upon motion of Mr. Perry, and seconded by Mr. Faircloth, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request to establish the Tiger Nation Scholarship Program at LSU A&M; and

**BE IT FURTHER RESOLVED** that a report detailing the fiscal and enrollment impacts of the Tiger Nation Scholarship Program will be submitted annually to the President of LSU and the Board of Supervisors each year through 2021.

7B3. Consent Agenda

- a. Request from LSU A&M to Change the Name of the BS in Electrical Engineering Major in Computer Engineering to the BS in Computer Engineering
- b. Request from LSU Health Science Center - New Orleans to Change the Focus of the David G. Kline, MD Endowed Chair in Peripheral Nerve Repair and Regeneration, and to Waive the National Search Requirement

Mr. Williams offered the following recommendation to approve the Consent Agenda items as submitted.

Upon motion of Mr. Faircloth, seconded by Mr. Armentor, the committee voted unanimously to approve the Consent resolutions.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request to change the name of the Bachelor of Science in Electrical Engineering Major: Computer Engineering to the Bachelor of Science in Computer Engineering, subject to approval by the Board of Regents.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request from LSU Health Science Center – New Orleans to change the name and focus of the David G. Kline, MD Endowed Chair in Peripheral Nerve Repair and Regeneration to the David G. Kline, MD Endowed Chair in Neurosurgery subject to approval by the Board of Regents; and

**BE IT FURTHER RESOLVED** that the Board of Supervisors does hereby approve the request to waive the national search requirement and award the chair to the current head of the Department of Neurosurgery at LSU Health Science Center – New Orleans, Dr. Frank Culicchia, subject to approval by the Board of Regents.

7C. Finance, Infrastructure and Core Development Committee

Ms. Jones, Vice Chairman of the Finance, Infrastructure and Core Development Committee reported that the committee received five (5) recommendations for Board approval and one (1) consent agenda item. It is the recommendation of the committee that the recommendations receive Board approval.

7C1. Recommendation to Approve the FY 2017-18 Operating Budget Request

Upon motion by Mr. Mallett, seconded by Mr. Faircloth, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) does hereby provide authority to the President F. King Alexander (“President”) to approve the preliminary proposed budget request for the fiscal year ending June 30, 2018, said request consisting of state appropriations and total funds for the LSU campuses and entities based on the requests of the respective campuses and entities and the preliminary Board of Regents funding formula, which requests are incorporated herein by reference;

**BE IT FURTHER RESOLVED** that the Board does hereby authorize the President to continue to work with the Board of Regents on the appropriate formula methodology and budget request for the LSU units to be used for the FY 2017-18 budget request and, with notice to the Board, to act on behalf of the Board in approving the final FY 2017-18 budget request for all LSU campuses and

entities. The Board hereby delegates all such authority necessary to accomplish such purposes to the President.

**BE IT FURTHER RESOLVED** that the Board does hereby approve the proposed requests for operational or expanded need activities, based on the information provided by the respective LSU campuses and entities in response to the request by the higher education budget manager of the state Division of Administration, which requests are incorporated herein by reference; and

**BE IT FURTHER RESOLVED** that transactions included or referred to in the proposed operating budget that otherwise require Board approval are not approved by mere inclusion in the proposed operating budget.

7C2. Request from LSUA to Authorize the President to Amend and Restate the Lease Agreement Between the LSU Board and The Oaks of Alexandria, L.L.C.

Upon motion by Mr. Mallett, seconded by Mr. Faircloth, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") that:

SECTION 1. The Board does hereby authorize F. King Alexander, President of Louisiana State University, to execute and deliver an amendment and restatement of that certain Agreement of Lease of Residence Facilities dated as of October 10, 2006 (the "Facilities Lease"), between the LSU Board, as lessee, and The Oaks at Alexandria, L.L.C., as lessor to reflect the terms of refunding bonds to refinance the Louisiana Public Facilities Authority's outstanding Revenue Bonds (The Oaks at Alexandria, L.L.C. – Louisiana State University at Alexandria Student Housing Project) Series 2006 issued on October 10, 2006 (the "Series 2006 Bonds"), for the purpose of financing certain student housing facilities located on the campus of Louisiana State University at Alexandria ("LSUA").

SECTION 2. The Board does hereby delegate to F. King Alexander, President of Louisiana State University, the power and authority to execute and deliver any and all other documents, instruments and certificates, including, without limitation, a bond purchase agreement, continuing disclosure agreement and tax regulatory agreement, necessary to enable the issuance of refunding bonds to refinance the Series 2006 Bonds and consummate the above described transaction and to include in such documents such terms and conditions as he may deem wise and in the best interest of the Board and LSUA.

7C3. Request from LSU Health Care Services Division to Authorize the President to Amend and Restate the Lease Agreement Between the LSU Board and Bogalusa Community Medical Center

Upon motion of Mr. Mallett, seconded by Mr. Faircloth, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") that:

SECTION 1. The Board does hereby authorize F. King Alexander, President of Louisiana State University, to execute and deliver an amendment of that certain Amended and Restated Lease Agreement dated as of September 28, 2007 (the "Lease Agreement"), between the Board, as lessee, and Bogalusa Community Medical Center ("BCMC"), as lessor, to permit and accommodate the issuance of refunding bonds to refinance the Health Care Community Development

Corporation's outstanding Revenue Bonds (Bogalusa Community Medical Center Project) Series 2007A issued on September 28, 2007 (the "Series 2007A Bonds"), for the purpose of financing certain improvements and renovations and related equipment at the community hospital, medical clinics, medical office buildings and other improvements and equipment located at 433 Plaza Street and 420 Avenue F, Bogalusa, Louisiana (collectively, the "Medical Center").

SECTION 2. The Board does hereby delegate to F. King Alexander, President of Louisiana State University, the power and authority to execute and deliver any and all other documents, instruments and certificates, including, without limitation, a bond purchase agreement, continuing disclosure agreement and tax regulatory agreement, necessary to enable the issuance of refunding bonds to refinance the Series 2007A Bonds and consummate the above described transaction and to include in such documents such terms and conditions as he may deem wise and in the best interest of the Board and the LSUHCSD.

7C4. Request from LSU A&M to Approve the LSU Real Estate & Facilities Foundation Uniform Affiliation Agreement

Upon motion of Mr. Mallet, seconded by Mr. Faircloth, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of the Louisiana State University, or his designee, acting on behalf and in the name of the Board, to execute a Uniform Affiliation Agreement with the LSU Real Estate and Facilities Foundation.

7C5. Request from the Pennington Medical Foundation Trust to add the Pennington Biomedical Research Foundation as a Beneficiary of the Trust, to Terminate the Trust, and to Distribute the Remaining Trust Assets

Upon motion of Mr. Mallett, seconded by Mr. Faircloth, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize Daniel T. Layzell, Vice President for Finance and Administration/CFO of Louisiana State University, or his designee, to execute any and all pleadings and documents required to amend the Trust known as the Pennington Medical Foundation in order to add the Pennington Biomedical Research Foundation as a beneficiary of the Pennington Medical Foundation and to distribute most or all of the assets of the Trust to the Foundation, and, after the distribution of the remaining assets of the Trust, to accomplish the dissolution of the Trust.

**BE IT FURTHER RESOLVED** that Daniel T. Layzell, Vice President for Finance and Administration/CFO of Louisiana State University, or his designee, is duly authorized by an empowered for and on behalf of and in the name of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to include in such pleadings and documents any and all provisions that he deems to be in the best interest of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

7C6. Consent Agenda

- a. Request from LSU A&M to Authorize the Issuance of Auxiliary Revenue Refunding Bonds, Series 2016

Ms. Jones offered the following recommendation to approve the Consent Agenda item as submitted.

Upon motion of Mr. Mallett, seconded by Mr. Faircloth, the committee voted unanimously to approve the Consent resolution.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") that:

SECTION 1. The Board has been advised that its tax-exempt and taxable Auxiliary Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds") are expected to be issued in one or more series at fixed rates of interest not to exceed 6% per annum and for a term not to exceed 30 years, and the Board desires to authorize the issuance of the Series 2016 Bonds for the purposes of financing the (i) refunding all or a portion of the Board's outstanding Auxiliary Revenue Bonds, Series 2007, Auxiliary Revenue Bonds, Series 2008, and Auxiliary Revenue and Refunding Bonds, Series 2010A, (ii) paying the premium for a bond insurance policy, if necessary and funding a reserve fund or paying the premium for a reserve fund insurance policy or surety bond, if necessary, and (iii) paying the costs of issuance of the Series 2016 Bonds, including, but not limited to, the preparation of the hereinafter described Bond Resolution and the preparation and distribution of preliminary and final official statements, if any, related thereto, all for the benefit of Louisiana State University and Agricultural and Mechanical College (the "University").

SECTION 2. The Board does hereby approve and adopt the attached Eighteenth Supplemental Resolution (the "Eighteenth Supplemental Resolution") relating to the issuance of the Series 2016 Bonds in an aggregate principal amount not to exceed \$185,000,000, and does hereby authorize the execution and delivery by the Chairman or Chairman-Elect and the Secretary of the Board of the Eighteenth Supplemental Resolution and does hereby authorize said officers or an Authorized Board Representative (defined in the Eighteenth Supplemental Resolution as one or more, as required by law or by the Bond Resolution, of the Chairman, the Chairman-Elect, the Secretary and each officer of the Board, the President of LSU and the Vice President for Finance and Administration/CFO of LSU or any other Person designated in writing by the Chairman or Chairman-Elect of the Board or designated by a resolution of the Board) to execute such documents or certificates as set forth in the Eighteenth Supplemental Resolution and such other documents or certificates necessary in connection with the issuance or the marketing of the Series 2016 Bonds and all other transactions incident thereto, with such changes and modifications which are deemed in the best interest of the Board by an Authorized Board Representative, including, without limitation, such changes as are required by the underwriters of the Series 2016 Bonds and by the pricing of the Series 2016 Bonds, and the Board does hereby ratify all prior actions taken on its behalf by University officials in furtherance of this transaction.

SECTION 3. The Board hereby authorizes the marketing, pricing and delivery of the Series 2016 Bonds; provided that the final terms of such Series 2016 Bonds shall meet the following conditions:

- (i) Principal Amount in one or more series - Not to exceed \$185,000,000;
- (ii) Maturity - Not to exceed 30 years; and
- (iii) Net Interest Rate - Not to exceed a fixed rate of 6.0% per annum.

7D. Research and Economic Development Committee

Mr. Armentor, Chair of the Research and Economic Development Committee, reported that the Committee received one (1) presentation.

7D1. Presentation: LSU Health Sciences Centers in New Orleans & Shreveport: Key Players in Louisiana's Prosperity

Dr. Larry H. Hollier, Chancellor of LSU Health Sciences Center New Orleans, and Dr. G. E. Ghali, Chancellor of LSU Health Sciences Center Shreveport, gave a presentation on the data, contributions, and updates for the Health Sciences Centers in New Orleans & Shreveport.

7E. Audit Committee

The Audit Committee met following the Regular Board meeting.

8. Chairman's Report

The Chairman thanked Mr. Bill Masterton, President & CEO of University Medical Center, and the University Medical Center for hosting the Board meeting and announced the next Board of Supervisors meeting will be held in Baton Rouge on December 9, 2016.

9. Adjournment

Chairman Ballard asked for a motion to adjourn with no further business before the Board.

Upon motion by Mr. Yarborough, seconded by Mr. Perry, the meeting was adjourned.

Stephanie Tomlinson  
Executive Assistant  
LSU Board of Supervisors

## EMPLOYMENT CONTRACT FOR ACADEMIC EMPLOYEES

TO: \_\_\_\_\_

It is our pleasure to offer you, subject to administrative approval, an appointment at the rank of \_\_\_\_\_ in the department of \_\_\_\_\_.

This is a: full-time appointment  
part-time appointment at \_\_\_\_\_ % effort .

The appointment is effective \_\_\_\_\_ through \_\_\_\_\_ with an initial salary of \$\_\_\_\_\_ on Academic Year Basis Fiscal Year Basis.

This position May May Not lead to Tenure. \*See additional page for an explanation of a term appointment and tenure.

Your initial duties are outlined on the attached job description which you are to initial and return with this contract. Your duties are subject to change, depending on department needs, and such a change shall not be grounds for rescission of this contract. In any event, financial exigency may justify the cancellation or amendment of this contract.

In accepting this appointment you are entitled to the appropriate benefits of and agree to abide by the regulations of the University, the Board of Supervisors, the laws of Louisiana, which include but are not limited to mandatory enrollment in a retirement system and execution of the loyalty oath required by the State of Louisiana and assignment of patents and copyrights to the LSU System under prescribed conditions.

Special provisions of the appointment are: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Administrative Officer Approvals [as required]**

_____	_____	_____	_____
Department Head	Date	Dean	Date
_____	_____	_____	_____
Vice President	Date	LSU President	Date
_____	_____	_____	_____
	Date	Date	Date

**Employee Acceptance of Approved Offer**

I hereby accept the offer and the conditions of employment as stated above. I acknowledge that any representations or conditions not stated above or incorporated by reference are not binding on the University and do not form part of this employment contract.

\_\_\_\_\_  
Employee Signature Date

I. SECTION 2-7 OF THE REGULATIONS OF THE BOARD OF SUPERVISORS CURRENTLY PROVIDES IN PART:

**"Faculty Ranks.** Faculty members and other members of the academic staff of comparable rank, including librarians, may be appointed for a specific term ("term appointment") or indefinitely ("tenured appointment") depending on rank and experience. Appointment or tenure on one campus of the LSU System carries no implication of appointment or tenure on another campus. Academic employees are tenured only with respect to their academic ranks and not with respect to administrative titles or assignments.

"Tenure is not a guarantee of lifetime employment, particularly in the face of institutional change or financial exigency. It does assure that the employee will not be dismissed without adequate justification and without due process.

"Term employees are appointed for specified periods of time as indicated on the appointment form.

"Professors and Associate Professors are tenured and are appointed for an indefinite period of time, except that the initial appointment and subsequent reappointments through not more than five years of total service to the LSU campus involved may be made for a stipulated term. Persons promoted to the rank of Professor or Associate Professor after less than five years of service on the campus may be continued to term appointment through no more than the fifth year. Persons holding a professorial rank (Professor, Associate Professor or Assistant Professor) while being paid by a grant or contract do not acquire tenure through the passage of time but may become tenured only by specific individual recommendation through appropriate channels and approval by the President.

"Assistant Professors are appointed for terms no longer than three years. Upon reappointment after seven years of service in rank on a particular campus, Assistant Professors receive tenure. A thorough review will be made during the sixth year of service so that notice of termination may be given if necessary no later than the end of the sixth year of service. Individual campuses have the option of conducting the thorough review prior to the sixth year, provided that appropriate written notification is given to the faculty member. The University may, at its discretion, count prior service on the same campus toward the seven-year evaluation period for an Assistant Professor to achieve indeterminate tenure. The ultimate decision shall be left with the President, to be applied in each individual case for which the respective campus recommends granting indeterminate tenure counting prior service favorably.

"Those who rank as Associate or Instructor shall be appointed for a specified term and shall not be considered for indeterminate tenure; provided, however, Associates and Instructors hired for an initial term greater than two years may be terminated at the end of the first year if given notice during the first nine months of that year. Otherwise, the provisions of Section 2-7(1)-(4) shall apply.

**"Expiration of Appointment.** Upon expiration of a term appointment, the employee is a free agent to whom the University System has no obligation. The University System may reappoint the employee to the same or a different position. Non-reappointment carries no implication whatsoever as to the quality of the employee's work, conduct, or professional competence.

"When an employee, other than an Associate, is not to be reappointed, written notice to the employee will ordinarily be provided in accordance with the following schedule:

1. Not later than March 1 of the first academic year of service, if the appointment expires at the end of the year; or, if an initial one-year appointment terminates during an academic year, at least three months in advance of its termination.
2. Not later than December 15 of the second academic year of service, if the appointment expires at the end of that year; or if an initial two-year appointment terminates during the academic year, at least six months in advance of its termination.
3. At least 12 months before the expiration of an appointment after two or more years service on that campus.
4. When an Associate is not reappointed, the Associate shall be given written notice of termination no less than ninety (90) days prior to the expiration of the employment contract."

II. THE POLICIES OF THE LSU BOARD OF SUPERVISORS RELATING TO FRINGE BENEFITS INCLUDE THE FOLLOWING:

(A) Optional employee benefit plans:

- 1) group medical insurance;
- 2) group life insurance;
- 3) long term disability income insurance;
- 4) accidental death and dismemberment insurance.

(B) Other fringe benefits include but are not limited to:

- 1) monthly accrual of sick leave for all regular employees;
- 2) monthly accrual of annual leave for regular employees on twelve month pay basis;
- 3) voluntary participation in tax sheltered programs.

Upon receipt of this signed contract, forms and instructions for enrollment in the above programs will be forwarded to you.



Personnel Actions Requiring Board Approval  
per PM 69

December 9, 2016

Personnel Actions Requiring Board Approval per PM69  
December 9, 2016

**Appointments**

**LSU Alexandria**

<u>Name</u>	<u>Title</u>	<u>Contract Term</u>	<u>Annual Salary</u>
Guiyou Huang	Chancellor	1/1/2017 to 12/31/2019	\$240,000

**LSU Health Science Center Shreveport**

<u>Name</u>	<u>Title</u>	<u>Contract Term</u>	<u>Annual Salary</u>
Ghali E. Ghali	Chancellor and Dean	10/22/2016 to 12/31/2019	\$475,000 <sup>a</sup>

- a. Base salary paid from State resources. Will also receive a supplement from faculty practice revenues and contracts that are generated from external clinical activities. Only the base salary is subject to benefits in accordance with state law and LSU policy.

Personnel Actions Requiring Board Approval per PM69  
December 9, 2016

**Amendments**

**LSU**

<u>Name</u>	<u>Title</u>	<u>Contract Extension</u>	<u>Annual Salary</u>
F. King Alexander	President	7/1/2016 to 6/30/2021	No Change

**LSU Health Science Center New Orleans**

<u>Name</u>	<u>Title</u>	<u>Contract Extension</u>	<u>Annual Salary</u>
Larry Hollier	Chancellor and Executive VP for Health Affairs	12/1/2016 to 12/31/2021	\$490,000 <sup>b</sup>

- b. Base salary paid from State resources. Will also receive a supplement from faculty practice revenues and contracts that are generated from external clinical activities. Only the base salary is subject to benefits in accordance with state law and LSU policy.

Personnel Actions Requiring Board Approval per PM69  
December 9, 2016

**Coaching Contract – Interim Appointment**

**LSU A&M**

<u>Name</u>	<u>Title</u>	<u>Interim Term</u>	<u>Supplemental Income</u>
Steven Ensminger	Interim Assistant Football Coach/Offensive Coordinator	9/25/2016 to 1/2/2017	\$75,000 º

- c. The supplemental income will be a lump sum payment. Coaching compensation is paid by revenues generated by the Athletic Department. No state general fund or tuition dollars are used.

# **Quarterly Audit Summary**

*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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# Quarterly Audit Summary

*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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## Louisiana State University and A&M College

### **Employee Onboarding and Termination**

#### Audit Initiation:

This review originated as a scheduled audit from the FY 2015 Board approved audit plan.

#### Audit Scope and Objectives:

The scope of this audit included employee appointments and separations from July 1, 2014 to June 30, 2015 at the following campuses: LSU A&M, AgCenter, LSU Eunice, LSU Alexandria, Paul M. Hebert Law Center, and Pennington Biomedical Research Center. Although the Law Center is now under the LSU A&M campus, the controls were executed at the Law Center during the scope of testing and, therefore, independent of LSU A&M.

The objectives of this audit were to determine if there was consistency in onboarding and separation practices, verify that adequate controls were in place for hiring and terminating personnel, and evaluate controls to prevent or detect the addition of false employees.

#### Audit Findings:

The onboarding and termination procedures are decentralized among each LSU campus as well as LSU A&M departments with Human Resources personnel responsible for oversight of employment actions. Each campus has developed their own processes, which are largely inconsistent as a system; we compared these to best practices to determine areas where controls could be strengthened or modified for consistent application across the campuses. As a result, we have the following recommendations for management:

1. Institute a more comprehensive background check process to review criminal convictions for all employees prior to hiring.

# Quarterly Audit Summary

*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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2. Implement a system control to prevent the hiring of an employee before completing the pre-employment drug screening.
3. Standardize the hiring process, requirements for pre-employment drug screening and background checks, as well as documentation expectations through implementation of a permanent memorandum.
4. Create a permanent memorandum to standardize the separation process including procedures to address the removal of system access, return of university assets, and adequate documentation to support the separation.
5. Provide personnel involved in hiring and separations at each campus with periodic training on legal and ethical employment practices.

## Management's Response and Corrective Action Plan:

Management generally concurred with our recommendations and is in the process of implementing corrective action plans which will be fully completed by November 2016.

## **Evaluation of Scholarship Administration Follow-up Report (Louisiana Legislative Auditors)**

### Audit Initiation:

This was a follow-up evaluation to the May 2014 informational audit of the administration of university-funded and college-awarded scholarships, excluding Federal awards, for students enrolled at Louisiana State University and A&M College (LSU).

### Audit Scope and Objectives:

The objective was to determine if the corrective actions noted within LSU's response to the May 2014 informational audit have been implemented. The scope of procedures was significantly less than an audit conducted in accordance with Government Auditing Standards.



# Quarterly Audit Summary

*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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## Audit Findings:

This work was conducted in follow-up to the Louisiana Legislative Auditor's May 2014 report, which evaluated whether LSU administered university-funded and college-awarded student scholarships in accordance with applicable university policies and terms. At that time, it was found that LSU had not developed specific criteria for awarding scholarships; did not maintain adequate documentation on awarded scholarships, including the criteria met by award recipients; and did not report scholarship information to the legislature in a complete and accurate manner as required by state law.

## The follow-up work indicated the following:

- LSU still needs to ensure that scholarships are reviewed for availability.
- The Board Scholarships policy has been revised to reflect that the awards are intended to be discretionary and not competitive.
- Board Scholarship Applications are now logged when received and are retained according to the revised policy.
- The Board Scholarship Report submitted to the Legislature for the 2014-15 academic year was accurate and complete.

## Management's Response and Corrective Action Plan:

LSU agreed with the recommendation that scholarships are routinely reviewed for availability to help ensure all awards are made when sufficient funds exist.

# Quarterly Audit Summary

*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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## Pennington Biomedical Research Center (PBRC)

### **Research Uniform Guidance**

#### Audit Initiation:

This review originated as a scheduled audit from the Fiscal Year 2016 Board approved audit plan.

#### Audit Scope and Objectives:

The scope of the audit included controls executed in Fiscal Year 2016 related to sub-recipient monitoring, time and effort reporting, and cash handling.

The objective of this audit was to determine whether PBRC management implemented corrective actions to address prior year findings reported by both the Office of Internal Audit and the Louisiana Legislative Auditor and whether the remediation was in compliance with federal uniform guidance regulations.

#### Audit Findings:

The results of testing identified minor issues with processes for issuing management decision letters when sub-recipient audit reports disclosed findings as well as obtaining time and effort certifications from inventors on a timely basis. We provided the following recommendations to management:

1. Develop controls to obtain sub-recipient audit reports promptly after Federal Audit Clearinghouse to ensure any required management decision letters are issued by the six month deadline. The standard operating procedures should be revised to incorporate these controls.
2. Continue with their current practice of ensuring a minimum allocation to each trial assigned to an investigator. With the implementation of the Workday system, effort certifications will now be completed electronically on a monthly basis. This process will enhance controls to ensure certifications are sent and returned timely; it will also allow responsible

# Quarterly Audit Summary

*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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personnel to easily track the associated dates and identify those certifications that remain outstanding.

## Management's Response and Corrective Action Plan:

Management concurred with our recommendations and is in the process of implementing corrective action plans which will be fully completed by December 2016.

## **Research Data Security**

### Audit Initiation:

This review originated as a scheduled audit from the Fiscal Year 2016 Board approved audit plan.

### Audit Scope and Objectives:

The objective of this audit was to examine the design and effectiveness of controls put into place to ensure the security of research data.

The scope of our work included core laboratory and clinical areas at PBRC and testing included reviews of policies and procedures, as well as other department records, interviews with department personnel, process walkthroughs and analysis of data for all in-scope areas.

### Areas reviewed included:

- Review of IT and data security policies and controls
- Review of the PBRC IT Disaster Recovery and Business Continuity Planning documentation and policies
- Review of data security and backup in the core lab areas

### Audit Findings:

Results of our testing indicated that controls are designed and carried out in a manner which effectively minimizes the risk of exposure of protected data, loss of research data and overall security of the PBRC network and network attached devices. Recommendations were

# Quarterly Audit Summary

*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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made to address the following three areas where controls may be enhanced:

- Use of cloud storage applications outside the oversight of the Information Technology Group at Pennington
- Security of "dual use" telecommunications closets
- Periodic reviews of Disaster Recovery and Business Continuity plan

Management's Response and Corrective Action Plan:

Management concurred with our recommendations and presented a corrective action plan to address them.

## Louisiana State University Health Sciences Center Shreveport

### **Risk Management – Internal Controls**

Audit Initiation:

This review originated as a scheduled audit from the Fiscal Year 2014 Board approved audit plan.

Audit Scope and Objectives:

The scope of the audit included LSU Health Sciences Center Shreveport financial transactions for the period July 1, 2014 to June 30, 2015.

The objective of this audit was to determine whether expected financial internal controls are in place and functioning properly in the areas of accounts payable, procurement, accounts receivable, cash handling, financial aid, payroll, and system access.

Audit Findings:

Based on testing performed, the following were noted:

- Inadequate controls over Additional Compensation
- Prohibited Student Loans from General funds
- Inadequate controls over Accounts Receivable

# Quarterly Audit Summary

*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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- Undistributed and Clearing accounts not reconciled
- Lack of segregation of duties in the cash handling process
- Untimely department deposits
- Lack of internal controls over system access
- Inadequate monitoring of alteration of timesheets
- Bidding process not followed
- Lack of segregation of duties for approval of requisitions and adding vendors
- Duplicate payments

Management's Response and Corrective Action Plan:

Management has developed a corrective action plan to address the recommendations. Their response is included in its entirety as Appendix A in the report.

## Louisiana State University Health Care Services Division (HCSD)

### **Patient Accounts**

Audit Initiation:

This review originated as a scheduled audit from the Fiscal Year 2016 Board approved audit plan.

Audit Scope and Objectives:

The audit objectives involved determining whether controls exist to:

1. Verify the commercial and Medicaid managed care contracts were authorized by the appropriate hospital and/or HCSD administrative staff
2. Confirm health insurance payments agreed with the contracted rates in effect during the test period
3. Prevent unauthorized changes to established hospital charges

# Quarterly Audit Summary

*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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The scope of this audit included all charges applied to commercial and Medicaid managed care payers for the period of February 1, 2016 to May 30, 2016. Audit procedures included a review of HCSD policies and procedures, a review of internal controls, interview department personnel, process walkthroughs, analysis of data for all in-scope areas, and other department records.

## Audit Findings:

Our test results indicated weaknesses within the contract approval process and in monitoring changes of the charge master. Some managed care contracts were executed without the Director of Managed Care's approval (14% or 3/21). The population included multi-facility contracts as well as those specific to an individual hospital. We also noted that the hospital administrator's approval (36% or 4/11) was missing from 11 contracts that were for specific facilities. Also, HCSD does not have a system in place to identify whether changes made to the charge master were authorized. As a result, we have the following recommendations for HCSD leadership:

1. HCSD management team should ensure the appropriate personnel approve all contracts.
2. HCSD staff should monitor changes to the charge master and ensure that all changes are appropriately authorized. An operational policy should be drafted to document these procedures.

## Management's Response and Corrective Action Plan:

Management agreed with the recommendation and is taking appropriate action to resolve the issues.

## **Follow-up to Legislative Auditor Finding-Moveable Property**

### Audit Initiation:

This audit was initiated to follow-up on the finding in the Louisiana Legislative Auditors (Legislative Auditor) financial statements audit for the year ended June 30, 2015, related to movable equipment that

# Quarterly Audit Summary

*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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was not properly tagged and accounted for in the state's asset management system.

## Audit Scope and Objectives:

Our objective was to review corrective actions taken by management to resolve the noted Louisiana Legislative Auditor (LLA) findings.

## Audit Findings (as reported by LLA):

### *Weaknesses over State Assets in New Orleans Hospital (UMC)*

The Legislative Auditor finding stated that according to HCSD and the partner's property control manager, the Division of Administration neglected to provide documentation to HCSD or the partner detailing the \$15,137,952 of OFPC equipment purchases. This prevented the Property Manager from tagging the qualifying assets and entering the information into the state's asset management system. Until proper documentation is provided by OFPC, it is unclear how much of the approximately \$15.1 million in purchased assets should have been tagged and reported to the LPAA. In addition, the partner identified unlocated movable property at ILH totaling \$1,095,467.

## Status:

- Of the property originally purchased for \$15,137,952, 2,151 assets totaling \$13,459,531 have been tagged. There is approximately \$19,494 worth of movable equipment left to be tagged. The remaining assets are valued under \$1,000 each and are not required to be tagged. Twenty assets with a total value of \$2,363,823 were selected for testing. All of the items tested were tagged, in the proper location, and the information was verified in the Asset Management System (AMS).
- UMC is providing HCSD Finance with a monthly reconciliation that reflects the items purchased and/or surplused during the month.

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- Any movable property that was reported in the MCLNO/ILH unit that has been moved to the new facility will be transferred and assigned new property tags. Any movable equipment not moved for the use of UMC will either be transferred to HSC-NO or surplused. LPAA will certify this unit.
- HCSD and UMC have located 38 items totaling \$89,975.28 of the \$1,095,467 that was reported missing in the Legislative Auditor's report. We will receive representation from management of their efforts to locate missing items.

## *Weaknesses over Property Control (as reported by LLA)*

According to the Legislative Auditor report, HCSD was unable to locate \$4,685,445 (or 79%) of \$5,914,803 of the Earl K. Long Medical Center's (EKLMC) non-leased assets during the 2015 LPAA inventory certification. HCSD did not perform a physical inventory or complete the 2014 LPAA certification reporting for EKLMC non-leased assets. The partner did not perform a physical inventory or complete the 2014 LPAA certification reporting for the leased assets, as required in the equipment lease. A 2015 LPAA certification was performed.

## Status:

- Of the 694 items that had been reported as unlocated, approximately 116 items valued at \$1,496,955 were found.
- HCSD property control staff along with the Our Lady of the Lake (LOL) Property Managers conducted an inventory of equipment at the leased clinic locations to determine if any of the unlocated assets in the EKLMC LPAA Inventory are housed at any of those locations. The EKLMC LPAA inventory was updated with any previously unlocated assets that were identified. LOL's Property Manager completed and submitted a physical inventory for fiscal year 2016 for the LOL LPAA Inventory Unit by the scheduled April 30, 2016 due date.



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*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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- The monthly reconciliation that reflects the items purchased and/or surplused during the month is being completed by the Fiscal Analyst and Property Manager of OLOL.

## Louisiana State University Shreveport (LSUS)

### **Scholarships and Financial Aid Review**

#### Audit Initiation:

This review originated as a scheduled audit from the Fiscal Year 2016 Board approved audit plan.

#### Audit Scope and Objectives:

The scope of the audit included LSU-Shreveport financial aid transactions for the period July 1, 2014 to June 30, 2015.

The objective of this audit was to determine whether expected financial internal controls are in place and functioning properly to sufficiently mitigate significant risks in the areas of waivers of tuition & fees, scholarships & awards, Title IV Aid, and system access.

#### Audit Findings:

Recommendations were made to address the following areas where controls should be enhanced:

- University-wide policy for administration of scholarship and exemption programs
  - Standardized selection process
  - Retention of supporting documents and selection committee meeting minutes
  - Modification of eligibility criteria documents
  - Comprehensive list of scholarships
- Monitoring by the Financial Aid Office
  - Validation of recipients eligibility
  - Validation of term and value of awards
  - Compliance with university policy
- Athletic Council approval of athletic grants
- Maintenance of origination (authorizing) documents

# Quarterly Audit Summary

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- Timely Return of Title IV funds
- Title IV award financial reconciliation
- Inadequate user access to Financier (financial aid application)

Management's Response and Corrective Action Plan:

Management concurred with our recommendations and is in the process of implementing corrective action plans.

## **Procedural Report (Louisiana Legislative Auditor)**

Audit Initiation:

This audit was conducted by the Louisiana Legislative Auditor's Office.

Audit Scope and Objectives:

These procedures were conducted to evaluate certain controls LSUS uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and overall accountability over public fund for the period July 1, 2014 through June 9, 2016.

Audit Findings:

There were no exceptions noted.

## Louisiana State University at Eunice (LSUE)

### **Procedural Report (Louisiana Legislative Auditor)**

Audit Initiation:

This audit was conducted by the Louisiana Legislative Auditor's Office.

Audit Scope and Objectives:

These procedures were conducted to evaluate certain controls LSUE uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and overall accountability

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*Fiscal Year 2016, 4<sup>th</sup> Quarter*

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over public fund for the period July 1, 2014 through June 30, 2016.

## Audit Findings:

LSUE has not established adequate segregation of duties over the receipt, deposit, and recording of cash receipts.

## Management's Response and Corrective Action Plan:

Management developed a corrective action plan to address the risk created by the lack of segregation of duties.

Louisiana State University  
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# **ANNUAL REPORT**

*Fiscal Year 2016*

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## **INTERNAL AUDIT OVERVIEW**

### *Vision*

To be viewed as a valued business partner and a trusted advisor and recognized as a driving force behind a culture of governance, accountability, compliance, and execution that helps in the achievement of the University's objectives.

### *Mission*

Internal Audit is committed to providing independent, objective, and timely service, as well as responding to requests for consulting and other services, and to adding value to and improving the University's operations. Internal Audit helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

### *Strategic Goals*

- Focus on the University's Highest Risks
- Provide Impactful Reporting to Stakeholders
- Maintain Efficient and Effective Audit Processes
- Maintain an Adequately Skilled and Knowledgeable Staff

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## **Focus on the University's Highest Risks**

The scope of Internal Audit activities is primarily defined through an annual risk assessment process, the results of which are used to establish the Internal Audit Plan.

### *Internal Audit's Responsibility Regarding Risk*

Internal Audit has responsibility for evaluating the effectiveness and efficiency of controls established by management for the purpose of managing risk. A risk is anything that could occur that would impact the achievement of an objective and is generally measured in terms of impact and likelihood.

### *Risk Assessment Process*

The purpose of our annual risk assessment is to aid Internal Audit in developing a risk-based plan of activities for the upcoming fiscal year. In this process, Internal Audit evaluates risk exposures relating to the University's governance, operations, and information systems regarding the following:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and programs
- Safeguarding of assets
- Compliance with laws, regulations, policies, procedures and contracts

Risks are identified, in part, by seeking input from executive management, operating management and external sources including external audits.

In making a determination regarding the level of risk, the following factors are also considered: inherent risk, existing internal controls, results of analytics, results of previous audits, volume (e.g. number

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and dollar amount of transactions), value-added potential, management interest and auditor discretion.

To address the risk of fraud, on August 1, 2014 the University issued Permanent Memorandum (PM) 76 - Detection, Reporting and Investigation of Incidents of Financial Irregularity. In addition, the LSU Ethics and Integrity Hotline, which is monitored by EthicsPoint, provides a secure and confidential means to report suspected fraudulent or unethical behavior.

## Annual Audit Plan

Based on our risk assessment, an annual audit plan is developed and presented to the Board of Supervisors Audit Committee for approval. Risks are classified on the Audit Plan by major functional category with effort budgeted in each area. Appendix A includes a list of audit activity by functional risk category and the chart below shows the percent of planned and actual effort achieved in FY 2016 per category:

<b>FUNCTIONAL RISK CATEGORY</b>	<b>2016 Planned % Effort</b>	<b>2016 Actual % Effort</b>
Auxiliary and Service Departments	7%	3%
Financial Management	31%	39%
Governance and External Relationships	9%	5%
Hospital and Patient Care	2%	
Human Resources	8%	11%
Information Technology	13%	14%
Instruction and Academic Support	10%	9%
Plant Operations and Management	6%	
Purchasing and Warehousing		7%
Research and Development	5%	2%
Student Services	9%	10%
	<b>100%</b>	<b>100%</b>



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## Provide Impactful Reporting to Stakeholders

### Audit Reports

Reports are issued at the end of each engagement to the President, Chancellors and other responsible parties at each institution. Each report includes a response from management that indicates whether or not they concur with the recommendations and the corrective action that they plan to implement in response.

The list of reports issued by campus for FY 2016 is included as *Appendix B*.

### Outstanding Action Plans

At the conclusion of each project, responsible management responds to each finding and recommendation with an action plan that they will implement to address the issue. Internal audit follows-up with them at the appropriate time to determine if the corrective action was taken and if those actions adequately resolved the issue. A report on Outstanding Action Plans is provided periodically to the Audit Committee. The following chart shows the FY 2016 action plan activity for each campus:

Campus	Open as of July 1, 2015	Added during FY 2016	Resolved During FY 2016	Open Action plans
LSU A&M	36	17	(20)	33
LSU Agricultural Center	6	0	(5)	1
LSU-Alexandria	9	0	(4)	5
LSU-Eunice	0	4	0	4
LSU-Shreveport	0	6	0	6
LSUHSC-New Orleans	6	5	(5)	6
LSUHSC-Shreveport	26	21	(13)	34
LSU HCSD	6	0	(5)	1
PBRC	9	0	(7)	2
	98	53	(59)	92

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## Investigations

Internal Audit is responsible for conducting investigations when allegations of fraud, conflicts of interest, or significant non-compliance with regulations or policies are reported. Reports of alleged violations are received through LSU Ethics & Integrity Hotline, phone calls or emails, through direct reports made by employees, faculty, contractors, students, vendors or through information discovered during regularly scheduled audits and audits requested by management.

During FY 2016, Internal Audit spent nearly 3500 hours conducting or overseeing a total of 144 investigations, including seven that were carried forward from FY 2015. The other 137 investigations (95.1%) were opened after receiving new reports. Of the 137 reports received, 77 (56.2%) were received through the LSU Ethics & Integrity Hotline. Two investigations remained open at June 30, 2016 and were carried over into FY 2017 for continued investigation.

## **Maintain Efficient and Effective Audit Processes**

In accordance with Louisiana Revised Statute 17:3351.I, the Office of Internal Audit is maintained as an independent function that conforms to the *Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing (Standards)*. Internal Audit has established a Quality Assurance and Improvement Program (QAIP) designed to provide ongoing measurement and analyses of performance metrics to ensure compliance with the *Standards*.

## External Quality Assurance Review

Internal Audit is required to have an external quality assurance review at least every five years. This review was last completed in FY 2014 with Internal Audit receiving an overall rating of "generally conforms" to the *Standards*. This opinion is the highest possible rating and means that practices are in place to ensure the independence, objectivity and proficiency of Internal Audit.

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## *Productivity Performance Measures*

- *Audit plan accomplishment*

Each year an audit plan is developed based on results of an annual risk assessment. Risks are continually monitored and the audit plan is revised as necessary to address significant changes that may arise. Our QAIP establishes a target of 75% completion of our audit plan. This target allows for flexibility for unplanned audit work that may be necessary. The chart below illustrates the status of the 2016 Audit Plan:

<b>2016 Audit Plan Status</b>	<b>#</b>	<b>%</b>
Audits on Plan (as revised)	29	
Audits substantially complete at 6/30/2016	25	86%
Audits currently in progress and carried forward to FY 2017	4	14%

- *Direct/Indirect effort*

Audit staff allocate their time between direct hours and indirect hours. Direct hours include time spent working on audits, consultations, special projects and investigations. Indirect hours include paid leave, meetings, training and administrative tasks. Our QAIP set a goal for our staff of 75% direct audit hours in FY 2016, and we achieved 76%.

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## Maintain an Adequately Skilled and Knowledgeable Staff

### Internal Audit Staffing

	As of 6/30/14	As of 6/30/15	As of 6/30/16
Professional Staff	15	15	15
Administrative Support	1	1	1

### Degrees Held

Percent of audit staff with Bachelor Degree	100%
Percent of audit staff with Advanced Degree	38%
Percent of audit staff with Professional Certifications	86%

Note that all staff not currently holding a certification are actively pursuing one.

### Certifications Held (Some staff hold multiple certifications.)

Certified Public Accountant	5
Certified Internal Auditor	4
Certified Fraud Examiner	3
Certified Information Systems Auditor	1
Certified Compliance and Ethics Professional	1

### Training and Professional Development

Our professional audit staff completed over 1200 hours of continuing professional development in FY 2016. This included training provided by the Association of College and University Auditors (ACUA), the local and national chapters of the Institute of Internal Auditors (IIA), the LSU Department of Accounting and others. Training ensures that staff are current on auditing best practices and helps develop subject matter expertise that is valuable to the organization.

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*APPENDIX A*

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## **FY 2016 Audit Activity by Functional Risk Category**

### **Academic Medical Center**

1525 HSCNO - Dental School and Allied Health Revenue

### **Auxiliary and Service Departments**

1620 HSCNO - Campus Security (in progress)

### **Financial Management**

1501 LSU - Leave Policy Application

1510 LSU - LSU First – Agreed Upon Procedures

1603 LSU - Related Bank Accounts

1519 LSUE - Risk Management – Internal Controls Review

1517 LSUS - Risk Management – Internal Controls Review

1515 HSCS - Professional Billing

1513 HSCS - Risk Management – Internal Controls Review

1629 HSNO - Additional Compensation

1630 AgCtr - Financial Internal Controls (substantially complete)

1614 HSCS - Capital Assets (in progress)

1619 HSCNO - Time and Attendance (in progress)

1622 HCSD - Patient Accounts (substantially complete)

### **Governance and External Relations**

1609 LSU - Monitoring of Foundations through Affiliation Agreements (in progress)

### **Hospital and Patient Care**

1527 HCSD - Cash Posting to Accounts

### **Human Resources**

1523 HSCNO - Hiring Practices

1502 LSU - Employee On-Boarding and Termination (substantially complete)

### **Information Technology**

1612 PBRC - Research Data Security (substantially complete)

1506 LSU - Email Security and Retention (substantially complete)

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1505 Multi-campus - Enterprise Software Licensing  
1526 HCSD - Data Warehousing

## **Instruction and Academic Support**

1604 LSU - Summer School Additional Compensation  
1606 LSU - Academic Eligibility Controls

## **Purchasing and Warehousing**

1509 LSU - Procurement  
1631 HCSD - Movable Property (Legislative Auditor Follow-up)

## **Research and Development**

1602 PBRC - Research Uniform Guidance Implementation  
(substantially complete)

## **Student Services**

1617 HSCNO - Financial Aid  
1616 LSUS - Scholarships and Financial Aid

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## **FY 2016 Reports Issued by Campus**

### **LSU A & M**

1501 Leave Policy Application  
1509 Procurement  
1510 LSU First – Agreed Upon Procedures  
1604 Summer School Additional Compensation  
1603 Related Bank Accounts  
1606 Academic Eligibility Controls

### **LSU HEALTH SCIENCES CENTER – SHREVEPORT**

1515 Professional Billing  
1513 Risk Management – Internal Controls Review

### **LSU HEALTH SCIENCES CENTER – NEW ORLEANS**

1523 Hiring Practices  
1525 Dental School and Allied Health – Revenue Collection  
1617 Financial Aid  
1629 Additional Compensation

### **LSU HEALTH CARE SERVICES DIVISION**

1526 Data Warehousing (IT)  
1527 Cash Posting to Accounts  
1631 Movable Property (Legislative Auditor Follow-up)

### **LSU EUNICE**

1519 Risk Management – Internal Control Review

### **LSU Shreveport**

1517 Risk Management – Internal Control Review  
1616 Scholarships and Financial Aid

### **Multi-campus**

1505 Enterprise Software Licensing (IT)

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## **Audits Substantially Complete at June 30, 2016**

1502 LSU - Employee On-boarding and Termination  
1506 LSU - Email Security and Retention (IT)  
1630 AgCtr - Financial Internal Controls  
1612 PBRC - Research Data Security (IT)  
1602 PBRC - Research - Uniform Guidance Implementation  
1622 HSCD - Patient Accounts

## **Audits in Progress at June 30, 2016**

1609 LSU - Monitoring of Foundations through Affiliation Agreements  
1614 HSCS - Capital Assets  
1619 HSCNO - Time and Attendance  
1620 HSCNO - Campus Security

## **Other Audit Activities:**

- IT Support
- Workday implementation
- Follow-up on corrective action plans from prior audits
- Annual risk assessment and planning
- Review of external audits of LSU System campuses
- Quality Assessment and Improvement Program
- Continuous monitoring programs
- Investigations



**LSU**  
**Deposit and Collateral Report**  
**For the Quarter Ended September 30, 2016**

Deposits Requiring Posting of Collateral:	Demand Deposit Sweep/MMA Repurchase	Certificates of Deposit	Total Deposits in Financial Institutions	Collateral (1)
<b>LSU A &amp; M and LSU Health New Orleans</b>				
Chase - LSU, Health Plan Premium	\$ 163,381,992		\$ 163,381,992	\$ 217,207,395
Chase-HSCNO	18,145,981	\$ 18,600	18,164,581	31,355,043
Capital One - LSU-A	4,604,960		4,604,960	4,354,960
St. Landry Bank - LSU-E	192,958		192,958	1,000,071
<b>Total</b>	<b>\$ 186,325,891</b>	<b>\$ 18,600</b>	<b>\$ 186,344,491</b>	<b>\$ 253,917,469</b>
<b>LSU Health Shreveport</b>				
US Bank	\$ 4,492		\$ 4,492	\$ 250,000
Regions Bank-EA Conway	1,417,307		1,417,307	1,440,653
Regions Bank-Huey P Long	460,977		460,977	465,197
Regions Bank-Shreveport	59,740,784		59,740,784	68,000,711
Regions Bank-Shreveport Endowment Fds	6,931,481		6,931,481	
<b>Total</b>	<b>\$ 68,555,041</b>	<b>\$ -</b>	<b>\$ 68,555,041</b>	<b>\$ 70,156,561</b>
<b>LSU HCSD</b>				
JP Morgan Chase (HCSD)	\$ 43,602,414		\$ 43,602,414	\$ 46,503,595
Capital One (MCLNO Trust Fund)	4,083,997		4,083,997	9,687,851
<b>Total</b>	<b>\$ 47,686,411</b>		<b>\$ 47,686,411</b>	<b>\$ 56,191,446</b>
<b>LSU - Shreveport</b>				
Campus Federal Credit Union		\$ 100,213	\$ 100,213	\$ 250,000
Regions Bank				
Capital One (Hibernia National Bank)	\$ 7,185,558		7,185,558	9,136,003
<b>Total</b>	<b>\$ 7,185,558</b>	<b>\$ 100,213</b>	<b>\$ 7,285,771</b>	<b>\$ 9,386,003</b>
<b>Total Requiring Collateral</b>	<b>\$ 309,752,901</b>	<b>\$ 118,813</b>	<b>\$ 309,871,714</b>	<b>\$ 389,651,479</b>
<b>Deposits In Trust or Federal Obligations Not Requiring Collateral</b>				
Repo's (Bank of New York)	\$ 31,599,035		\$ 31,599,035	
Federated Money Markets	49,185,841		49,185,841	
Federated Funds-Treas. Oblig. (2)	13,812		13,812	
<b>Total</b>	<b>\$ 80,798,688</b>	<b>\$ -</b>	<b>\$ 80,798,688</b>	
<b>Total Deposits</b>	<b>\$ 390,551,589</b>	<b>\$ 118,813</b>	<b>\$ 390,670,402</b>	

(1) Collateral amounts include FDIC coverage of \$250,000 on Demand Deposits, \$250,000 on CD's and \$250,000 by the National Credit Union Share Insurance Fund on deposits with Campus Federal Credit Union.

(2) One Group & Federated Funds are no-load, open ended mutual funds investing in U.S. Treasury obligations.

LSU  
Investment Summary  
For the Quarter Ended September 30, 2016

Fund Description	As of 7/1/2016			As of 9/30/2016		As of 12/31/2016		As of 3/31/2017		As of 06/30/2017	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
<b>Current Funds</b>											
Cash/Sweeps	\$220,965,188	\$298,452,168	\$298,452,168	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Money Market Accounts/Repos (A)	\$2,007,708	\$7,137,665	\$7,137,665	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificates of Deposit	\$100,213	\$100,213	\$100,213	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treasury Notes	\$12,142,653	\$11,546,211	\$12,038,838	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CMO's	\$614,148	\$444,892	\$447,846	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Agency Securities (B)	\$91,221,542	\$104,166,209	\$106,777,636	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mortgaged Backed Securities	\$37,344,568	\$35,034,733	\$35,800,847	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Securities (C)	\$61,043	\$0	\$68,148	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Mutual Funds	\$45,093,538	\$46,697,531	\$45,023,968	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Bonds (E)	\$60,025,003	\$61,402,164	\$62,817,171	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporate Bonds (D)	\$181,950,335	\$178,919,146	\$183,946,167	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$651,525,939</b>	<b>\$743,900,932</b>	<b>\$752,610,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Endowment Funds</b>											
Cash/Sweeps	\$6,930,453	\$6,931,481	\$6,931,481	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Money Market Accounts/Repos (A)	\$0	\$1,440,718	\$1,440,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificates of Deposit	\$18,600	\$18,600	\$18,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Agency Securities (B)	\$5,602,078	\$4,978,944	\$5,068,759	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mortgaged Backed Securities	\$1,319,316	\$1,133,095	\$1,149,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Securities (C)	\$9,730,180	\$6,171,551	\$10,054,907	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mutual Funds	\$49,429,471	\$51,026,217	\$54,685,188	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Bonds (E)	1,256,822	1,153,189	\$1,176,339	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporate Bonds (D)	7,404,973	\$6,547,513	\$6,920,005	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$81,691,893</b>	<b>\$79,401,308</b>	<b>\$87,445,497</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Funds</b>											
Cash/Sweeps	\$4,228,577	\$4,369,228	\$4,369,228	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Money Market Accounts/Repos (A)	\$102,033,060	\$72,206,517	\$72,206,517	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treasury Notes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Agency Securities (B)	\$7,876,330	\$7,215,695	\$7,809,736	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Securities (C)	\$464,950	\$0	\$432,909	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
US Gov Related Securities	\$16,295	\$13,812	\$13,812	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$114,619,212</b>	<b>\$83,805,252</b>	<b>\$84,832,202</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$847,837,044</b>	<b>\$907,107,492</b>	<b>\$924,888,366</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Deposits in Financial Institutions</b>											
Total Cash/Sweeps/MMA/Repos	\$336,164,986	\$390,537,777	\$390,537,777	\$0	\$0	\$2	\$0	\$0	\$0	\$0	\$0
Total Certificates of Deposit	\$118,813	\$118,813	\$118,813	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
US Gov Related Securities	\$16,295	\$13,812	\$13,812	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Deposits</b>	<b>\$336,300,094</b>	<b>\$390,670,402</b>	<b>\$390,670,402</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Investments</b>											
Treasury Notes	\$12,142,653	\$11,546,211	\$12,038,838	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CMO's	\$614,148	\$444,892	\$447,846	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Agency Securities (B)	\$104,699,950	\$116,360,848	\$119,656,131	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mortgaged Backed Securities	\$38,663,884	\$36,167,828	\$36,950,347	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Securities (C)	\$10,256,173	\$6,171,551	\$10,555,964	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Mutual Funds	\$45,093,538	\$46,697,531	\$45,023,968	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mutual Funds	\$49,429,471	\$51,026,217	\$54,685,188	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Bonds (E)	\$61,281,825	\$62,555,353	\$63,993,510	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporate Bonds (D)	\$189,355,308	\$185,466,659	\$190,866,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Other</b>	<b>\$511,536,950</b>	<b>\$516,437,090</b>	<b>\$534,217,964</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$847,837,044</b>	<b>\$907,107,492</b>	<b>\$924,888,366</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>LSU and Related Campuses</b>											
<b>Current Funds</b>											
Cash/Sweeps	\$122,925,583	\$186,325,891	\$186,325,891	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Money Market Accounts/Repos (A)	\$0	\$7,137,638	\$7,137,638	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treasury Notes	\$12,142,653	\$11,546,211	\$12,038,838	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CMO's	\$614,148	\$444,892	\$447,846	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Agency Securities (B)	\$85,959,811	\$98,908,406	\$101,524,214	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mortgaged Backed Securities	\$34,548,252	\$32,306,981	\$33,123,858	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Securities (C)	\$61,043	\$0	\$68,148	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Mutual Funds	\$45,093,538	\$46,697,531	\$45,023,968	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Bonds (E)	\$57,320,194	\$57,761,854	\$59,166,554	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporate Bonds (D)	\$179,633,824	\$176,622,208	\$181,649,287	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
US Gov Related Securities											
<b>Total</b>	<b>\$538,299,046</b>	<b>\$617,751,612</b>	<b>\$626,506,242</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Endowment Funds</b>											
Money Market Accounts/Repos (A)	\$0	\$1,440,718	\$1,440,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificates of Deposit	\$18,600	\$18,600	\$18,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Agency Securities (B)	\$5,602,078	\$4,978,944	\$5,068,759	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mortgaged Backed Securities	\$1,319,316	\$1,133,095	\$1,149,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Securities (C)	\$9,722,530	\$6,163,901	\$10,041,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Bonds	\$1,256,822	\$1,153,189	\$1,176,339	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporate Bonds (D)	\$7,404,973	\$6,547,513	\$6,920,005	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
US Gov Related Securities											
<b>Total</b>	<b>\$25,324,319</b>	<b>\$21,435,960</b>	<b>\$25,814,959</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Funds</b>											
Money Market Accounts/Repos (A)	\$64,520,398	\$32,135,509	\$32,135,509	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treasury Notes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Agency Securities (B)	\$7,876,330	\$7,215,695	\$7,809,736	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$72,396,728</b>	<b>\$39,351,204</b>	<b>\$39,945,245</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$636,020,093</b>	<b>\$678,538,776</b>	<b>\$692,266,446</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**LSU**  
**Investment Summary**  
**For the Quarter Ended September 30, 2016**

Fund Description	As of 7/1/2016	As of 9/30/2016		As of 12/31/2016		As of 3/31/2017		As of 06/30/2017	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
<b>LSU Health Shreveport</b>									
<b>Current Funds</b>									
Cash/Sweeps S.	\$52,626,700	\$59,745,276	\$59,745,276						
Cash/Sweeps C.	\$1,290,500	\$1,417,307	\$1,417,307						
Cash/Sweeps H.	\$499,056	\$460,977	\$460,977						
<b>Cash/Sweeps</b>	<b>\$54,416,256</b>	<b>\$61,623,560</b>	<b>\$61,623,560</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Money Market Accounts/Repos (A)	\$1,506,001	\$3	\$3						
Agency Securities (B)	\$5,261,731	\$5,257,803	\$5,253,422						
Mortgaged Backed Securities (B)	\$2,796,316	\$2,727,752	\$2,676,989						
Municipal Bonds (E)	\$2,704,809	\$3,640,310	\$3,650,617						
Corporate Bonds (D)	\$2,316,511	\$2,296,938	\$2,296,880						
<b>Total</b>	<b>\$69,001,624</b>	<b>\$75,546,366</b>	<b>\$75,501,471</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Endowment Funds</b>									
Cash/Sweeps	\$6,930,453	\$6,931,481	\$6,931,481						
Equity Securities (C)	\$7,650	\$7,650	\$13,869						
Mutual Funds	\$49,429,471	\$49,873,028	\$53,508,849						
<b>Total</b>	<b>\$56,367,574</b>	<b>\$56,812,159</b>	<b>\$60,454,199</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$125,369,198</b>	<b>\$132,358,525</b>	<b>\$135,955,670</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>LSU HCSD</b>									
<b>Current Funds</b>									
Cash/Sweeps	\$43,641,215	\$43,602,414	\$43,602,414						
<b>Total</b>	<b>\$43,641,215</b>	<b>\$43,602,414</b>	<b>\$43,602,414</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Funds</b>									
Cash/Sweeps	\$3,943,346	\$4,083,997	\$4,083,997						
Money Market Accounts/Repos (A)	\$37,512,662	\$40,071,008	\$40,071,008						
Equity Securities (C)	\$464,950		\$432,909						
US Gov Related Securities	\$16,295	\$13,812	\$13,812						
<b>Total</b>	<b>\$41,937,253</b>	<b>\$44,168,817</b>	<b>\$44,601,726</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$85,578,468</b>	<b>\$87,771,231</b>	<b>\$88,204,140</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>LSU - Shreveport</b>									
<b>Current Funds *</b>									
Cash/Sweeps	(\$17,866)	\$6,900,303	\$6,900,303						
Money Market Accounts/Repos (A)	\$501,707	\$24	\$24						
Certificates of Deposit	\$100,213	\$100,213	\$100,213						
<b>Total</b>	<b>\$584,054</b>	<b>\$7,000,540</b>	<b>\$7,000,540</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Endowment Funds **</b>									
Cash/Sweeps									
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Funds</b>									
Cash/Sweeps	\$285,231	\$285,231	\$285,231						
<b>Total</b>	<b>\$285,231</b>	<b>\$285,231</b>	<b>\$285,231</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$869,285</b>	<b>\$7,285,771</b>	<b>\$7,285,771</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>System Total</b>	<b>\$847,837,044</b>	<b>\$905,954,303</b>	<b>\$923,712,027</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* LSUS has deposited \$5,076,767 with LSU A&M Campus for investment purposes. Also, negative balance in the cash/Sweeps section of the current funds does not represent an actual negative bank balance rather it represents a timing difference of the allocation of the current funds.

\*\* Small endowment funds at LSUS were moved to the LSUS Foundation to accommodate Workday.

**BENCHMARK NOTES (Example Only)**

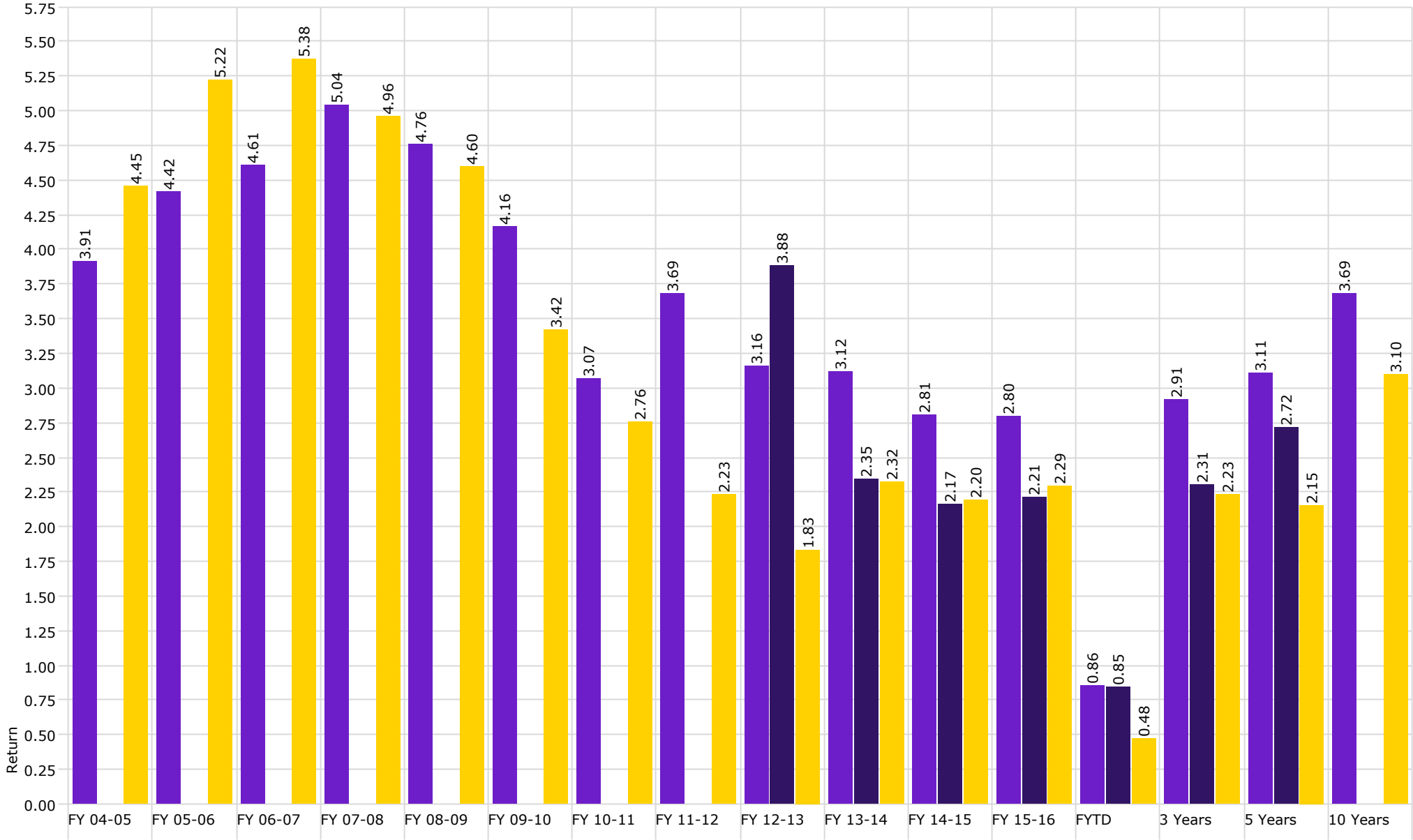
- (A) Benchmarked against 90 day T-Bill
- (B) Benchmarked against Barclay's US Agg Bond TR USD
- (C) US equities benchmarked against Russell 3000 and international against MSCI emerging markets
- (D) Benchmarked against XYZ
- (E) Benchmarked against XYZ

Disclaimer: Pursuant to PM-9, corporate bonds/notes only available for investment beginning 7-1-2011. Louisiana law provides for restrictions on maturity and allocation and may effect benchmark comparisons.



# Investment Management Program Non Endowed Accounts **Realized Yield**

As of 9/30/2016

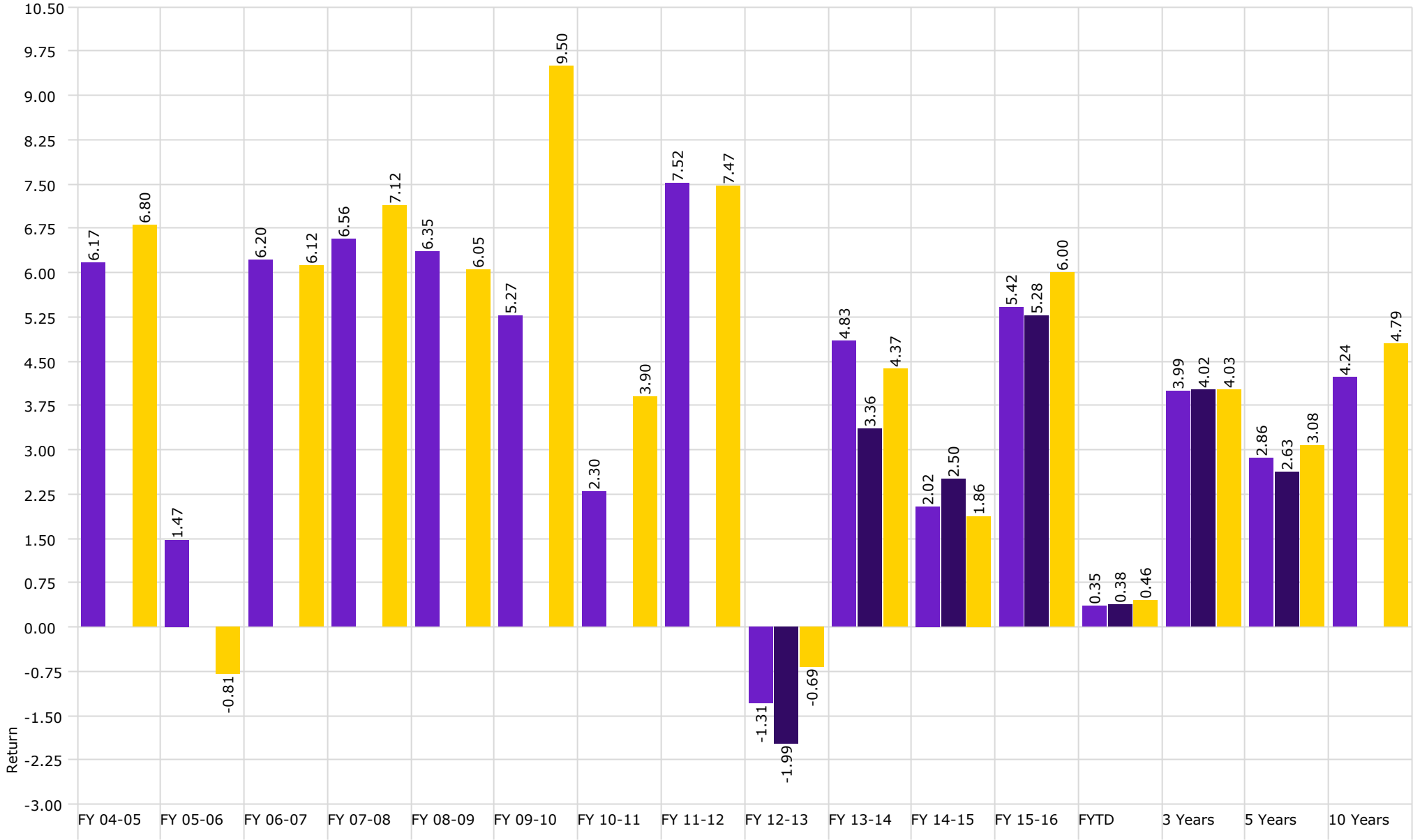


■ Non Endowed     
 ■ Health Plan     
 ■ Barclays Aggregate Bond Index



# Investment Management Program Non Endowed Accounts **Total Return**

As of 9/30/2016



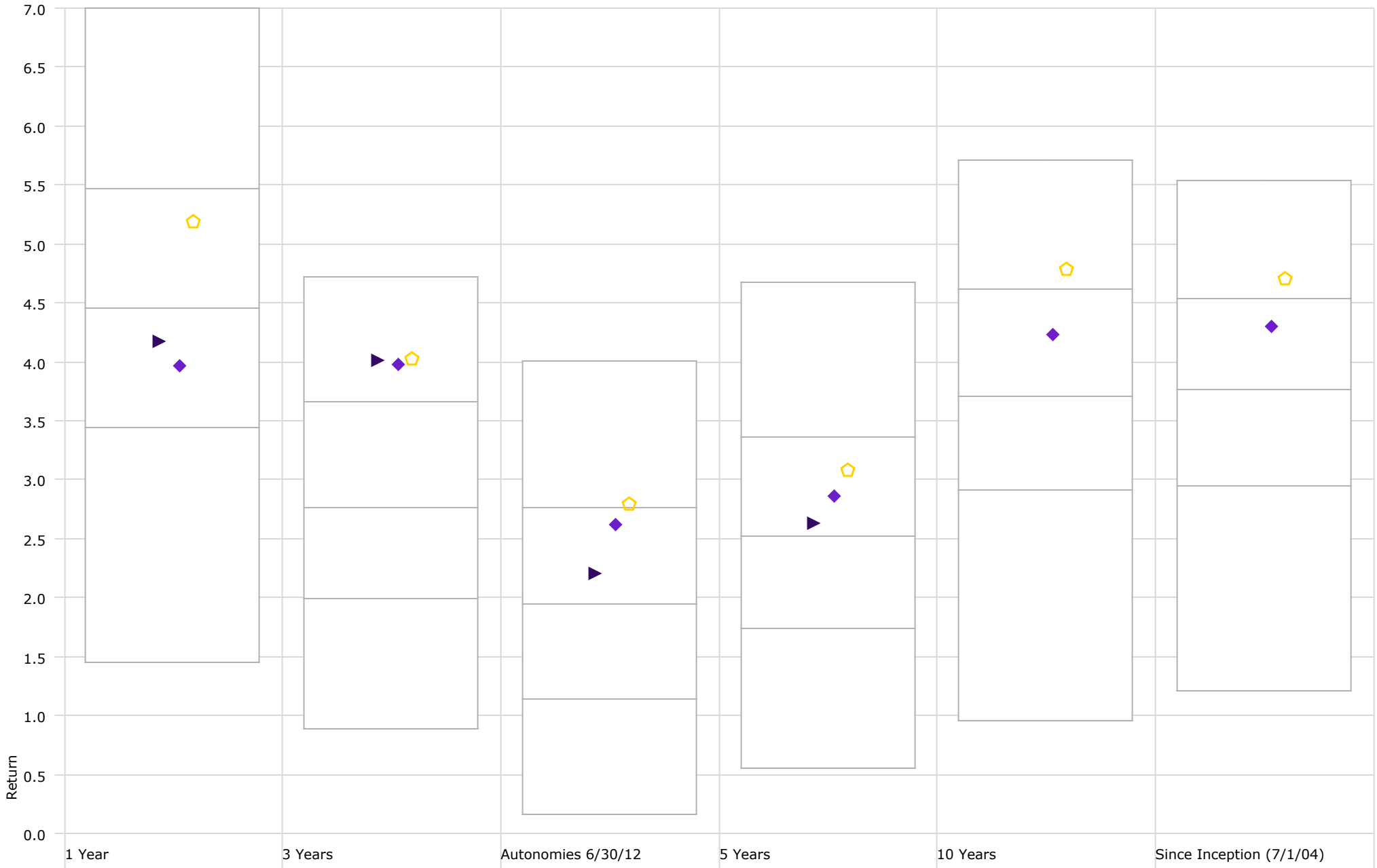
■ Non Endowed

■ Health Plan

■ Barclays Aggregate Bond Index

# Performance Relative to Peer Group (Total Return)

Peer Group (5-95%): All Managed Investments - U.S. - Intermediate-Term Bond



◆ Non-Ended

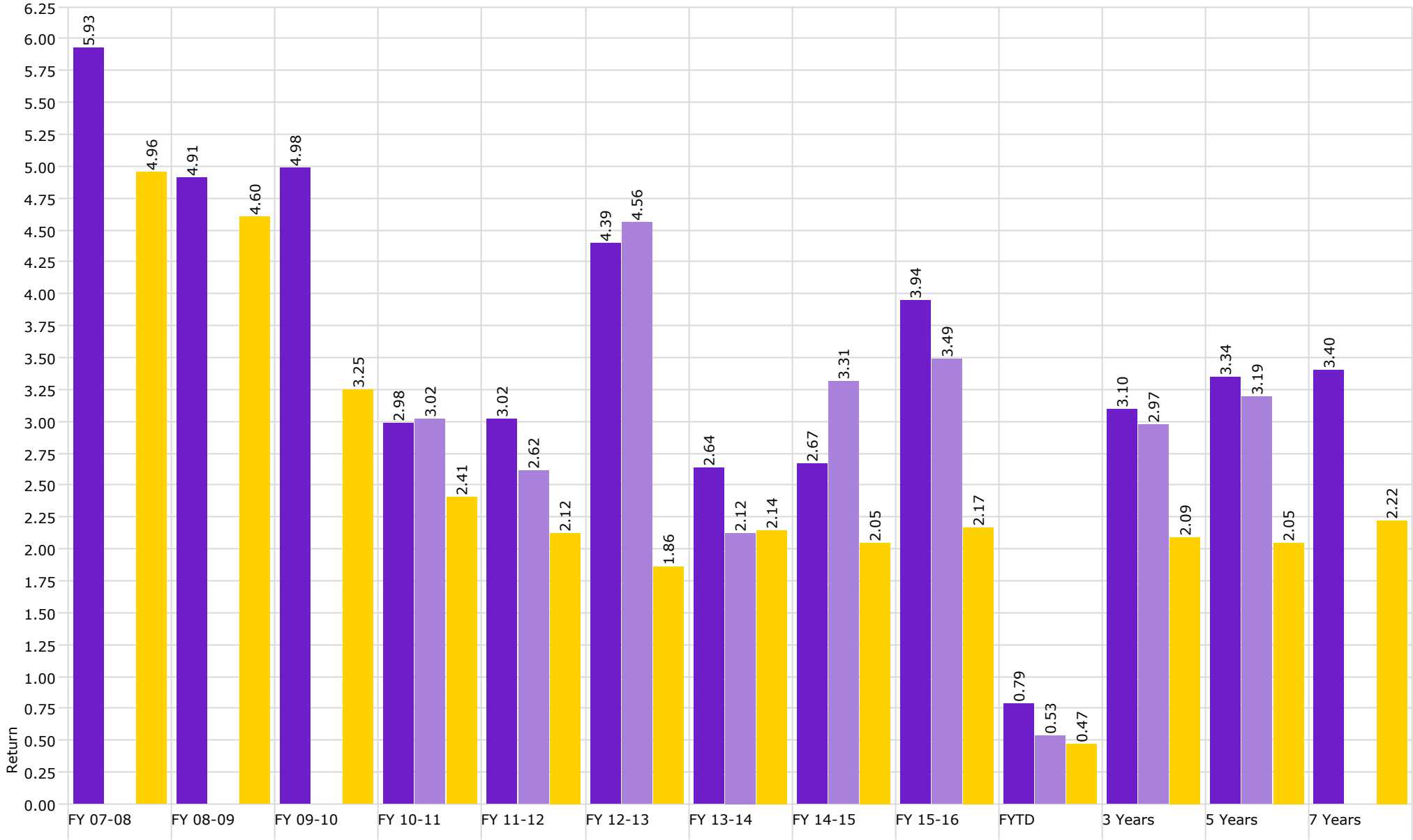
▶ Health Plan

◇ Barclays Aggregate Bond Index



# Investment Management Program Endowed Accounts **Realized Yield**

As of 9/30/2016



■ Endowment

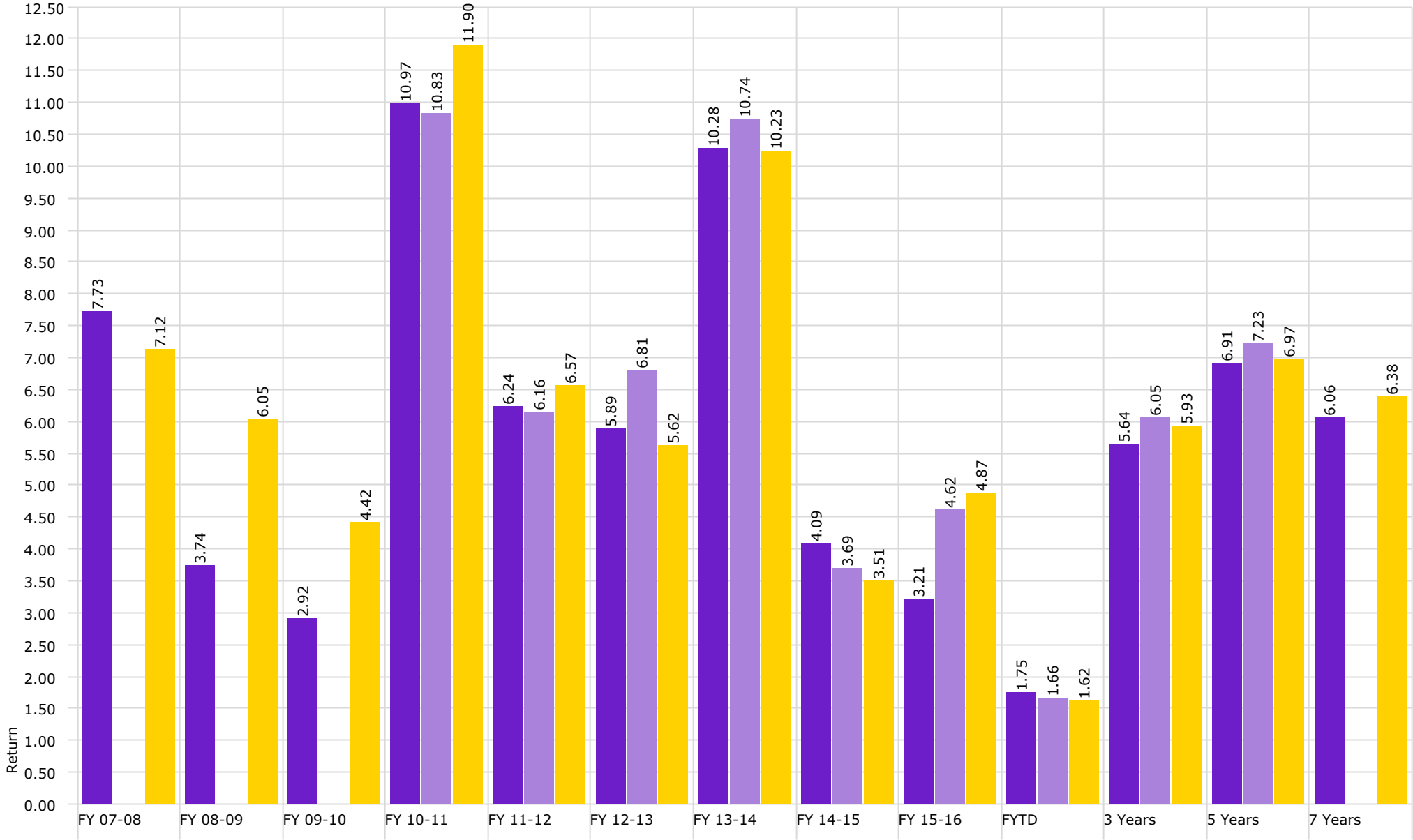
■ Osher

■ Endowed Benchmark



# Investment Management Program Endowed Accounts **Total Return**

As of 9/30/2016



■ Endowment

■ Osher

■ Endowed Benchmark