



SOUTHEASTERN

LOUISIANA UNIVERSITY

Annual Financial Statements

**for the fiscal year ended
June 30, 2005**

STATE OF LOUISIANA
COLLEGE AND UNIVERSITY SYSTEMS
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STATE OF LOUISIANA
COLLEGE AND UNIVERSITY SYSTEMS
END OF YEAR REPORT PACKET

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UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2005

The Management's Discussion and Analysis of Southeastern Louisiana University's financial performance presents a narrative overview and analysis of Southeastern's financial activities for the year ended June 30, 2005. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with Southeastern's financial statements, which begin on page 1.

FINANCIAL HIGHLIGHTS

Southeastern Louisiana University's net assets overall changed from \$108,138,647 to \$107,550,042 from June 30, 2004 to June 30, 2005, which represents a 0.54% decrease. The overall reasons for this change included:

- ◆ Decrease in capital appropriation
- ◆ Increase in Bonds Payable

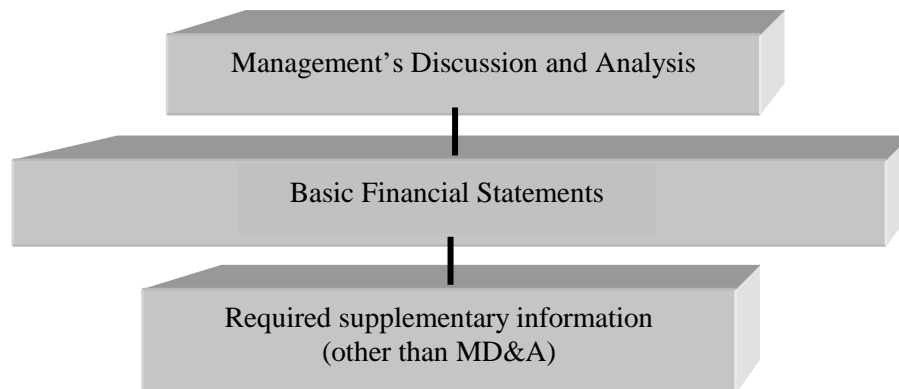
Enrollment changed from 36,465 (Summer 6,042, Fall 15,662, Spring 14,761) to 35,471 (Summer 5,536, Fall 15,472, Spring 14,463) from June 30, 2004 to June 30, 2005, a change of 2.73%. The reason for this change is attributed to the early implementation of new admission standards.

Southeastern Louisiana University's operating revenues increased from \$78,232,052 to \$83,471,828 or 6.70% from June 30, 2004 to June 30, 2005. Operating expenses increased by 8.09% to \$129,858,182 for the year ended June 30, 2005. The changes in enrollment as discussed above with the increase in tuition and fees are the primary reasons for this change.

Nonoperating revenues (expenses) fluctuate depending upon levels of state operating and capital appropriations. The change to \$41,325,208 in 2005 from \$42,586,397 in 2004 is attributed to an increase in state appropriation, an increase in investment income, a decrease in interest expense and a decrease in buildings.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The basic financial statements present information for Southeastern Louisiana University 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 Fund Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (pages 1) 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 Southeastern Louisiana University is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (SRECNA) [pages 2] presents information showing how Southeastern Louisiana University'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, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 4-5) presents information showing how Southeastern Louisiana University'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 GASB 34.

The financial statements provide both long-term and short-term information about Southeastern Louisiana University's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

Southeastern Louisiana University's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. 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 University are included in the Statement of Net Assets.

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

FINANCIAL ANALYSIS

**Statement of Net Assets
as of June 30, 2005
(in thousands)**

	Total	
	2005	2004
Current and other assets	\$ 65,109	\$ 34,052
Capital assets	143,288	107,533
Total assets	208,397	141,585
Other liabilities	13,356	7,609
Long-term debt outstanding	87,491	25,838
Total liabilities	100,847	33,447
Net assets:		
Invested in capital assets, net of debt	60,493	85,103
Restricted	47,203	24,096
Unrestricted	(146)	(1,060)
Total net assets	\$ 107,550	\$ 108,139

This schedule is prepared from the Southeastern Louisiana University Statement of Net Assets as shown on page 1, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated. Significant Statement of Net Asset changes from 2005 include:

- ◆ Increase in Bonds Payable
- ◆ Increase in Buildings

Net assets invested in capital assets, net of related debt, consists 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 what these amounts may be spent.

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

Statement of Revenues, Expenses, and Changes in Net Assets
(in thousands)

	2005	2004
Operating Revenues:		
Student tuition and fees, net	\$ 41,869	\$ 40,087
Grants and contracts	26,744	27,059
Auxiliary	12,360	8,568
Other	2,499	2,518
Total operating revenues	83,472	78,232
Operating Expenses:		
Education and general:		
Instruction	48,069	45,755
Research	2,149	1,953
Public service	3,182	3,111
Academic support	10,531	9,915
Student services	8,041	7,795
Institutional support	11,058	10,874
Operations and maintenance of plant	10,980	10,926
Depreciation	6,437	3,207
Scholarships and fellowships	12,262	12,454
Other operating expenses	17,150	14,151
Total operating expenses	129,859	120,141
Operating income (loss)	(46,387)	(41,909)
Nonoperating Revenues (Expenses)		
State appropriations	45,635	44,867
Gifts	90	
Other nonoperating revenues (expenses)	(753)	(2,281)
Net nonoperating revenues (expenses)	44,972	42,586
Income (loss) before other revenues, exp, gains, losses	(1,415)	677
Capital appropriations	624	3,610
Capital grants and gifts		
Additions to permanent endowments	200	120
Other additions, net		
Change in Net Assets	(591)	4,407
Net assets at the beginning of the year, restated	108,141	103,732
Net assets at the end of the year	\$ 107,550	\$ 108,139

Non-operating revenues increased by 5.60% to \$45 million, primarily attributable to an increase in state appropriation, an increase in investment income, a decrease in interest expense and a decrease in buildings.

State appropriations changed from \$44.9 to \$45.7 million due to an increase in the mandated costs such as civil service merit increases, group insurance, retirement and risk management adjustments. Additional increases were for the carryforward of funds for Healthcare Workforce of \$87,757 and the Information Technology of \$5,417. Appropriations were decreased due to House Bill 842, which mandated a savings of 1.75% or \$769,805. Southeastern Louisiana University's total revenues increased by \$4,004,658 or 3.15%.

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005

STATEMENT OF CASH FLOWS

Another way to assess the financial health of Southeastern Louisiana University is to look at the Statement of Cash Flows. The Statement of Cash Flows assists readers of this statement to assess:

- ◆ The ability to generate future cash flows
- ◆ The ability to meet obligations as they come due
- ◆ A need for external financing

Statement of Cash Flows
(in thousands)

	<u>2005</u>	<u>2004</u>
Cash and cash equivalents provided (used) by:		
Operating activities	\$ (34,715)	\$ (37,120)
Capital financing activities	16,234	(4,798)
Non-capital financing activities	46,021	43,540
Investing activities	<u>(22,543)</u>	<u>(94)</u>
Net increase in cash and cash equivalents	\$ 4,997	\$ 1,528
Cash and cash equivalents		
Beginning of year	<u>\$ 14,824</u>	<u>\$ 13,296</u>
End of year	<u><u>\$ 19,821</u></u>	<u><u>\$ 14,824</u></u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2005, Southeastern Louisiana University had invested approximately \$143,287,484 in capital assets, net of accumulated depreciation. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$35,754,699 or 33.25% over the previous fiscal year. More detailed information about the system's capital assets is presented in Note E to the financial statements.

Capital Assets at Year-end
(Net of Depreciation, in thousands)

	<u>2005</u>	<u>2004</u>
Land	\$ 4,219	\$ 4,219
Capitalized collections	205	205
Construction in Progress	19,935	286
Infrastructure	-	-
Buildings	112,702	97,056
Equipment	4,079	3,742
Library materials	<u>2,147</u>	<u>2,025</u>
Totals	<u><u>\$ 143,287</u></u>	<u><u>\$ 107,533</u></u>

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 MANAGEMENT DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2005

This year's major additions included:

- ◆ An increase in buildings from \$97.1 to \$112.7 million.
- ◆ An increase in equipment from \$3.7 to \$4.1 million.

Debt

Southeastern Louisiana University had \$83.9 million in bonds and notes outstanding at year-end, compared to \$22.4 million last year, an increase of 274.98% as shown in the table below.

**Outstanding Debt at Year-end
 (in thousands)**

	2005	2004
General Obligation Bonds	\$ -	\$ -
Capital Lease Obligations	31	61
Revenue Bonds and Notes	83,896	22,321
Total	\$ 83,927	\$ 22,382

See Notes I and P for details relating to changes in and the composition of long-term liabilities and capital leases.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

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

- ◆ Increase in Tuition And Fees
- ◆ Increase in State Appropriation

CONTACTING SOUTHEASTERN LOUISIANA UNIVERSITY'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of Southeastern Louisiana University's finances and to show Southeastern's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nettie L. Burchfield, Controller at (985) 549-2088.

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005

Assets	2005	Component Units
Current Assets		
Cash and cash equivalents (Note C)	\$ 12,775,659	\$
Investments (Note C)	17,824,280	
Receivables, net (Note D)	7,014,816	
Pledges receivable	-	
Due from State Treasury	-	
Due from Federal Government (Note D)	-	
Inventories	614,394	
Deferred charges and prepaid expenses	64,471	
Notes receivable	325,745	
Other current assets	2,238,303	
Total current assets	40,857,668	-
Noncurrent Assets		
Restricted assets:		
Cash and cash equivalents (Note C)	7,045,721	
Investments (Note C)	12,207,064	
Accounts Receivable, net (Note D)	-	
Notes Receivable, net	1,791,397	
Other	-	
Investments (Note C)	-	
Pledges receivable	-	
Notes receivable, net	-	
Capital assets, net (Note E)	143,287,484	
Other noncurrent assets	3,207,314	
Total noncurrent assets	167,538,980	-
Total assets	\$ 208,396,648	\$ -
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 7,830,643	\$
Due to State Treasury	-	
Due to Federal Government	-	
Deferred revenues	4,066,102	
Compensated absences payable (Note I)	298,473	
Capital lease obligations (Note I)	28,883	
Amounts held in custody for others (Note I)	295,369	
Notes payable (Note I)	391,420	
Contracts payable (Note I)	-	
Bonds payable (Note I)	440,000	
Other current liabilities	5,143	
Total current liabilities	13,356,033	-
Noncurrent Liabilities		
Compensated absences payable	3,935,949	
Capital lease obligations	2,476	
Amounts held in custody for others	-	
Notes payable	429,885	
Contracts payable	-	
Bonds payable	82,635,000	
Other noncurrent liabilities	487,263	
Total noncurrent liabilities	87,490,573	-
Total liabilities	100,846,606	-
Net Assets		
Invested in capital assets, net of related debt	60,492,543	
Restricted for:		
Nonexpendable	5,764,328	
Expendable	41,439,053	
Unrestricted	(145,882)	
Total net assets	107,550,042	-
Total liabilities and net assets	\$ 208,396,648	\$ -

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005

Operating Revenues	2005	Component Units
Student tuition and fees	\$ 49,979,871	\$ _____
Less scholarship allowances	(8,110,762)	_____
Net student tuition and fees	<u>41,869,109</u>	<u> -</u>
Gifts received by the foundations	-	_____
Endowment income	-	_____
Federal appropriations	-	_____
Federal grants and contracts	25,062,466	_____
State and local grants and contracts	1,277,411	_____
Nongovernmental grants and contracts	403,770	_____
Sales and services of educational departments	290,054	_____
Hospital income	-	_____
Auxiliary enterprise revenues, (see note CC for revenue amounts pledged as security for bond issues)	13,036,776	_____
Less scholarship allowances	(676,426)	_____
Net auxiliary revenues	<u>12,360,350</u>	<u> -</u>
Other operating revenues	<u>2,208,668</u>	<u> -</u>
Total operating revenues	<u>83,471,828</u>	<u> -</u>
Operating Expenses		
Education and general:		
Instruction	48,069,030	_____
Research	2,148,961	_____
Public service	3,182,576	_____
Academic support	10,530,785	_____
Student services	8,040,917	_____
Institutional support	11,058,033	_____
Operations and maintenance of plant	10,979,668	_____
Depreciation	6,436,655	_____
Scholarships and fellowships	12,262,528	_____
Auxiliary enterprises	17,662,997	_____
Hospital	-	_____
Other operating expenses	(513,969)	_____
Total operating expenses	<u>129,858,181</u>	<u> -</u>
Operating income (loss)	<u>(46,386,353)</u>	<u> -</u>
Nonoperating Revenues (Expenses)		
State appropriations	45,635,214	_____
Gifts	90,332	_____
Net investment income (loss)	1,284,382	_____
Interest expense	(884,011)	_____
Payments to or on behalf of the university	-	_____
Other nonoperating revenues (expenses)	(1,154,035)	_____
Net nonoperating revenues (expenses)	<u>44,971,882</u>	<u> -</u>
Income (loss) before other revenues, exp, gains, losses	<u>(1,414,471)</u>	<u> -</u>
Capital appropriations	623,892	_____
Capital grants and gifts	-	_____
Additions to permanent endowments	200,000	_____
Other additions, net	-	_____
Increase (decrease) in Net Assets	<u>(590,579)</u>	<u> -</u>
Net assets at the beginning of the year, restated	<u>108,140,621</u>	_____
Net assets at the end of the year	<u>\$ 107,550,042</u>	<u>\$ -</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SIMPLIFIED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

	(-) Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	Component Units	Combined Total
		Charges for Services	Operating Grants and Contributions			
University	\$ (130,742,192)	\$ 54,519,513	\$ 27,033,979	\$	\$	(49,188,700)
Component Units						-
Eliminations						-
Combined Total	<u>(130,742,192)</u>	<u>54,519,513</u>	<u>27,033,979</u>	<u>-</u>		<u>(49,188,700)</u>
General revenues:						
State appropriations				45,635,214		45,635,214
Grants and contributions not restricted to specific programs						-
Interest				1,284,382		1,284,382
Miscellaneous				1,678,525		1,678,525
Special items						-
Total general revenues, special items, and transfers				<u>48,598,121</u>	<u>-</u>	<u>48,598,121</u>
Change in net assets				<u>(590,579)</u>	<u>-</u>	<u>(590,579)</u>
Net assets - beginning (restated)				<u>108,140,621</u>		<u>108,140,621</u>
Net assets - ending				<u>\$ 107,550,042</u>	<u>\$ -</u>	<u>\$ 107,550,042</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2005

	<u>2005</u>	
Cash flow from operating activities		
Tuition and fees	\$ 42,957,986	
Federal appropriations	-	
Grants and contracts	26,649,319	
Sales and services of educational departments	290,054	
Hospital income	-	
Auxiliary enterprise receipts	11,811,330	
Payments for employee compensation	(63,615,924)	
Payments for benefits	(15,635,927)	
Payments for utilities	(4,010,464)	
Payments for supplies and services	(5,854,831)	
Payments for scholarships and fellowships	(12,262,528)	
Loans to students	(465,026)	
Collection of loans to students	459,249	
Other receipts (payments)	(15,038,173)	
Net cash provided (used) by operating activities	<u>\$ (34,714,935)</u>	
Cash flows from non-capital financing activities		
State appropriations	46,905,166	
Gifts and grants for other than capital purposes	-	
Private gifts for endowment purposes	200,000	
TOPS receipts	7,753,423	
TOPS disbursements	(7,589,473)	
Direct Lending receipts	-	
Direct Lending disbursements	-	
Federal Family Education Loan Program receipts	47,187,132	
Federal Family Education Loan Program disbursements	(47,567,644)	
Other receipts (payments)	(867,658)	
Net cash provided by noncapital financing sources	<u>46,020,946</u>	
Cash flows from capital financing activities		
Proceeds from capital debt	77,551,861	
Capital appropriations received	623,892	
Capital grants and gifts received	-	
Proceeds from sale of capital assets	-	
Purchases of capital assets	(42,332,848)	
Principal paid on capital debt and leases	(16,004,003)	
Interest paid on capital debt and leases	(884,011)	
Deposit with trustees	-	
Other sources	(2,720,051)	
Net cash used by capital financing activities	<u>16,234,840</u>	
Cash flows from investing activities		
Proceeds from sales and maturities of investments		
Interest received on investments	1,284,382	
Purchase of investments	(23,827,609)	
Net cash provided (used) by investing activities	<u>(22,543,227)</u>	
Net increase (decrease) in cash and cash equivalents	<u>4,997,624</u>	
Cash and cash equivalents at beginning of the year	<u>14,823,756</u>	
Cash and cash equivalents at the end of the year	<u>\$ 19,821,380</u>	

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2005

Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities	<u>2005</u>
Operating income (loss)	\$ <u>(46,386,353)</u>
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation expense	<u>6,436,655</u>
Changes in assets and liabilities:	
Increase in accounts receivables, net	(1,200,565)
Increase in inventories	(85,173)
Decrease in deferred charges and prepaid expenses	488,202
Increase in notes receivable	(5,777)
Decrease in other assets	290,940
Increase in accounts payable and accrued liabilities	5,271,553
Increase in deferred revenue	1,337,961
Decrease in amounts held in custody for others	(3,321)
Decrease in compensated absences	(859,057)
Decrease in other liabilities	-
Net cash provided (used) by operating activities:	<u>\$ (34,714,935)</u>

**Noncash Investing, Noncapital Financing, and Capital and
Related Financing Transactions**

None

Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets

Cash and cash equivalents classified as current assets	\$ <u>12,775,659</u>
Cash and cash equivalents classified as noncurrent assets	<u>7,045,721</u>
	<u>\$ 19,821,380</u>

NOTES TO FINANCIAL STATEMENT

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In July of 1984, the GASB issued Statement 1, which provided that all statements and interpretations issued by the National Council on Governmental Accounting (NCGA) continue as generally accepted accounting principles until altered, amended, supplemented, revoked or superseded by subsequent GASB pronouncements.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This was followed in November 1999 by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. As a component unit of the State of Louisiana, Southeastern Louisiana University is required to report its financial statements in accordance with GASB 34 and 35 as amended by GASB 37 and 38. Financial statement presentation required by GASB 34 and 35 provides a comprehensive, entity-wide perspective of the institution's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows, and replaces the fund-group perspective previously required.

The GASB Code Section 2100 has defined the governmental reporting entity to be the State of Louisiana. Therefore, the accompanying financial statements of the university contain sub-account information of the various funds of the State of Louisiana. As such, the accompanying financial statements present information only as to the transactions of the programs of the university as authorized by Louisiana statutes and administrative regulations.

2. REPORTING ENTITY

Southeastern Louisiana University is a publicly supported institution of higher education. Using the criteria established in GASB Statement 14, *The Financial Reporting Entity* as amended by GASB 39, the institution is reported as a discrete component unit of the State of Louisiana since it is legally separate from and is financially accountable to the State.

Annually, the State of Louisiana issues a comprehensive financial report, which includes the activity contained in the accompanying financial statements. The Louisiana Legislative Auditor audits the basic financial statements.

3. BASIS OF ACCOUNTING

For financial reporting purposes, the institution is considered a special-purpose government engaged only in business-type activities. Accordingly, the institution'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-agency transactions have been eliminated.

Southeastern Louisiana University has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The institution has elected not to apply FASB pronouncements issued after the applicable date.

The financial statements of the university have been prepared on the accrual basis of accounting.

4. CASH EQUIVALENT

The institution considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

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5. INVESTMENTS

Southeastern Louisiana University accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in the carrying value of investments resulting in unrealized gains or losses are reported as a component of investment income in the statement of revenues, expenses, and changes in net assets.

6. INVENTORIES

Inventories are valued at the lower of cost or market on the weighted average basis. The institution accounts for its inventories using the consumption method.

7. NONCURRENT CASH AND INVESTMENTS

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

8. 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, Southeastern'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. Routine repairs and maintenance are charged to operating expense in the year in which the expense was 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, and 3 to 10 years for most movable property. Library collections regardless of age, with a total acquisition value of \$5,000,000 or more will be capitalized and depreciated.

9. 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.

10. NONCURRENT LIABILITIES

Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

11. NET ASSETS

Southeastern Louisiana University's net assets are classified as follows:

(a) INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

This represents Southeastern'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.

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(b) RESTRICTED NET ASSETS – EXPENDABLE

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

(c) RESTRICTED NET ASSETS – NONEXPENDABLE

Restricted nonexpendable net assets consist of endowment and similar type funds which 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.

(d) 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 university, 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 university's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

12. CLASSIFICATION OF REVENUES

Southeastern Louisiana University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

(a) OPERATING REVENUE - Operating activity include 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 – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions.

13. 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 is the difference between the stated charge for goods and services provided by the institution, and the amount that is paid by students and/or third parties making payments on the student's behalf.

14. ELIMINATING INTERFUND ACTIVITY

Activities between Southeastern Louisiana University and the institution's service units are eliminated for purposes of preparing the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Net Assets.

15. COMPONENT UNITS

Southeastern Louisiana University does not have any reportable component units.

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B. BUDGETARY PRACTICES

The annual budget for the General Fund of the university is established by annual Legislative action and by Title 39 of the Louisiana Revised Statutes. The submission of the budget for approval by the Board of Regents and the Legislative budget process is required. The other funds of the university, although subject to internal budgeting, are not required to be submitted for approval through the Legislative budget process.

State law provides that appropriations lapse at the end of the fiscal year with the exception noted in Note H, General Fund. In compliance with these legal restrictions, budgets are adopted on the accrual basis of accounting with some exceptions. The following is a list of exceptions, but is not all inclusive, (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) certain capital leases are not recorded.

1. BUDGETARY COMPARISON

The following is an appropriation budgetary comparison for current year General Fund appropriation:

	Budgeted		Actual	Adjustment to Budget Basis	Actual on Budget Basis	Variance Favorable (Unfavorable)
	Original	Final				
REVENUES:						
Appropriated by Legislature:						
State General Fund (Direct)	\$ 44,605,659	\$ 43,918,692	\$ 43,918,692	\$	\$	\$ 0
State General Fund by Self-Generated Revenues	43,053,856	44,456,243	42,855,813			(1,600,430)
State General Fund by Interagency Transfers						0
Interim Emergency Board						
Federal Funds						
Other (Include Stat. Dedications)	1,770,232	1,776,072	1,776,072			0
Total Revenues	89,429,747	90,151,007	88,550,577			(1,600,430)
EXPENDITURES:						
Program Expenditures	89,429,747	90,151,007	88,300,882			1,850,125
Total Expenditures	89,429,747	90,151,007	88,300,882			1,850,125
UNEXPENDED APPROPRIATION -CURRENT YEAR	\$	\$	\$ 249,695	\$	\$	\$ 249,695

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Further, the university may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of savings and loan

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associations and savings banks; and share accounts and share certificate accounts of federally or state chartered credit unions.

As reflected on the Statement of Net Assets, the institution had deposits in bank accounts totaling \$19,777,070 at June 30, 2005. Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The 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 pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasurer.

The deposits at June 30, 2005, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits per Statement of Net Assets (SNA)	\$ 4,677,070	\$ 15,100,000	\$	\$ 19,777,070
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
a. Uninsured and Uncollateralized	_____	_____	_____	-
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, <u>but not in the entity's name</u> -UFI	3,244,738	_____	_____	3,244,738
Total Bank Balances of All Deposits Regardless of Custodial Credit Risk	<u>\$ 7,907,750</u>	<u>\$ 15,100,000</u>	<u>\$ -</u>	<u>\$ 23,007,750</u>

Cash in State Treasury and petty cash must not be reported in the note disclosure. However, to aid in reconciling amounts reported on the Statement of Net Assets to amounts reported in this note, list below any cash in treasury and petty cash that are included in the Statement of Net Assets.

Cash in State Treasury	\$ _____
Petty cash	\$ <u>44,310</u>

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The following is a breakdown by banking institution, program, and amount of the total bank balances shown above:

<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Parish National Bank</u>	<u>Disbursement-Operating Acct</u>	<u>\$3,476,546</u>
2. <u>Parish National Bank</u>	<u>Payroll</u>	<u>73,972</u>
3. <u>Parish National Bank</u>	<u>Nursing Loan</u>	<u>288</u>
4. <u>Parish National Bank</u>	<u>Perkins / NDSL</u>	<u>438,864</u>
5. <u>Parish National Bank</u>	<u>Endowed Professorships & Chairs</u>	<u>0</u>
6. <u>Parish National Bank</u>	<u>CD's</u>	<u>5,600,000</u>
7. <u>Parish National Bank</u>	<u>Charge Card Processing Acct</u>	<u>72,284</u>
8. <u>First Guaranty Bank</u>	<u>CD's</u>	<u>9,500,000</u>
9. <u>First Guaranty Bank</u>	<u>Charge Card Processing Acct</u>	<u>661</u>
10. <u>First Guaranty Bank</u>	<u>UFI - Operating Acct</u>	<u>18,438</u>
11. <u>First Guaranty Bank</u>	<u>UFI - NOW Account</u>	<u>6,794</u>
12. <u>Amsouth Bank</u>	<u>UFI - Project Account</u>	<u>96,768</u>
13. <u>Parish National Bank</u>	<u>UFI - Operating Acct</u>	<u>219,006</u>
14. <u>Parish National Bank</u>	<u>UFI - Rental Revenue</u>	<u>167,303</u>
15. <u>Parish National Bank</u>	<u>UFI - Petty Cash Deposit Account</u>	<u>1,105</u>
16. <u>Bank of New York</u>	<u>UFI - Student Housing Project 2004A</u>	<u>669,588</u>
17. <u>Bank of New York</u>	<u>UFI - Student Housing Debt Service 2004A</u>	<u>364</u>
18. <u>Bank of New York</u>	<u>UFI - Student Housing Replacement 2004A</u>	<u>40,679</u>
19. <u>Bank of New York</u>	<u>UFI - Student Housing Receipts 2004A</u>	<u>1,966,050</u>
20. <u>Bank of New York</u>	<u>UFI - Student Housing Cap Int 2004A</u>	<u>47,992</u>
21. <u>Bank of New York</u>	<u>UFI - Student Housing Debt Service Int 2004A</u>	<u>87</u>
22. <u>Bank of New York</u>	<u>UFI - Student Housing Debt Service Int 2004B</u>	<u>3</u>
23. <u>Federated Money Market</u>	<u>UFI - Federated Money Mkt</u>	<u>10,561</u>
24. <u>University Accounting Services</u>	<u>Federal Loan Billing Service</u>	<u>13,139</u>
25. <u>Hancock Bank</u>	<u>98 Stu Rec Center Bonds Reserve</u>	<u>578,751</u>
26. <u>Hancock Bank</u>	<u>98 Stu Rec Center Bonds Prn</u>	<u>1,826</u>
27. <u>Hancock Bank</u>	<u>98 Stu Rec Center Bonds Int</u>	<u>6,027</u>
28. <u>J.P. Morgan</u>	<u>96 Parking Bonds Sinking Fund</u>	<u>654</u>
Total		<u>\$23,007,750</u>

2. Investments

Southeastern Louisiana University maintains investment accounts as authorized by Louisiana Revised Statute 49:327. Investments are stated at fair market value. All investment income, including changes in the fair market value of investments, is reported as revenue on the financial statements. The market values of investments at June 30, 2005, are as follows:

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<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, Unregistered, and Held by Counterpart</u>	<u>Uninsured, Unregistered, and Held by Counterparty's Trust Dept. or Agent not in Entity's Name</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Repurchase agreements	\$ _____	\$ _____	\$ 226,970	\$ 226,970
U.S. Government securities	_____	_____	1,241,825	1,241,825
U.S. Agency Obligations	_____	_____	4,062	4,062
Common & preferred stock	_____	_____	2,096,261	2,096,261
Commercial Paper	_____	_____	_____	_____
Corporate bonds	_____	_____	1,664,647	1,664,647
Other: Money Market Funds & Other	_____	_____	17,462	17,462
Foreign bonds	_____	_____	193,761	193,761
Mortgage backed securities	_____	_____	77,311	77,311
Taxable municipal bonds	_____	_____	39,249	39,249
Held by Blended Component - UFI	23,129,611	_____	23,129,611	23,129,611
Held by Foundation	_____	_____	1,340,185	1,340,185
Total investments	\$ 23,129,611	\$ -	\$ 30,031,344	\$ 30,031,344

The cost of these investments at June 30, 2005, was \$29,619,315. The market value of investments at June 30, 2005, totaled \$30,031,344. Of this amount, \$1,340,185 was held by the Southeastern Development Foundation and primarily consists of money market funds, mutual funds, and U.S. Government and Agency obligations. Investments related to the 2004 Series Bond Issuance are valued at \$23,129,611 and are held by bond trustees for University Facilities, Inc. These funds are invested under the terms of the various trust indentures. These documents direct the types of investments and collateralization requirements, and work to mitigate the credit risk of these investments.

3. Derivatives

Southeastern Louisiana University does not invest in **derivatives** as part of its investment policy.

4. Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures

A. Credit Risk of Debt Investments

<u>Rating</u>	<u>Fair Value</u>
Aaa	\$ 1,352,726
Aa2	693,253
Aa3	1,419,308
A2	17,824,280
Unrated	5,305,331
Total	\$ 26,594,898

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The credit ratings reported above were assigned by the major credit rating agencies such as, Standard & Poor's and Moody's Investors Service. University Facilities Inc., has a \$5,305,331 investment agreement issued by XL Asset Funding Company (XLAF). XLAF is a non-rated entity; however, the investment agreement is credit enhanced with a financial guaranty policy from XL Capital Assurance Inc. XL Capital Assurance Inc has an AAA credit rating

B. Interest rate Risk

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$ 1,241,825	\$ 582,766	\$ 225,075	\$ 249,690	\$ 184,294
U.S. Agency obligations	4,062		4,062		
Mortgage backed securities	77,311		6,821	4,229	66,261
Corporate bonds	1,664,647	38,776	649,407	577,144	399,320
Foreign bonds	193,761	6,759	85,868	99,054	2,080
Taxable Municipal bonds	39,249		1,809		37,440
Money Market & Other	17,462	17,462			
Repurchase Agreements	226,970	226,970			
Guaranteed Investment Contracts (UFI)	23,129,611		17,824,280	5,305,331	
Total debt investments	<u>\$ 26,594,898</u>	<u>\$ 872,733</u>	<u>\$ 18,797,322</u>	<u>\$ 6,235,448</u>	<u>\$ 689,395</u>

Because the duration of the bond portfolios are intermediate-term, the interest rate risk on debt investments is moderate.

C. Concentration of Credit Risk

Of the \$23,129,611 in investments held by bond trustees for University Facilities Inc., \$17,824,280 is invested in guaranteed investment contracts issued by Hypo Real Estate Bank International and \$5,305,331 is invested in a guaranteed investment contract issued by XL Asset Funding Company LLC.

D. Foreign Currency Risk

The market value of Southeastern's investments in sovereign bonds is \$193,761. These investments are denominated in U.S. currency and are not exposed to foreign currency risk.

5. Policies

Endowments are maintained in investment accounts as authorized by policies and procedures established by the Board of Regents. To reduce overall volatility of investment returns and to provide a hedge against the effects of economic downturns, these policies require that at least 40% of assets be invested in fixed income funds. No more than 60% of funds may be invested in equities. The fixed income funds are diversified among various sectors of the fixed income market. The overall average quality of debt investments must be "AA" and, with the exception of the U.S. government and its agencies, no more than 5% of the fixed income fund may be invested in the securities of any one issuer. Investments in foreign stocks and foreign fixed income are limited to 15% and 5% of the equity and fixed income funds, respectively.

The funds held by the Bond Trustees for University Facilities Inc. are invested in accordance with the trust indentures, which govern the types of investments and collateralization requirements.

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6. Other Disclosures Required for Investments

Vanguard and Southeastern Louisiana University Development Foundation manage the investments in pools.

Southeastern does not directly participate in reverse repurchase agreements and does not have any unrealized investment losses.

D. ACCOUNTS RECEIVABLE

Accounts receivable are shown on the Statement of Net Assets net of an allowance for doubtful accounts as follows:

List Types

	Accounts Receivable	Doubtful Accounts	Net Accounts Receivable	Amts. not scheduled for collection within a year
Student tuition and fees	\$ 4,743,969	\$ (1,607,716)	\$ 3,136,253	\$
Auxiliary enterprises	1,289,683	(68,391)	1,221,292	
Contributions and gifts	6,146		6,146	
Federal, state, and private grants and contracts	1,354,587		1,354,587	
Other Miscellaneous	1,045,256		1,045,256	
Statutory Dedication	251,282		251,282	
Total	\$ 8,690,923	\$ (1,676,107)	\$ 7,014,816	\$ -

E. CAPITAL ASSETS

Capital assets and assets under capital lease activity for the year ended June 30, 2005 were as follows:

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SCHEDULE OF CAPITAL ASSETS
(schedule includes capital leases)

Southeastern Louisiana University	Balance 6/30/2004	Prior Period Adjustment	Restated Balance 6/30/2004	Additions	Transfers	Retirements	Balance 6/30/2005
Capital assets not being depreciated							
Land	\$ 4,218,936		\$ 4,218,936	\$ -	\$ -	\$ -	\$ 4,218,936
Capitalized collections	205,002		205,002	-			205,002
Livestock			-				-
Construction in progress	285,559		285,559	19,653,956	(4,424)		19,935,091
Total capital assets not being depreciated	<u>\$ 4,709,497</u>	<u>\$ -</u>	<u>\$ 4,709,497</u>	<u>\$ 19,653,956</u>	<u>\$ (4,424)</u>	<u>\$ -</u>	<u>\$ 24,359,029</u>
Other capital assets							
Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** Less accumulated depreciation			-				-
Total infrastructure	-	-	-	-	-	-	-
Land improvements			-				-
** Less accumulated depreciation			-				-
Total land improvements	-	-	-	-	-	-	-
Buildings	152,515,624		152,515,624	19,942,159		(3,448,652)	169,009,131
** Less accumulated depreciation	<u>(55,460,079)</u>		<u>(55,460,079)</u>	<u>(4,227,196)</u>		<u>3,380,636</u>	<u>(56,306,639)</u>
Total buildings	97,055,545	-	97,055,545	15,714,963	-	(68,016)	112,702,492
Equipment	13,841,856		13,841,856	1,586,234		(547,605)	14,880,485
** Less accumulated depreciation	<u>(10,099,382)</u>		<u>(10,099,382)</u>	<u>(1,171,192)</u>		<u>468,923</u>	<u>(10,801,651)</u>
Total equipment	3,742,474	-	3,742,474	415,042	-	(78,682)	4,078,834
Library books	4,955,552		4,955,552	1,160,128		(924,346)	5,191,334
** Less accumulated depreciation	<u>(2,930,284)</u>		<u>(2,930,284)</u>	<u>(1,038,267)</u>		<u>924,346</u>	<u>(3,044,205)</u>
Total library books	2,025,268	-	2,025,268	121,861	-	-	2,147,129
Total other capital assets	<u>\$ 102,823,287</u>	<u>\$ -</u>	<u>\$ 102,823,287</u>	<u>\$ 16,251,866</u>	<u>\$ -</u>	<u>\$ (146,698)</u>	<u>\$ 118,928,455</u>
Capital Asset Summary:							
Capital assets not being depreciated	\$ 4,709,497	\$ -	\$ 4,709,497	\$ 19,653,956	\$ (4,424)	\$ -	\$ 24,359,029
Other capital assets, at cost	171,313,032	-	171,313,032	22,688,521	-	(4,920,603)	189,080,950
Total cost of capital assets	176,022,529	-	176,022,529	42,342,477	(4,424)	(4,920,603)	213,439,979
Less accumulated depreciation	(68,489,745)	-	(68,489,745)	(6,436,655)	-	4,773,905	(70,152,495)
Capital assets, net	<u>\$ 107,532,784</u>	<u>\$ -</u>	<u>\$ 107,532,784</u>	<u>\$ 35,905,822</u>	<u>\$ (4,424)</u>	<u>\$ (146,698)</u>	<u>\$ 143,287,484</u>

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F. COLLECTIONS (Works of Art and Historical Treasures)

Southeastern Louisiana University does capitalize collections. These collections include the following: works of art, such as murals, sculptures, statues, portraits, and historical items, such as book collections, war artifacts, an antique piano, maps, etc.

G. DUE FROM PRIVATE FOUNDATIONS

The amount of matching funds received by the university from the State pursuant to the endowed chair and professorship program and the related unexpended earnings from private foundations is \$1,301,945 at June 30, 2005. These funds are held and invested by the university's foundation under an agreement with the university. Amounts invested by private foundations for the university are included as *other* in the disclosures in Note C.

H. GENERAL FUND

At June 30, 2005, the General Fund had no unexpended appropriation due to the State Treasury. However, the university did have \$249,695 unexpended, which will be reappropriated as required by law and outlined below.

As provided by Louisiana Revised Statute 17:3386(A), the university adopted a building and facility preventative maintenance program, which was approved by the Louisiana Board of Regents. This program allows the university to retain any funds appropriated or allocated that were unexpended and unobligated at the end of the fiscal year. At least 50% of the retained funds will be maintained in a preventative maintenance reserve fund and will be used solely for preventative maintenance purposes in accordance with the approved plan, subject to approval by the supervisory board, the Louisiana Board of Regents, and the Joint Legislative Committee on the Budget. All retained funds will be spent for non-recurring projects. As shown in the Statement of Net Assets at June 30, 2005, included in restricted net assets are amounts totaling \$124,847, which will be retained for these purposes.

I. LONG-TERM LIABILITIES (Current and Noncurrent Portion)

The following is a summary of bond reimbursement contracts and other long-term debt transactions of the university for the year ended June 30, 2005:

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Southeastern Louisiana University

	Balance June 30, 2004	Additions	Reductions	Balance June 30, 2005	Amounts due within one year
Bonds & notes payable & capital leases:					
Bonds payable	\$ 21,525,000	\$ 76,910,000	\$ 15,360,000	\$ 83,075,000	\$ 440,000
Notes payable	795,788	641,861	616,344	821,305	391,420
Capital lease obligations	59,018		27,659	31,359	28,883
Total bonds, notes and capital leases	<u>22,379,806</u>	<u>77,551,861</u>	<u>16,004,003</u>	<u>83,927,664</u>	<u>860,303</u>
Other liabilities:					
Amounts held in custody for others	679,202	95,219,712	95,580,445	295,369	295,369
Compensated absences payable	5,093,479	(500,031)	359,026	4,234,422	298,473
Contracts payable					
Total other liabilities	<u>5,772,681</u>	<u>94,719,681</u>	<u>95,939,471</u>	<u>4,529,791</u>	<u>593,842</u>
Total long-term liabilities	<u>\$ 28,152,487</u>	<u>\$ 172,271,542</u>	<u>\$ 111,943,474</u>	<u>\$ 88,457,455</u>	<u>\$ 1,454,145</u>

Component Units

	Balance June 30, 2004	Additions	Reductions	Balance June 30, 2005	Amounts due within one year
Bonds & notes payable & capital leases:					
Bonds payable	\$ -	\$ -	\$ -	\$ -	\$ -
Notes payable					
Capital lease obligations					
Total bonds, notes and capital leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other liabilities:					
Amounts held in custody for others					
Compensated absences payable					
Contracts payable					
Total other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Combined Total

	Balance June 30, 2004	Additions	Reductions	Balance June 30, 2005	Amounts due within one year
Bonds & notes payable & capital leases:					
Bonds payable	\$ 21,525,000	\$ 76,910,000	\$ 15,360,000	\$ 83,075,000	\$ 440,000
Notes payable	795,788	641,861	616,344	821,305	391,420
Capital lease obligations	59,018	-	27,659	31,359	28,883
Total bonds, notes and capital leases	<u>22,379,806</u>	<u>77,551,861</u>	<u>16,004,003</u>	<u>83,927,664</u>	<u>860,303</u>
Other liabilities:					
Amounts held in custody for others	679,202	95,219,712	95,580,445	295,369	295,369
Compensated absences payable	5,093,479	(500,031)	359,026	4,234,422	298,473
Contracts payable	-	-	-	-	-
Total other liabilities	<u>5,772,681</u>	<u>94,719,681</u>	<u>95,939,471</u>	<u>4,529,791</u>	<u>593,842</u>
Total long-term liabilities	<u>\$ 28,152,487</u>	<u>\$ 172,271,542</u>	<u>\$ 111,943,474</u>	<u>\$ 88,457,455</u>	<u>\$ 1,454,145</u>

A detailed summary, by issues, of all debt outstanding at June 30, 2005, including outstanding interest of \$68,784,953 is shown on Schedule 1. Schedule 2 is an amortization schedule of the outstanding debt.

J. SHORT-TERM DEBT

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Not Applicable.

K. 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 non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave (K-time) earned.

Upon separation or termination of employment, both classified and non-classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic 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. Upon retirement any sick or annual leave not compensated for is used as credited service in either Louisiana Teachers' Retirement System or Louisiana State Employees' Retirement System. Upon termination or transfer an employee will be paid for any time and one-half 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 employees hourly rate of pay at termination or transfer.

The liability for unused annual leave, sick leave, and compensatory leave at June 30, 2005, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.104 – C60.105, is estimated to be \$1,888,687, \$2,183,710, and \$162,025 respectively. The leave payable is recorded in the accompanying financial statement.

Southeastern Louisiana University's liability for compensated absences (annual, sick, and compensatory leave) at June 30, 2005 is as follows:

Current liability – estimated to be paid within one year	\$ 298,473
Long-term liability	<u>3,935,948</u>
Total liability for compensated absences	\$ <u>4,234,422</u>

L. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

Southeastern Louisiana University does not have any on-behalf payments for fringe benefits and salaries.

M. CONTINGENT LIABILITIES

Losses arising from judgments, claims, and similar contingencies such as guarantor of mortgage loans on sorority and fraternity houses are considered state liabilities and paid upon appropriation by the Legislature and not the university. The university was involved in two lawsuits at June 30, 2005. In the opinion of the legal counsel of the university there is zero exposure to the university on one lawsuit and the other was settled with the Office of Risk Management in July 2005 with Southeastern Louisiana University responsible for \$25,000 of legal fees. This does not include any lawsuits filed with the University System or the Office of Risk Management.

N. RELATED PARTY TRANSACTIONS

Not Applicable.

O. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

Not Applicable.

P. LEASES

Lease agreements, if any, have non-appropriation exculpatory clauses that allow lease cancellation if the

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Legislature does not make an appropriation for its continuation during any future fiscal period.

Operating Leases

Total operating lease expenditures for fiscal year 2004-05 amounted to \$851,267. (Operating leases are all leases, which do not meet the criteria of a capital lease.) The future minimum payments as well as a breakdown of the annual rental payments for the next five years are presented as follows:

<u>Nature of lease</u>	a.	<u>Office Space</u>	b.	<u>Equipment</u>	c.	<u>Land</u>	d.	<u>Other</u>	<u>Total Minimum Future Rentals</u>
FY2006	\$	203,614	\$	15,773	\$		\$	621,081	\$ 840,468
FY2007		37,053		15,773				619,681	672,507
FY2008		37,053		5,257				620,156	662,466
FY2009		37,053						622,080	659,133
FY2010		2						622,886	622,888
FY2011 - 2015		10						3,105,797	3,105,807
FY2016 - 2020		10						3,103,017	3,103,027
FY2021 - 2025		10						930,863	930,873
FY2026 - 2030		10							
FY2031 - 2035		315,008							
Total Minimum Future Rentals	\$	314,805	\$	36,803	\$	-	\$	9,314,698	\$ 10,597,169

Rental revenue/expense for operating leases with scheduled rent increases is based on the relevant lease agreement except in those cases where a temporary rent reduction is used as an inducement to enter a lease. In those instances, rental revenue/expense is determined on either a straight-line or interest basis over the term of the lease and not in accordance with lease terms as required by GASB 13.

Capital Leases

Southeastern Louisiana University records items that are above the capitalization threshold under capital leases as an asset and an obligation in the accompanying financial statements.

Capital leases are defined as an arrangement in which any one of the following conditions apply (1) ownership transfers at the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life, or (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

SOUTHEASTERN'S CAPITAL LEASES

<u>Nature of lease</u>	<u>Date of lease</u>	<u>University gross amount of leased assets (historical cost)</u>	<u>Last payment date</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space		\$		\$	\$
b. Equipment					
Student Rec Center	04/02/01	131,004	8/1/2006	967	31,359
c. Land					
Total assets under cap. lease		\$ 131,004		\$ 967	\$ 31,359

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

<u>Nature of lease</u>	<u>Date of lease</u>	<u>COMPONENT UNIT CAPITAL LEASES</u>			
		<u>Comp Unit amount of leased assets (historical cost)</u>	<u>Last payment date</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space		\$		\$	\$
b. Equipment					
c. Land					
Total assets under cap. lease		\$	-	\$	-

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2005:

<u>Year ending June 30, 2005:</u>	<u>Future minimum lease payment:</u>		
	<u>Southeastern:</u>	<u>Component Units:</u>	<u>Total:</u>
2006	\$ 29,840	\$	\$ 29,840
2007	2,486		2,486
Total minimum lease payments	<u>32,326</u>	-	<u>32,326</u>
Less: amounts representing executory costs			
Net minimum lease payments	<u>32,326</u>	-	<u>32,326</u>
Less: amounts representing interest	967		967
Present value - net minimum lease payments	<u>31,359</u>	-	<u>31,359</u>

Lessor Direct Financing Leases

Southeastern Louisiana University does not have any lessor direct financing leases as of and for the period ending June 30, 2005.

Lessor - Operating Lease

Southeastern Louisiana University's leasing operations consist primarily of the leasing of property for the purposes of providing food services to students, bookstore operations, office space for postal services, banking services, and vending operations.

The following schedule provides an analysis of Southeastern's investment in property on operating leases and property held for lease by major classes as of June 30, 2005.

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Amount</u>
a. Office space	\$ 2,462,297	\$ (2,054,193)	\$ 408,104
b. Equipment			
c. Land			
Total	<u>\$ 2,462,297</u>	<u>\$ (2,054,193)</u>	<u>\$ 408,104</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

The following is a schedule of minimum future rentals on noncancellable operating leases as of June 30, 2005:

<u>Nature of lease</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u> <u>FY2015</u>	<u>FY2016</u> <u>FY2020</u>
a. Office space	\$ 239,800	\$ 217,000	\$ 207,000	\$ 82,000	\$ -	\$ -	\$ -
b. Equipment							
c. Land							
d. Other							
Total minimum future rentals	\$ 239,800	\$ 217,000	\$ 207,000	\$ 82,000	\$ -	\$ -	\$ -

Contingent rentals received from operating leases for the fiscal year were \$63,957 for office space.

Q. NET ASSETS

Southeastern had the following restricted expendable net assets as of June 30, 2005:

<u>Account title</u>	<u>Amount</u>
Instructional Department Use	\$ 6,046,783
Loans	2,783,136
Endowments	1,416,568
Capital Projects	2,865,801
Debt Service	3,491,033
Auxiliary and Other	24,835,732
Total	\$ 41,439,053

Southeastern had the following restricted nonexpendable net asset as of June 30, 2005:

<u>Account title</u>	<u>Amount</u>
Endowments	\$ 5,764,328
Total	\$ 5,764,328

R. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE

Southeastern Louisiana University provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the university's employees become eligible for those benefits if they reach normal retirement age while working for the university. Those benefits for retirees and similar benefits for active employees are provided through a state operated group insurance company and various insurance companies whose monthly premiums are paid jointly by the employee and by the university. The University's cost of providing retiree health care and life insurance benefits is recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 2005, the costs of retiree benefits for 379 retirees totaled \$1,840,285. The dependents of a retiree should be counted as a single unit if the retiree is deceased and should not be counted if the retiree is alive. The cost of retirees' benefits is net of participants' contributions.

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

S. ACCOUNTING CHANGES

None.

T. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2005.

	<u>Beginning net assets, July 1, 2004, previously reported</u>	<u>Adjustments + or (-)</u>	<u>Beginning net assets, July 1, 2004, as restated</u>
Southeastern Louisiana University Component Unit(s)	\$ 108,138,647	\$ 1,974	\$ 108,140,621
Total	\$ <u>108,138,647</u>	\$ <u>1,974</u>	\$ <u>108,140,621</u>

See Schedule 5 for explanation of changes.

U. PLEDGES OF GIFTS

Not Applicable.

V. SEGMENT INFORMATION

University Facilities, Inc. issues revenue bonds to finance certain of Southeastern's auxiliary enterprises. The revenues generated by the auxiliary enterprise are used to pay the interest and principal of these revenue bonds. Descriptive information for each of the institution's segments is shown below:

Condensed financial information for each of the institution's segments follows:

CONDENSED STATEMENT OF NET ASSETS:

	<u>University Facilities, Inc.</u>
Assets	
Current assets	\$ 21,728,571
Due from other funds	
Capital assets	53,140,798
Other assets	8,616,203
Total Assets	<u>83,485,572</u>
Liabilities	
Current liabilities	7,584,871
Due to other funds	
Long-term liabilities	77,396,467
Total Liabilities	<u>84,981,338</u>
Net Assets	
Invested in capital assets, net of related debt	
Restricted net assets - expendable	
Restricted net assets - nonexpendable	
Unrestricted net assets	(1,495,766)
Total Net Assets	\$ <u>(1,495,766)</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS:

	University Facilities, Inc.
Operating Revenue	\$ 5,582,739
Operating Expenses	(3,336,996)
Depreciation Expense	(1,330,878)
Net Operating Income	914,865
Nonoperating Revenues (Expenses):	
Investment Income	467,816
Gifts of Equipment	
Gift Income	
Interest Expense	(865,972)
Other (net)	(729,075)
Capital contributions/additions to permanent and term endowments	
Changes in Net Assets	(212,366)
Net Assets - Beginning of the Year (Restated)	(1,283,400)
Net Assets - End of the Year	\$ (1,495,766)

CONDENSED STATEMENT OF CASH FLOWS:

	University Facilities, Inc.
Net cash flows provided (used) by:	
Operating activities	\$ 3,051,579
Noncapital financing	
Capital and related financing	58,177,075
Investing activities	(61,278,692)
Net increase (decrease) in cash	(50,038)
Cash - Beginning of the year	511,847
Cash - End of the year	\$ 461,809

W. PER DIEM PAID BOARD MEMBERS

Southeastern Louisiana University made no per diem payments to board members.

X. PENSION PLANS

Substantially all of the employees of the university are members of the State Employees (LASERS), Teacher's (TRSL), or School Employee's Retirement Systems, all of which are cost sharing multiple employer defined benefit pension plans.

Name of retirement system or plan	ID of the plan (A, B, or C see below)	Percentage of covered salaries that employees contribute	University's employer contributions to the plan for the year ended June 30, 2005
LA State Employees' Retirement System	C	7.5	\$2,225,725.00
LA School Employees' Retirement System	C	7.5	\$4,552.00
Teachers' Retirement System of Louisiana	C	8.0	\$3,081,974.00

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Identification of retirement plans:

- A) single-employer defined benefit plan
- B) agent multiple-employer defined benefit plan
- C) cost-sharing multiple-employer defined benefit plan

Each System is a statewide public employee retirement system and is available to all eligible employees. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service. Article 10, Section 29 of the Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The Systems publish yearly annual financial reports that include detailed historical, financial, and actuarial information.

LRS 11:921 created an optional retirement plan for academic and administrative employees of public institutions of higher education which is a defined contribution plan that provides for full and immediate vesting of all contributions remitted on behalf of the participants. Participants contribute 8% and the university contributes 15.5% of the covered payroll. Benefits payable to participants are not obligations of the State of Louisiana or the Teachers' Retirement System; but 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 \$ 3,182,424 and \$1,644,252, respectively, for the year ended June 30, 2005.

Y. ADVANCE REFUNDING OF BONDS

Not Applicable.

Z. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Southeastern Louisiana University has no liability outstanding as of June 30, 2005, for cooperative endeavors.

AA. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

Not Applicable.

BB. DONOR RESTRICTED ENDOWMENTS

If a donor has not provided specific instructions, state law permits the Board of Regents to authorize for expenditure 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, 2005, net appreciation of \$697,998 is available to be spent and is restricted to specific purposes.

The maximum spending allowed is 5% of the market value of program assets averaged for the previous five-year period. The maximum spending rate may be used if the average annual real total return (investment return less fees less inflation) exceeds the annual spending level.

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2005

CC. REVENUE USED AS SECURITY FOR REVENUE BONDS

<u>Auxiliary enterprises</u>	<u>Revenue used as security for bonds (FY 2005)</u>	<u>Type of bonds</u>	<u>Year(s) bonds issued</u>
Residential live - apartments	\$ 5,211,079	UFI - Revenue Bonds	2004
Student union services, including bookstore	6,109,042	Revenue Refunding Bonds	1998
Health, physical education, and recreation	648,544	Revenue Bonds	1998

DD. DISAGGREGATION OF PAYABLE BALANCES

<u>Activity</u>	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total Payables</u>
Payroll Accrual (Summer School Bi-weekly & Faculty)	\$	\$ 770,959	\$ 770,959
Normal Operations (Vendors)	2,282,900		2,282,900
Construction (UFI)	4,776,784		4,776,784
Total payables	\$ 7,059,684	\$ 770,959	\$ 7,830,643

EE. SUBSEQUENT EVENTS

On Monday, August 29, 2005, Hurricane Katrina struck southeast Louisiana, Mississippi and the Alabama coast. Southeastern did not sustain any structural damage. It is estimated that as many as 100,000 students may have been displaced throughout the gulf coast area. The financial impact on the university is currently unknown.

SCHEDULES

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF BONDS PAYABLE
June 30, 2005

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/04	(Redeemed) Issued	Principal Outstanding 6/30/05	Interest Rates	Interest Outstanding 6/30/05
UFI Revenue Bonds Series 2004	August 13, 2004	\$76,910,000	\$76,910,000	\$0	\$ 76,910,000	Variable	\$66,072,985
Parking Revenue Bonds Series 1996	April 26, 1996	1,180,000	300,000	(145,000)	155,000	6.50%	10,075
Student Recreation & Activity Center Revenue Bonds	June 30, 1998	7,690,000	6,280,000	(270,000)	6,010,000	3.75-5.00%	2,644,300
Total		\$85,780,000	\$83,490,000	(415,000)	\$83,075,000		\$68,727,360

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
June 30, 2005

Not Applicable

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF NOTES PAYABLE
June 30, 2005

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/04	(Redeemed) Issued	Principal Outstanding 6/30/05	Interest Rates	Interest Outstanding 6/30/05
Construction Loan	10-Oct-99	\$2,300,000	\$795,788	(527,087)	\$268,701	Variable	\$14,545
Copiers	20-Sep-04	\$641,861	\$0	(89,257)	\$552,604	3.51%	\$43,048
Total		\$2,941,861	\$795,788	(616,344.00)	\$821,305		\$57,593

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF BONDS PAYABLE AMORTIZATION
For the Year Ended June 30, 2005

Fiscal Year <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 440,000	\$ 303,183
2007	295,000	280,282
2008	310,000	266,860
2009	325,000	252,600
2010	340,000	237,650
2011	355,000	221,670
2012	370,000	204,630
2013	390,000	186,500
2014	410,000	167,000
2015	430,000	146,500
2016	450,000	125,000
2017	475,000	102,500
2018	500,000	78,750
2019	525,000	53,750
2020	550,000	27,500
Total	\$ <u>6,165,000</u>	\$ <u>2,654,375</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF BONDS PAYABLE AMORTIZATION
For the Year Ended June 30, 2005

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2007	\$ 225,000	\$ 3,479,250
2008	880,000	3,472,500
2009	1,015,000	3,442,387
2010	1,170,000	3,405,488
2011	1,325,000	3,365,225
2012	1,500,000	3,315,538
2013	1,680,000	3,256,225
2014	1,865,000	3,179,250
2015	1,980,000	3,104,538
2016	2,040,000	3,026,137
2017	2,140,000	2,924,825
2018	2,230,000	2,837,850
2019	2,320,000	2,749,337
2020	2,415,000	2,654,217
2021	2,515,000	2,553,474
2022	2,645,000	2,420,063
2023	2,785,000	2,281,887
2024	2,910,000	2,156,562
2025	3,060,000	2,004,475
2026	3,225,000	1,842,450
2027	3,375,000	1,689,950
2028	3,545,000	1,521,200
2029	3,720,000	1,344,637
2030	3,900,000	1,166,563
2031	4,095,000	972,250
2032	4,300,000	767,500
2033	4,500,000	562,644
2034	4,675,000	381,563
2035	4,875,000	195,000
Total	\$ <u><u>76,910,000</u></u>	\$ <u><u>66,072,985</u></u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2005

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2006	\$ 122,719	\$ 17,435
2007	127,096	13,057
2008	131,630	8,524
2009	136,325	3,828
2010	<u>34,834</u>	<u>204</u>
Total	\$ <u>552,604</u>	\$ <u>43,048</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2005

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2006	\$ <u>268,701</u>	\$ <u>14,545</u>
Total	\$ <u><u>268,701</u></u>	\$ <u><u>14,545</u></u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF CAPITAL LEASE AMORTIZATION
For the Year Ended June 30, 2005

Fiscal Year Ending:	Beginning Balance	Payment	Interest	Principal	Balance
2006	\$ 31,360	\$ 29,839	\$ 956	\$ 28,883	\$ -
2007	<u>2,476</u>	<u>2,487</u>	<u>11</u>	<u>2,476</u>	<u>-</u>
Total	<u>\$ 33,836</u>	<u>\$ 32,326</u>	<u>\$ 967</u>	<u>\$ 31,359</u>	<u>\$ -</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For the Year Ended June 30, 2005

Not Applicable

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF PER DIEM PAID
For the Year Ended June 30, 2005

Not Applicable

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF EXPENSES BY UNIVERSITY
For the Year Ended June 30, 2005

Name of Campus:	Total Expenses
Southeastern Louisiana University	\$ <u>130,742,192</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF PRIOR YEAR ADJUSTMENTS
For the Year Ended June 30, 2005

Fund Balance July 1, 2004, previously reported	\$ 108,138,647
Capital Lease Obligations	
To book obligation for Capital Lease not previously recorded	1,974
Beginning Net Assets, July 1, 2004, as restated	<u>\$ 108,140,621</u>

SCHEDULE 8

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor	Pass-Through Entity	Program Name/Title and Cluster Name	CFDA or Other I.D. No.	Pass-Through Entity's Number
Direct Awards:		Other Direct Awards		
U.S. Department of Housing and Urban Development		Supportive Housing Program	14.235	
National Endowment for the Arts		Promotion of the Arts - Leadership Initiatives	45.04-5200-3147	
U.S. Department of Education		Funds for the Improvement of Post-Secondary Education (FIPSE)	84.116Z	
U.S. Department of Education		Bilingual Education-Professional Development	84.195N	
U.S. Department of Education		Bilingual Education-Professional Development	84.195N	
U.S. Department of Education		Funds for the Improvement of Education	84.215K	
U.S. Department of Health and Human Resources		Advanced Education Nursing Traineeships	93.358	
Direct Awards:		Research and Development Program Cluster (R&D)		
U.S. Department of the Interior Fish and Wildlife Service		Endangered Species Act of 1973	15.FFB	
U.S. Department of the Interior Fish and Wildlife Service		Endangered Species Act of 1973	15.FFB	
U.S. Department of the Interior		U.S. Geological Survey_Research and Data Collection	15.808	
National Science Foundation		Geosciences	47.050	
National Science Foundation		Geosciences	47.050	
National Science Foundation		Biological Sciences	47.074	
U.S. Environmental Protection Agency		Consolidated Research Grants	66.500	
U.S. Department of Energy		Office of Science Financial Assistance Program	81.049	
U.S. Department of Health and Human Services		Academic Research Enhancement Award	93.390	
U.S. Department of Health and Human Services		Heart & Vascular Disease Research	93.837	
Direct Awards:		Student Financial Assistance Cluster (SFA)		
U.S. Department of Education		Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	
U.S. Department of Education		Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	
U.S. Department of Education		Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	
U.S. Department of Education		Federal Work-Study Program (FWSP)	84.033	
U.S. Department of Education		Federal Work-Study Program (FWSP)	84.033	
U.S. Department of Education		Federal Work-Study Program (FWSP)	84.033	
U.S. Department of Education		Federal Perkins Loan Program - Federal Capital Contributions (FPL)	84.038	

Preparer: Bette Schexnayder
Phone Number: (985) 549-2068
DUNS Number: 883227324
EIN Number: 72-6000816
Full Accrual Accounting Basis

Project Name	Award ID Number	Award Period	Expenditures	Issues	Total	Dept Number
Northlake Homeless Management Information System	LA48B206007	04/18/2003-06/30/2005	167,108		167,108	3126
Louisiana Literature	04-5200-3147	07/01/2004-12/31/2005	3,432		3,432	3054
Teacher Education Anytime, Anywhere Program - I (TEAAP I)	P116Z010126	07/01/2001-06/30/2006	268,911		268,911	3171
Project IMPACT	T195N040141	07/15/2004-07/14/2005	73,804		73,804	3122
Project TEACH	T195N020027	09/30/2002-09/29/2007	216,973		216,973	3029/ 3094
Teacher Education Anytime, Anywhere Program - II (TEAAP II)	R215K010083	07/01/2001-06/30/2006	133,610		133,610	3201
Professional Nurse Traineeships	A10-HP-00231	07/01/2004-06/30/2005	39,364		39,364	3065
Movement Patterns of Gopher Frogs in DeSoto National Forest	1448-40181-00-G-085	07/01/2000-06/30/2005	302		302	3044
Population Genetics of Rana Sevosa, the Dusky Gopher Frog, as Estimated using DNA Microsatellites	1448-40181-01-G-082	06/01/2001-06/2/2005	10,555		10,555	3055
Monitoring Nutrient and Pollutant Degradation by Anaerobic Microorganisms	03HQAG0109	09/03/2003-09/01/2006	162,180		162,180	3221
CAREER: Improved Measurement of Dayside Magnetospheric Reconnection	ATM-9983402	08/01/2000-07/31/2006	39,711		39,711	3245
Investigation of Suspended Optics' Motion of the LIGO Detector and Its Influence on Performance	PHY-0354942	06/01/2004-06/30/2006	31,688		31,688	3236
Assembly of Wetland Plant Communities along Gradients: An Experimental Study	DEB-0129024	02/01/2002-01/31/2007	38,254		38,254	3063
Ecology & Restoration Potential of the Manchac Area Wetlands	R-82898001-2	07/23/2001-07/22/2006	812,169		812,169	3264-3271 3320-3331
Numerical Simulation of Plasma Turbulence in the Tokamak Edge	DE-FG02-96ER54370	08/01/1996-01/31/2006	16,068		16,068	3050
Combined Substrate Polymerase Inhibitors	R15GM06768601A1	01/01/2004-12/31/2006	79,911		79,911	3219
Molecular Role of Segment 6 in Heart Na Channel Slow Inactivation	IRI5HL080009-01	05/01/2005-04/30/2008	3,179		3,179	3277
Federal Supplemental Educational Opportunity Grants - Administrative Costs	P007A041668	07/01/2004-06/30/2005	51,706		51,706	3992
Federal Supplemental Educational Opportunity Grants - Direct Payments	P007A041668	07/01/2004-06/30/2005	1,034,126		1,034,126	3992
Federal Supplemental Educational Opportunity Grants	P007A011668	07/01/2001-06/30/2002	(263)		(263)	3993
Federal Work-Study Program - Administrative Costs	P033A041668	07/01/2004-06/30/2005	39,468		39,468	3991
Federal Work-Study Program - Compensation Paid Students	P033A041668	07/01/2004-06/30/2005	787,650		787,650	3991
Federal Work-Study Program - Job Location & Development	P033A041668	07/01/2004-06/30/2005	47,003		47,003	3048
Federal Perkins Loan Program - Federal Capital Contributions - Administrative Costs	P038A041668	07/01/2004-06/30/2005	23,166		23,166	4301

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor	Pass-Through Entity	Program Name/Title and Cluster Name	CFDA or Other I.D. No.	Pass-Through Entity's Number
Direct Awards:		Student Financial Assistance Cluster (SFA) Continued...		
U.S. Department of Education		Federal PELL Grant Program (PELL)	84.063	
U.S. Department of Education		Federal PELL Grant Program (PELL)	84.063	
U.S. Department of Education		Federal PELL Grant Program (PELL)	84.063	
U.S. Department of Education		Federal PELL Grant Program (PELL)	84.063	
U.S. Department of Education		Federal PELL Grant Program (PELL)	84.063	
U.S. Department of Education		Federal PELL Grant Program (PELL)	84.063	
U.S. Department of Health and Human Services		Scholarships for Health Professions Students from Disadvantaged Backgrounds (SDS)	93.925	
Direct Awards:		TRIO Cluster		
U.S. Department of Education		TRIO - Student Support Services	84.042A	
U.S. Department of Education		TRIO - Talent Search	84.044A	
U.S. Department of Education		TRIO - Talent Search	84.044A	
U.S. Department of Education		TRIO - Upward Bound	84.047A	
U.S. Department of Education		TRIO - Upward Bound	84.047A	
U.S. Department of Education		TRIO - Upward Bound	84.047A	
U.S. Department of Education		TRIO - Upward Bound	84.047M	
U.S. Department of Education		TRIO - Educational Opportunity Centers	84.066A	
U.S. Department of Education		Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	
U.S. Department of Education		TRIO - Dissemination Partnership Grants	84.344A	
Awards From a Pass-Through Entity:		Other Pass-Through Awards		
U.S. Department of Health and Human Services	Regina Coeli Child Development Center	Head Start	93.600	None
Awards from a Pass-Through Entity:		Research and Development Cluster (R&D)		
National Oceanic and Atmospheric Admin (NOAA)	University of New Orleans Research and Technology Foundation	The Lake Ponchartrain Basin Restoration Act of 2000	11.NA16FZ2719	58512-S6
National Oceanic and Atmospheric Admin (NOAA)	University of New Orleans Research and Technology Foundation	The Lake Ponchartrain Basin Restoration Act of 2000	11.NA16FZ2719	58534-S12
National Oceanic and Atmospheric Admin (NOAA)	University of New Orleans Research and Technology Foundation	The Lake Ponchartrain Basin Restoration Act of 2000	11.NA16FZ2719	58534-S11
U.S. Department of Environmental Protection Agency	University of Texas at Austin	Science to Achieve Results (STAR)	66.509	#UTA02-358-47

Preparer: Bette Schexnayder
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DUNS Number: 883227324
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Full Accrual Accounting Basis

Project Name	Award ID Number	Award Period	Expenditures	Issues	Total	Dept Number
Federal PELL Grant Program - Administrative Costs	P063P041524	07/01/2004-06/30/2005	28,965		28,965	1000
Federal PELL Grant Program - Direct Payments	P063P041524	07/01/2004-06/30/2005	15,562,374		15,562,374	3990
Federal PELL Grant Program - Direct Payments	P063P031524	07/01/2003-06/30/2004	(17,969)		(17,969)	3995
Federal PELL Grant Program - Direct Payments	P063P021524	07/01/2002-06/30/2003	(6,479)		(6,479)	3995
Federal PELL Grant Program - Direct Payments	P063P010675	07/01/2001-06/30/2002	(469)		(469)	3995
Federal PELL Grant Program - Direct Payments	P063P000675	07/01/2000-06/30/2001	(3,938)		(3,938)	3995
Scholarships for Disadvantaged Students - Health Professions	7350839-04	07/01/2004-06/30/2005	69,778		69,778	3996
Student Support Services	P042A010557	09/01/2001-08/31/2006	322,010		322,010	3203/ 3206
Talent Search Program	P044A020643	09/01/2002-08/31/2006	437,622		437,622	3223/ 3228
Talent Search - St. Helena / Washington	P044A020653	09/01/2002-08/31/2007	177,989		177,989	3212/ 3220
Upward Bound Program - Tangipahoa Parish	P047A031154	10/01/2003-09/30/2008	449,737		449,737	3207/3216 3250/3251
Upward Bound Program - Livingston/ St. Helena Parishes	P047A030223	10/01/2003-09/30/2008	399,495		399,495	3087/3088 3258/3259
Veterans Upward Bound	P047A031018	09/01/2003-08/31/2008	294,733		294,733	3080/ 3085
Upward Bound - Math and Science Competition	P047M030233	10/01/2003-09/30/2007	339,494		339,494	3030/ 3034
Educational Opportunity Center	P066A020100	09/01/2002-08/31/2006	351,672		351,672	3086/ 3089
GEAR UP	P334A020142	09/15/2002-09/14/2007	273,993		273,993	3102/ 3140
TRIO Dissemination	P344A030035	10/01/2003-09/30/2006	167,709		167,709	3100/ 3101
SLU Head Start Child Development Center	None	07/01/2004-06/30/2005	1,600		1,600	1197
Domestic & Agriculture Run-off in the Northern Boundaries of L.P.D.B.	NA16FZ2719	09/01/2002-08/31/2005	4,120		4,120	3217/ 3218
Teacher Workshop and Wet-Lab Enhancement at Turtle Cove Environmental Research Station	NA16FZ2719	09/01/2003-08/31/2005	33,074		33,074	3164
Habit - State Change in the Wetlands of Lake Pontchartrain Basin	NA16FZ2719	09/01/2003-08/31/2005	109,384		109,384	3255/ 3260
Individual and Population Bioindicators: Reproduction in Sheepshead Minnows	UTA02-358	11/21/2001-12/31/2005	31,399		31,399	3257

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor	Pass-Through Entity	Program Name/Title and Cluster Name	CFDA or Other I.D. No.	Pass-Through Entity's Number
<u>Awards from a Pass-Through Entity:</u>		<u>Research and Development Cluster (R&D) Continued...</u>		
U.S. Department of Energy	Mecom, Inc.	Small Business Technology Transfer	81.DEFG0203ER86172	None
U.S. Department of Education	National Writing Project Corporation	National Writing Project	84.928A	92-LA-05
U.S. Department of Health and Human Services	Southeast Louisiana Area Health Education Center Foundation	Area Health Education Centers - Model Programs	93.107	None
U.S. Department of Health and Human Services	Southeast Louisiana Area Health Education Center Foundation	Area Health Education Centers - Model Programs	93.107	None
U.S. Department of Health and Human Services	University of Texas Health Center at Tyler	Occupational Safety and Health Research Grants	93.262	SC04-07
U.S. Department of Health and Human Services	University of Texas Health Center at Tyler	Occupational Safety and Health Research Grants	93.262	SC04-07
U.S. Department of Health and Human Services	Southeast Louisiana Area Health Education Center Foundation	Rural Health Outreach and Rural Network Development Program	93.912C	None
U.S. Department of Health and Human Services	Southeast Louisiana Area Health Education Center Foundation	Rural Health Outreach and Rural Network Development Program	93.912C	None

Preparer: Bette Schexnayder
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Full Accrual Accounting Basis

Project Name	Award ID Number	Award Period	Expenditures	Issues	Total	Dept Number
Sequestration and Bioconversion of Carbon Dioxide to Methane	DE-FG02-03ER86172	4/16/2003-06/26/2005	26,167		26,167	3246
Southeastern Louisiana Writing Project	92-LA-05	06/01/1993-01/31/2006	43,555		43,555	3098
Southeast Louisiana Health Education - Continuing Education	None	09/01/2004-12/31/2004	5,500		5,500	3261
Southeast Louisiana Health Education - Continuing Education	None	01/04/2005-05/14/2005	5,150		5,150	3244
Healthy Farm Families Initiative	U50 OH07541-03	09/30/2004-09/29/2005	29,853		29,853	3252
Healthy Farm Families Initiative	U50 OH07541	09/30/2003-09/29/2004	31,797		31,797	3253
Better Health for the Delta - Community Encourager Grant	None	09/01/2004-08/31/2005	24,607		24,607	3132
Better Health for the Delta - Community Encourager Grant	None	09/01/2003-08/31/2004	5,479		5,479	3214
			<u>23,278,476</u>		<u>23,278,476</u>	

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF FIXED PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor	Pass-Through Entity	Program Name/Title and Cluster Name	CFDA or Other I.D. No.	Pass-Through Entity's Number
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No Federal Program Funds were Received on Fixed Price Contracts with a Federal Agency or a Non-State Agency.

Preparer: Bette Schexnayder
Phone Number: (985) 549-2068
DUNS Number: 883227324
EIN Number: 72-6000816
Full Accrual Accounting Basis

Project Name	Award ID Number	Award Period	Expenditures	Issues	Total	Dept Number
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STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF DISCLOSURES FOR FEDERALLY ASSISTED LOANS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor	Program Name	Federal CFDA No.	Loans Made Or Disbursed During Year	Outstanding Loan Balance	Principal and Interest Cancelled
U.S. Department of Health & Human Services	Nursing Student Loans	93.364	0	21,081	N/A
U.S. Department of Health & Human Services	Health Professions Student Loans/ Loans for Disadvantaged Students	93.342	N/A	N/A	N/A
U.S. Department of Education	Federal Perkins Loan Program - Federal Capital Contributions	84.038	465,187	2,583,818	N/A
U.S. Department of Education	Federal Family Education Loans (FFEL)	84.032	40,795,704	N/A	N/A
U.S. Department of Education	Federal Perkins Loans - Teacher/Military Cancellations	84.037	N/A	N/A	25,636
U.S. Department of Education	Federal Perkins Loans - Law Enforcement Cancellations	84.037	N/A	N/A	950
U.S. Department of Education	Federal Perkins Loans - Nurse/Medical Technician Cancellations	84.037	N/A	N/A	14,284
U.S. Department of Education	Federal Perkins Loans - Child/Family and Early Intervention Cancellations	84.037	N/A	N/A	5,100
U.S. Department of Education	Federal Perkins Loans - Teacher Shortage Cancellations	84.037	N/A	N/A	3,718
U.S. Department of Education	Federal Perkins Loans - Death and Disability Cancellations	84.038	N/A	N/A	0

Preparer: Bette Schexnayder
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DUNS Number: 883227324
EIN Number: 72-6000816
Full Accrual Accounting Basis

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended June 30, 2005

Finding Title: NONE

Reference Number (from attached schedule of findings): _____

Initial Year of Finding: _____

Amount of Questioned Costs in Finding: \$ _____

Status of Questioned Costs (check one): Resolved _____ Unresolved _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government?
Are they still in negotiation?

Page Number (from Single Audit Report): _____

Program Name(s): _____

Federal Grantor Agency: _____

CFDA Number(s): _____

Status of Finding (check one):
Fully Corrected _____ Not Corrected _____
Partially Corrected _____ No Further Action Needed _____
Change of Corrective Action _____ See OMB A-133 Section 315(b)(4) _____

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Bette Schexnayder
Phone Number: (985) 549-2068
DUNS Number: 883227324
EIN Number: 72-6000816

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF NON-STATE SUBRECIPIENTS OF
 MAJOR FEDERAL PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor and CFDA or Other Identifying No.	Award or Subaward Number	Project Number	Major Program Name and Cluster Name, when Applicable	Amount of Major Program Funds Disbursed to Non-State Subrecipient	Non-State Subrecipient	Dept Number
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Research & Development Cluster

U.S. Department of the Interior

15.FFB	1448-40181-01-G-082		Endangered Species Act of 1973	10,000	University of Oklahoma	3055
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Preparer:	<u>Bette Schexnayder</u>
Telephone Number:	<u>(985) 549-2068</u>
DUNS Number:	<u>883227324</u>
EIN Number:	<u>72-6000816</u>
Basis of Accounting:	<u>Full Accrual</u>

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF STATE AGENCY / UNIVERSITY SUBRECIPIENTS OF
 FEDERAL PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor and CFDA or Other Identifying No.	Award or Subaward Number	Project Number	Federal Program Name and Cluster Name, when Applicable	Amount of Federal Program Funds Disbursed to State Agencies or Universities	State Agency or University Subrecipient	Dept Number
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Research & Development Cluster

National Oceanic & Atmospheric Administration

11.463	CREST04-6A		Habitat Conservation	24,066	Louisiana State University	3234
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U.S. Environmental Protection Agency

66.500	R-82898001		Consolidated Research Grants	11,983	University of New Orleans	3269
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66.500	R-82898001		Consolidated Research Grants	13,540	University of New Orleans	3329
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49,589

Preparer:	Bette Schexnayder
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EIN Number:	72-6000816
Basis of Accounting:	Full Accrual