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SOUTHERN UNIVERSITY SYSTEM

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MAR 10 1998

BRUNO & TERVALON

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1998

Bruno

CONFIDENTIAL ACCOUNTANTS

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

**Dr. Leon Tarver, II, President
Southern University System
Baton Rouge, Louisiana 70813**

We have audited the accompanying Schedules of Expenditures of Federal Awards of the Southern University System for the year ended June 30, 1998. The Schedules of Expenditures of Federal Awards is the responsibility of the management of the Southern University System. Our responsibility is to express an opinion on the Schedules of Expenditures of Federal Awards based on our audit. The accompanying Schedule of Expenditures of Federal Awards is not a part of the University's component unit financial statements for the year ended June 30, 1998. The component unit financial statements were audited by other independent auditors whose report has not been issued as of our report date.

We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133. Those standards and the provisions of OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules of Expenditures of Federal Awards are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules of Expenditures of Federal Awards. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedules of Expenditures of Federal Awards. We believe that our audit provides a reasonable basis for our opinion.

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

(CONTINUED)

Dr. Leon Tarver, II, President
Southern University System
Baton Rouge, Louisiana 70813

In our opinion, the accompanying Schedules of Expenditures of Federal Awards of the Southern University System presents fairly, in all material respects, the expenditures of federal awards for the year ended June 30, 1998 in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 27, 1998 on our consideration of the Southern University System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the Schedules of Expenditures of Federal Awards taken as a whole. The supplementary data included in this report is presented for the purposes of additional analyses and is not a required part of the Schedules of Expenditures of Federal Awards. Such information has been subjected to the auditing procedures applied in the audit of the Schedules of Expenditures of Federal Awards and, in our opinion is fairly stated in all material respects in relation to the Schedules of Expenditures of Federal Awards taken as a whole.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

November 27, 1998

SOUTHERN UNIVERSITY SYSTEM
 BOARD AND SYSTEM ADMINISTRATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1988

FEDERAL AGENCY PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Activity
U. S. Department of Agriculture			
<i>Direct Awards</i>			
Fund for Rural America-Research, Education and Extension Activities	10-224	--	\$ 126,416
Cooperative Extension Services	10-590	--	3,387,837
Biomechanical Quality Incentives Program	10-512	--	12,313
International Training-Foreign Participant	10-562	--	3,225
<i>Awards From a Pass-Through Entity</i>			
Through: North Carolina State 1891 Institution Capacity Building Grants Cooperative Extension Services	10-236 10-590	951227-18 9996-1277-02	3,147 3,188
Total U. S. Department of Agriculture			<u>3,555,236</u>
Department of State - U. S. Agency for International Development			
<i>Direct Awards</i>			
Zambia Democracy Is Country	60307-25-0000210	--	344,392
Total Department of State			<u>344,392</u>

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 BOARD AND SYSTEM ADMINISTRATION, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Amount
U. S. Department of Energy			
Electricity			
Office of Energy Research Programs	81,049	--	\$ 499,321
Total U. S. Department of Energy			<u>499,321</u>
Total Expenditures of Federal Awards			<u>\$1,169,271</u>

The accompanying notes are an integral part of these schedules.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1988**

FEDERAL GRANT/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Basis's Number	Amount
I. U. S. Department of Agriculture			
Other Awards			
1890 Institute Capacity Building Grants	10-216	--	\$ 199,159
Small Farmer Outreach Training in Technical Assistance Program	10-643	--	1,284
Cooperative Forestry Assistance	10-684	--	27,809
Resource Conservation and Development	10-901	--	162,270
Environmental Quality Incentives Program	10-912	--	7,324
Agricultural Statistics Report	10-958	--	2,000
Biome Program	43-343ZF-7-00088	--	4,688
USDA Student Book Allowance	12-40-0001	--	9,897
CSRS Program Income	SEC-1443	--	71,816
Research and Development Grants			
Special Grants			
Agricultural Research-Basic and Applied Research	10-001	--	76,378
Grants for Agricultural Research, Special Research Grants	10-208	--	252,125
Payments to 1890 Land Grant Colleges	10-209	--	1,275,643
Grants for Agricultural Research-Competitive Research Grants	10-206	--	518
1890 Institute Capacity Building Grants	10-218	--	171,336
Small Farmer Outreach Training or Technical Assistance Program	10-643	--	366,829
Forestry Research	10-682	--	25,278
Cooperative Forestry Assistance	10-684	--	1,095
Resource Conservation and Development	10-901	--	4,572
Total U. S. Department of Agriculture			2,181,026

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 BATON ROUGE CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANT/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Amount
U. S. Department of Commerce			
<i>Direct Awards</i>			
Measurement and Engineering Research and Standards	11,689	--	\$ 1,200
Total U. S. Department of Commerce			
U. S. Department of the Army			
<i>Research and Development Cluster</i>			
<i>Direct Awards</i>			
Collaborative Research and Development	12,114	--	1,000
Total U. S. Department of the Army			
U. S. Department of the Navy			
<i>Research and Development Cluster</i>			
<i>Direct Awards</i>			
Basic and Applied Scientific Research	12,208	--	1,000
Total U. S. Department of the Navy			

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 KATON HOUGE CAMPUSES, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL AGENCY/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Activity
U. S. Department of the Air Force			
Research and Development Cluster			
<i>Direct Awards</i>			
Air Force Defense Research Sciences Program	11,880	-	1,007,872
Total U. S. Department of the Air Force			<u>1,007,872</u>
National Security Agency			
<i>Direct Awards</i>			
Mathematical Sciences Grant Program	11,991	-	1,729
Total National Security Agency			<u>1,729</u>
U. S. Department of Housing and Urban Development			
<i>Direct Awards</i>			
Historically Black Colleges and Universities Program	14,237	-	68,848
Community Development Work-Study Program	14,502	-	69,261
Total U. S. Department of Housing and Urban Development			<u>128,109</u>

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 BATON ROUGE CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1968

FEDERAL GRANTOR PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Amount
U. S. Department of the Interior			
<i>Monticelli</i>			
Fish and Wildlife Management Assistance	15.608	—	\$ 91,500
Assistance to State Water Resources Research Institute	15.945	—	— 16,622
Total U. S. Department of the Interior			— 108,122

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 BATON ROUGE CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entry % Number	Totals
U. S. Department of Transportation			
<i>Direct Award</i>			
Federal Transit Grants for University Research and Training	20.902	—	8,213,802
Total U. S. Department of Transportation			8,213,802
National Aeronautics and Space Administration			
<i>Direct Award</i>			
Aerospace Education Services Program	43.001	—	455,694
<i>Award From a Pass-Through Entry</i>			
Through Quality Education for Minority Networks OF NASA's STREP Plan	—	34625-4122	45,553
Through Turbo Services NASA Research Consortium of HECU's	—	KCS100199	1,142
Through National Research Council NASA Administrators Fellowship	—	NCC-8-179	62,898

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 RATION RIDGE CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1999

FEDERAL GRANTOR/PROGRAM/NAME	Federal CFDA, or Other Number	Pass-Through Entry's Number	Amount
National Aeronautics and Space Administration, Continued			
Research and Development Cluster			
Direct Award			
Technology Transfer	41.802	-	\$ 938,240
Intelligent Space Adaptation	NAND-0062	-	48,150
Awards From A Pass-Through Entry			
Through South Carolina State	41.802	N466-0-0016	31,002
Space Technology and Development			
Total National Aeronautics and Space Administration			
			1,537,502
National Science Foundation			
Direct Award			
Engineering Grants	47.041	-	65,646
Mathematical and Physical Science	47.049	-	17,890
Computer and Information Science and Engineering	47.050	-	38,273
Biological Sciences	47.054	-	62,193
Social, Behavioral and Economic Sciences	47.073	-	78,993

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 BAYTON BOULDER CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Amount
National Science Foundation, Continued			
Research and Development Center Chassis/Assist Mathematical and Physical Science	47-049	-	\$ 6,250
Academy Board of Pass-Through Entity Through University of California at Berkeley Computer and Information Science and Engineering Through University of Tennessee Computer and Information Science and Engineering	47-070	561460-2185RSM	78,481
	47-070	A8C-6620470	657
Total National Science Foundation			85,188

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 RATON RIDGE CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANT OR PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entry's Number	Available
Environmental Protection Agency			
Research and Development Center			
Direct Award	66-508	—	\$ 271,641
Environmental Protection-Counselors Research			271,641
Total Environmental Protection Agency			
U. S. Department of Energy			
Research and Development Center			
Direct Award	81-049	—	518,893
Office of Energy Research Financial Program	81-037	—	42,346
University Coal Research	81-084	—	528,099
Conservative Research and Development	205091-42	—	(5)
Tech Oxydo-Sulfur Institute			

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 BATON ROUGE CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1999

FEDERAL GRANTOR/PROGRAM NAME	Federal CFDA or Other Number	Post-Through Entry's Number	Amount
U.S. Department of Energy - Continued			
Research and Development, Chief, Contract			
<i>Award From a Post-Through Entry</i>			
<i>Thammasit University of Education</i>			
Office of Energy Research Financial Program	81,049	5	(208)
Thammasit Oak Ridge Institute for Science and Education			
Office of Energy Research Financial Program	81,049	18,824	18,824
Thammasit Lockheed Martin Energy Systems			
Office of Energy Research Financial Program	81,049	2,685	2,685
Thammasit Clark Atlanta University			
Conservation Research And Development	81,085	151,272	151,272
Total U. S. Department of Energy			1,852,120

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 BATON ROUGE CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Amount
U. S. Department of Education			
Grant Areas:			
Higher Education-Institutional Aid	84.051	---	\$ 3,173,976
Tutor-Student Support Services	84.042	---	223,842
Tutor-Student Search	84.044	---	388,239
Tutor-Upward Bound	84.847	---	642,323
State/Block-Long-Term Training Secondary Education and Transitional Services For Youth with Disabilities	84.128	---	667,228
Capacity Building for Traditionally Under-Served Populations Clinical Education Program	84.128 84.312 PC87A18015-96	---	53,267 243,949 4,291
Amount From a Pass-Through Entity			
Through University of Virginia Special Education—Personal Development and Peace Training	84.029	8E0294900005 5-2423	16,378
Through University of Alabama Rehabilitation Long-Term Training	84.129	8113000005-96A	41,292

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 BATON ROUGE CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANT/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Amount
U. S. Department of Education - Continued			
Student Financial Assistance Cluster			
Direct Agency	84-097	-	\$ 373,600
Federal Supplemental Educational Opportunity Grants	84-022	-	25,179,694
Federal Family Education Loans	84-023	-	868,968
Federal Work-Study Program	84-083	-	11,053,320
Federal Pell Grant Program			
Total U. S. Department of Education			
U. S. Department of Health and Human Services			
Direct Agency			
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	83-196	-	(240)
Health Care Financing Research, Demonstration and Evaluation Scholarships for Health Profession Students from Disadvantaged Backgrounds	83-779	-	8,080
	83-825	-	107,618
Grant/Cooperative Pass-Through Entity			
Through Central State University			
Family Violence Prevention and Services Grants to States and Indian Tribes	83-671	DS7MEN480-836	183,141

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 BATON ROUGE CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Amount
U. S. Department of Health and Human Services, Continued			
Research and Development Ongoing			
<i>Direct Awards</i>			
Minority Biomedical Research Support	99-379	--	\$ 204,907
Research Infrastructure	95-386	--	<u>956,624</u>
Total U. S. Department of Health and Human Services			<u>1,161,531</u>
Competition for National and Community Service			
<i>Direct Awards</i>			
Learn and Serve America-Higher Education	94-006	--	<u>36,682</u>
Total Competition for National and Community Service			<u>36,682</u>
Total Expenditures of Federal Awards			<u>\$ 1,198,213</u>

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 NEW ORLEANS CAMPUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entry's Number	Amount
U. S. Department of the Navy			
<i>Grant From a Pass-Through Entry Through Concurrent Technologies Basic and Applied Scientific Research</i>	11-300	970002144	\$ 265,824
Total U. S. Department of the Navy			
U. S. Department of Housing and Urban Development			
<i>Direct Award Historically Black Colleges and Universities Program</i>	14-237	--	62
<i>Grant From a Pass-Through Entry Through Housing Authority of New Orleans Drug Elimination Grant</i>	--	LAWDET 00181-95	27,135
Total U. S. Department of Housing and Urban Development			

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 NEW ORLEANS CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1988

FEDERAL GRANTOR/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Activity
U. S. Department of Justice			
<i>Direct Awards</i>			
Public Safety Partnerships and Community Policing Grants	16,718	--	\$ 26,221
Total U. S. Department of Justice			26,221
National Aeronautics and Space Administration			
<i>Direct Awards</i>			
Technology Transfer	43,002	--	94,381
<i>Awards From a Pass-Through Entity</i>			
Douglas Pratte View A & M Technology Transfer	43,002	560000026	45,428
Total National Aeronautics and Space Administration			139,809
National Science Foundation			
<i>Direct Awards</i>			
Social, Behavioral and Economic Sciences	47,075	--	12,893
Total National Science Foundation			12,893

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 NEW ORLEANS CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Activities
U. S. Department of Education			
<i>Direct Award:</i>			
Higher Education-Instructional Aid	84-051	--	\$ 1,893,928
Tutor-Student Support Services	84-052	--	231,439
Tutor-Talent Search	84-044	--	228,893
Tutor-Upward Bound	84-047	--	262,417
Student Financial Assistance/Chronic			
<i>Direct Award:</i>			
Federal Supplemental Educational Opportunity Grants	84-007	-	248,483
Federal Family Education Loans	84-032	--	6,841,391
Federal Work-Study Program	84-033	--	347,116
Federal Pell Grant Program	84-063	--	5,777,658
Federal Direct Student Loan	84-288	--	3,214,188
Total U. S. Department of Education			<u>19,134,744</u>
Total Expenditures of Federal Awards			<u>19,611,639</u>

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 SHREVEPORT-BOSSIER CITY CAMPUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTEE/PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Activity
U. S. Department of Education			
<i>Direct Awards</i>			
Higher Education-Instructional Aid	84-871	---	\$ 599,825
Tutor-Student Support Services	84-840	-	204,403
Tutor-Talent Search	84-844	-	264,754
Tutor-Upward Bound	84-847	-	285,514
Student Financial Assistance/Chamber			
<i>Direct Awards</i>			
Federal Supplemental Educational Opportunity Grants	84-807	-	65,148
Federal Work-Study Programs	84-833	-	236,213
Federal Pell Grant Programs	84-863	-	1,810,733
Federal Direct Student Loan	84-248	---	<u>228,508</u>
Total U. S. Department of Education			<u>\$ 4,064,301</u>

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
 SHERVEPORT-BOSSEUR CITY CAMPUS, CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANT OR PROGRAM NAME	Federal CFDA or Other Number	Pass-Through Entity's Number	Amount
Environmental Protection Agency			
Award From a Pass-Through Entity Through Mission Research Corporation Mission Research	—	800093-00- 0000	\$ 2,831
Total Environmental Protection Agency			<u>2,831</u>
Total Expenditures of Federal Awards			<u>\$ 4,065,232</u>

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 1998

NOTE 1 - General

The Southern University System (the University) is a publicly supported institution of higher education. The University is a political subdivision of the State of Louisiana. As defined by Government Accounting Standards Board Statement Number 14 within the Executive Branch of government, under the management and supervision of the Southern University Board of Supervisors. However, the annual budget of the University and proposed changes to the degree programs, departments of instruction, et cetera, require the approval of the Board of Regents. The Board of Supervisors is comprised of 17 members appointed for a six-year term by the Governor with the consent of the Senate, and one student member appointed for a one-year term by a council composed of the student body presidents of the University. As a State agency, operations of the University's instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature.

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

Board and System Administration,
Baton Rouge Campus,
New Orleans Campus, and
Shreveport-Bossier City Campus.

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs administered by the Southern University System. All expenditures of federal awards received directly from federal agencies and pass-through entities are included on the Schedules. Because the Schedules present only a selected portion of the activities of the system, it is not intended to and does not present either the financial position, changes in fund balances or the current funds revenues, expenditures, and other changes of the University.

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

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 1988
(CONTINUED)

NOTE 1 - Basis of Accounting and Presentation.

The accompanying Schedules of Expenditures of Federal Awards are presented using the modified accrual basis of accounting which is described in the notes to the University's component unit financial statements which are audited by the Legislative Auditors. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

All federal grant expenditures, except Cooperative Extension (CFEA Number 18,800) and Payments to 1890 Land Grant Colleges and Tuskegee University (CFEA Number 18,905), are accounted for in the Current Funds-Restricted of the respective agency of the University. Grant expenditures relative to Cooperative Extension and payments to 1890 Land Grant Colleges are accounted for in the Current Funds-Unrestricted of the Baton Rouge Campus. However, for purposes of reporting expenditures of Federal Awards, such transactions are reported in the Schedules of Expenditures of Federal Awards - Board and System Administration and the Baton Rouge Campus.

The accompanying Schedules of Expenditures of Federal Awards has been prepared in the format set forth in OMB Circular A-133 and the related Compliance Supplement. The purpose of the Schedule of Expenditures of Federal Awards is to present a summary of those activities of the Southern University System for the year ended June 30, 1988 which have been financed principally by the U. S. Government (Federal Awards). For purposes of the schedules, federal awards include all Federal assistance and procurement relationships entered into directly between the University and the federal government and sub-awards from non-federal organizations made under federally sponsored agreements. Because the Schedules present only a selected portion of the activities of the University, it is not intended to and does not present either the financial position, changes in fund balances or the current fund's revenues, expenditures, and other changes of the University.

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 1998
(CONTINUED)

**NOTE 3 - Program Activity, Organization and
Financing (Perkins Loans)**

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

During the current fiscal year, HPC Technologies, formerly Eduserv Technologies, Inc. an outside service center provided billing and collection services on behalf of the Baton Rouge, New Orleans and Shreveport/Bossier City campuses.

The New Orleans, Shreveport/Bossier City and Baton Rouge Campuses did not disburse any loans to students during the year ended June 30, 1998. Additionally, the campuses did not receive any federal capital contributions during the year ended June 30, 1998.

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 1998
(CONTINUED)

NOTE 3 - Program Activity, Organization and Financing (Peak Loans)..... Continued

STATE BOARD CAMPUS

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

Contributions	Period from Inception to June 30, 1998 <u>Unaudited</u>	For the year ended June 30, 1998
Federal	\$6,616,617	\$ -0-
University	<u>735,148</u>	<u>-0-</u>
Total	<u>\$7,351,765</u>	<u>\$ -0-</u>
Repayments of Fund Capital		
Federal	\$1,618,088	\$ 67,641
University	<u>179,221</u>	<u>7,528</u>
Total	<u>\$1,797,309</u>	<u>\$ 75,169</u>
Analysis of Loans Receivable		
Balance, beginning of period/year	\$ -0-	\$2,362,594
Funds advanced	<u>2,841,251</u>	<u>562</u>
Total	<u>2,841,251</u>	<u>2,363,156</u>
Less: Credit Collections	<u>1,181,293</u>	<u>51,104</u>
Cancellations-- Traveling services/ military death/ disability	<u>668,636</u>	<u>-0-</u>
Bankruptcy	<u>53,781</u>	<u>900</u>
Defaulted loan principal assigned to Federal Government	<u>2,713,140</u>	<u>848</u>
Other principal adjustments	<u>28,529</u>	<u>53</u>
Total credits	<u>4,448,319</u>	<u>61,305</u>
Balance 6/30/98	<u>\$2,392,932</u>	<u>\$2,362,324</u>

SOUTHERN UNIVERSITY SYSTEM
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 JUNE 30, 1998
 (CONTINUED)

NOTE 3 - Program Activity, Organization and Financing (Perkins Loans), Continued.

NEW COLLEGE CAMPUS

Contributions	Period from Inception to June 30, 1998 <u>(Unaudited)</u>	For the Year Ended June 30, 1998
Federal	\$ 132,248	\$ -0-
University	_____ 34,683	_____ -0-
Total	\$ 166,931	\$ _____ -0-
<u>Replacements of Fixed Capital</u>		
Federal	\$ 16,071	\$ -0-
University	_____ 1,852	_____ -0-
Total	\$ _____ 17,923	\$ _____ -0-
<u>Analysis of Loans Receivable</u>		
Balance, beginning of period/year	\$ -0-	\$ 84,174
Funds advanced	_____ 174,327	_____ -0-
Total	_____ 174,327	\$ _____ 84,174
<u>Less: Credits</u>		
Collections	39,463	61
Cancellations-- Teaching/ servicing/ military	11,560	12
Bankruptcy	873	-0-
Defaulted loan principal assigned to Federal Government	34,976	-0-
Other principal adjustments	_____ 5,845	_____ -0-
Total credits	_____ 92,717	_____ 63
Balance, June 30, 1998	\$ _____ 84,311	\$ _____ 84,311

SOUTHERN UNIVERSITY SYSTEM
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 JUNE 30, 1998
 (CONTINUED)

NOTE 3 - Program Activity, Organization and Financing (Perkins Loans), Continued:

REVERPORT-BOSSIER CAMPUS

<u>Contributions</u>	<u>Period from Inception to June 30, 1998 (Audited)</u>	<u>For the Year ended June 30, 1998</u>
Federal University	\$ 841,884 108,888	\$ - -
Total	<u>\$1,046,560</u>	<u>\$ -</u>
 <u>Repayments of Bond Capital</u>		
Federal University	\$ 287,853 31,324	\$ 28,526 1,178
Total	<u>\$ 319,177</u>	<u>\$ 29,704</u>

SOUTHERN UNIVERSITY SYSTEM
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 JUNE 30, 1998
 (CONTINUED)

NOTE 3 - Program Activity, Organization and Financing (Parkina Loans)..... Continued:

GREENSBORO-ROCKWELL COLLEGE

Analysis of Loans Receivable

	Period from Inception to June 30, 1998 <u>(Unaudited)</u>	For the Year Ended June 30, 1998
Balance, beginning of period/year	\$ -0-	\$ 674,614
amounts advanced	1,369,288	<u>1,369,288</u>
Total	1,369,288	<u>2,043,902</u>
 Loans:		
Collections	500,946	20,884
Cancellations-- Teaching service	3,794	369
death/disability	16,819	-0-
Bankruptcy	12,874	-0-
Defaulted loan principal assigned to Federal Government	89,884	-0-
loan principal adjustments	<u>9,671</u>	<u>1,812</u>
Total credits	<u>714,218</u>	<u>24,065</u>
Balance, June 30, 1998	<u>\$ 655,070</u>	<u>\$ 2,067,967</u>

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 1998
(CONTINUED)

NOTE 4 - Fall Grant Program.

The Fall Grant program provides eligible students with a foundation of financial aid to help defray the costs of post-secondary education. The University receives direct payment from the Department of Education for allowable administrative costs.

During the year, each campus disbursed the following amounts for Fall Grants for the prior and current year and received the following direct payments from the Department of Education for allowable administrative costs:

Campus	Fall Expenditures	Administrative Cost Recovery
Baton Rouge	\$11,887,838	\$ 78,888
New Orleans	\$ 3,377,058	\$ 13,668
Shreveport- Booner City	\$ 1,810,288	\$ 4,338

NOTE 5 - Federal Family Education and William D. Ford Federal Direct Loan Program:

The Student Loan Program enable eligible students to borrow directly from a bank or other lending institutions and a portion of the loan is guaranteed by the Federal Government. The loan activity is not required to be recorded in the accounting records of the University. During the year ended June 30, 1998, the following amounts were disbursed by each campus for the Federal Family Education Student and William D. Ford Federal Direct Loan Programs:

Campus	Federal Family Education Loan Receipt	William D. Ford Direct Loan Receipt
Baton Rouge	\$21,379,884	\$ -
New Orleans	\$ 8,841,381	\$3,214,180
Shreveport- Booner City	\$ -	\$ 238,888

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 1998
(CONTINUED)

NOTE 4 - College Work-Study Program:

The University established the College Work Study (CWS) Program pursuant to Title IV, Part C of the Higher Education Act of 1965, as amended. During the year ended June 30, 1998, the following amounts were disbursed by each campus for the CWS Program:

Baton Rouge Campus

Description	Amount
Federal expenditures	\$ 819,118
Administrative costs	48,328
sub-total	867,446
Institutional matching	-0-
Total	\$ 867,446

New Orleans Campus

Federal expenditures	\$ 395,887
Administrative costs	18,528
Sub-total	414,415
Institutional matching	-0-
Total	\$ 414,415

Shreveport/Bossier City Campus

Federal expenditures	\$ 224,969
Administrative costs	12,248
Sub-total	237,217
Institutional matching	-0-
Total	\$ 237,217

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 1998
(CONTINUED)

NOTE 6 - College Work-Study Program - Continued:

The Baton Rouge, New Orleans and Shreveport-Bossier City campuses elected and received approval from the Department of Education to waive the institutional matching requirement for the College Work Study Program's approved funding level for the fiscal year ended June 30, 1998. Each campus was entitled to this waiver because of its participation in the Strengthening Historically Black Colleges Title III Program.

NOTE 7 - State Expenditures - Preventive Maintenance:

As provided by Louisiana Revised Statute 17:3006(B), the University adopted a building and facility preventive maintenance program which was approved by the Louisiana Board of Regents. This program allows the University to retain any funds appropriated or allocated which were unexpended and unobligated at the end of the fiscal year.

NOTE 8 - Agency Funds:

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

NOTE 9 - Contingencies:

Participation in Grant/Loan Programs

The University administers and participates in certain Federal and State programs as disclosed in the Schedules of Expenditures of Federal Awards. In connection with the administration and operations of these programs, the University is to expend grant funds, and allocations in accordance with program guidelines and regulations. However, should the University have operated/administered the programs and/or grants in a manner which would be in non-compliance with the guidelines and regulations, the University may be required by funding sources to repay some portion or all of the grant award.

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 1998
(CONTINUED)

NOTE 9 - Contingencies, Continued:

Participation in Grant/Loss Programs, Continued

Our audit disclosed certain items or transactions as questioned costs. The accompanying Schedules of Expenditures of Federal Awards have not been adjusted for these questioned cost items. The ultimate resolution or determination as to whether the costs will be allowable or unallowable under the affected grants will be made by the various funding sources.

NOTE 10 - Major Federal Financial Assistance Programs:

The Southern University System's major Federal financial assistance programs for the year ended June 30, 1998 were determined on a state level based upon program activity. Such programs are the Student Financial Assistance, Special Education and Research and Development Centers, the Job Training Partnership Act and Vocational Education - Basic Grants to States.

NOTE 11 - Supplementary Financial Information:

The Schedules of Disclosures for federally assisted loans summarizes the amount of loans made or disbursed during the year for the Federal Family Education Student Loan, William D. Ford Federal Direct Loan Program, College Housing Facilities Loans, The Perkins Loan, and the Department of Education. Additionally, the Schedule summarizes the amount of principal and interest canceled (military and teacher) for the National Defense/Perkins Loan Program.

The Schedules of Fixed Price Contracts summarizes the total amount of revenues received under fixed-price contracts.

The Schedules of Non-Federal Expenditures and Disbursements sets forth the program expenditures and disbursements funded by the State of Louisiana and private sources.

The Schedules of Secondary Subrecipients of Major Federal Programs represent disbursements of major program funds to non-State of Louisiana subrecipients.

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 1998
(CONTINUED)

NOTE 11 - Supplementary Financial Information:
Continued

The Schedules of State Agency/University sub-recipients of Federal Programs represent disbursement of federal funds to State of Louisiana agencies.

The Schedules of Interagency Expenditures of Federal Awards summarize federal expenditures financed by the State of Louisiana with funds received from the federal government.

SUPPLEMENTARY DATA

SOUTHERN UNIVERSITY SYSTEM
 BOARD AND SYSTEM ADMINISTRATION
 STATEMENT OF DISCLOSURES FOR FEDERALLY ASSISTED LOANS
 FOR THE YEAR ENDED JUNE 30, 1978

PROGRAM NAME	CASA NO.	LOANS DISBURSED	OUTSTANDING LOAN BALANCE	PRINCIPAL AND INTEREST
Federal Family Education Loans	04-032	\$ _____	Not applicable	Not applicable
Federal Perkins Loans	04-038	\$ _____	Not applicable	Not applicable
College Housing and Other Educational Facilities Loans	04-162	\$ _____	Not applicable	Not applicable
National Defense/ Perkins Loans Military and Teacher Concessions for Loans after 07/01/72	04-037	\$ _____	Not applicable	Not applicable

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
 SOUTHERN BANKING COMPANY
 SCHEDULE OF DISCLOSURES FOR FINANCIAL ASSISTED LOANS
 FOR THE YEAR ENDED JUNE 30, 1972

PROGRAM NAME	0078 80	LOANS DISBURSED	OUTSTANDING LOAN BALANCE	PRINCIPAL AND INTEREST
Federal Family Education Loans	84-002	\$2,172,484	Not applicable	Not applicable
Federal Perkins Loans Program	84-004	\$	\$2,108,882	Not applicable
College Housing and Other Educational Facilities Loans	84-042	Not applicable	\$	Not applicable
National Defense/Perkins Loans Military and Teacher Certifications for loans made after July 1, 1972	84-007	Not applicable	Not applicable	\$

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
 FOR RELEASE CAMEL
 SCHEDULE OF DISCLOSURES FOR FEDERALLY ASSISTED LOANS
 FOR THE YEAR ENDED JUNE 30, 1998

PROGRAM NAME	CENR NO.	LOANS DISBURSED	OUTSTANDING LOAN BALANCE	PROVISIONAL AND UNDEBT
Federal Family Education Loans	84-002	\$ 5,218,182	not applicable	not applicable
William B. Ford Federal Direct	84-268	\$ 3,218,182	Not applicable	Not applicable
Federal Perkins Loans Program	84-008	\$ _____	\$ 84,211	Not applicable
Colleges Housing and Other Educational Facilities Loans	84-142	Not applicable	\$ _____	Not applicable
National Defense/Perkins Loans Military and Teacher Cancellations for Loans made after July 1, 1992	84-037	Not applicable	Not applicable	\$ _____

See the Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

GOVERNMENT SECURITIES SYSTEM
 EMPLOYER-EMPLOYEE COST SHARING
 SCHEDULE OF DISCLOSURES FOR FEDERALLY ASSISTED LOANS
 FOR THE YEAR ENDED JUNE 30, 1993

PROGRAM NAME	CFSA NO.	LOANS DISBURSED	UNREPAID LOAN BALANCE	INTEREST AND INTEREST
William D. Ford Federal Direct	84-032	\$ 209,338	Not applicable	Not applicable
Federal Perkins Loans Program	84-038	\$ 0-00	\$ 000,000	Not applicable
College Housing and Other Educational Facilities Loans	84-342	Not applicable	\$ 0-00	Not applicable
National Defense/Peckles Loans Military and Teacher Teacher Certifications for Loans made after July 1, 1972	84-037	Not applicable	Not applicable	\$ 0-00

See the Independent Auditors' Report on Supplementary Information.

ASSEMBLY

SOUTHERN UNIVERSITY SYSTEM
BOARD AND SYSTEM ADMINISTRATION
STATEMENTS OF FINES - PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 1998

<u>EXERCISE YEAR</u>	<u>CERA NO.</u>	<u>SEMIESTER</u>	<u>CONTRACT YEAR</u>	<u>BOARD ID NUMBER</u>	<u>AMOUNT FINES INCURRED</u>
00	(1)	(1)	(1)	(1)	(1)

(1) Southern University - Board and System Administration did not receive any revenues under the terms of fixed-price contracts during the year ended June 30, 1998.

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN CONTRACTS

BATON ROUGE CAMPUS

SCHEDULE OF FUNDS - FUND CONTRACTS
FOR THE YEAR ENDED 2023-24, 2024

PROGRAM NAME	FUND NUMBER	CONTRACT NUMBER	AMOUNT	PERIOD	REVENUE	EXPENDITURES
Collegiate Student Services and Development	21.124	Army Behavioral Skills	248,000.00	08/01/23-07/31/24	248,000.00	248,000.00

See the Independent Auditors' Report on Supplementary Information.

SCHEDULE VII

SOUTHERN UNIVERSITY SYSTEM
AND WILLIAMS CARBOR
SCHEDULE OF FIXED-PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 1988

PROGRAM NAME	COGS. \$0.	GRANTOR	PROJECT NAME	PI NUMBER	AWARD PERIOD	REVENUES
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Southern University of New Orleans did not receive any revenues under the terms of fixed-price contracts during the year ended June 30, 1988.

See the Independent Auditors' Report on Supplementary Information.

BOSSIER UNIVERSITY
SHREVEPORT-BOSSIER CITY CAMPUS

AGREEMENT OF PURCHASE - BOOKS CONTRACT
FOR THE YEAR BEGINS JAN 28, 1968

BOOKS	CITY	QUANTITY	PRODUCT NAME	BOOK NUMBER	AMOUNT	AMOUNT	SUBTOTAL
10	01	01	01	01	10	10	01

Shreveport-Bossier City did not receive any amount under the terms of fixed-price contracts during the year ended June 30, 1968.

See the Independent Auditor Report on Supplementary Information.

SOUTHWEST UNIVERSITY SYSTEM
BOARD AND SYSTEM ADMINISTRATION
 SCHEDULE OF NON-FEDERAL EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 1999

PROGRAM NAME	OBJ. NO.	AMOUNT EXPEND.	EXERCISES
Other Expenditures			
Salvo War II - Administrative Cost	37A	07/22/97 - 06/30/99	5
Private clubs and meals	37A	07/22/97 - 06/30/99	12,166
State Expenditures - Prevention			
Maintenance (MORT Y)	37A	07/22/97 - 06/30/99	511,584
Resurfaced Student Apartments	37A	07/22/97 - 06/30/99	15,879
State Grants	37A	07/22/97 - 06/30/99	9,898
City of Sacon Range - Youth Education Support Program	37A	07/22/97 - 06/30/99	1,489
City of Tallulah - Alternative Parenting Workshop	37A	11/22/97 - 06/30/99	12,124
Total Expenditures			5,633,551

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
 SCHEDULE OF NON-PERSONAL EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 1998

PROGRAM NAME	FY08 NO.	FY08 PERIOD	CURRENT YEAR EXPENDITURES
Other Expenditures			
State Grants	N/A	07/01/97 - 06/30/98	\$ 1,118,507
Private gifts and grants	N/A	07/01/97 - 06/30/98	1,229,889
Agency Funds (CODE 8)	N/A	07/01/97 - 06/30/98	899,874
Investment Expenditures	N/A	07/01/97 - 06/30/98	23,256
Student Activity Funds	N/A	07/01/97 - 06/30/98	28,813
Alumni Foundation Fund	N/A	07/01/97 - 06/30/98	430
Sub-total			<u>3,509,859</u>
Loan Disbursements			
SGA Loan Fund	N/A	07/01/97 - 06/30/98	<u>101,843</u>
Total Other Expenditures			\$ <u>3,611,702</u>

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS

SCHEDULE OF OTHER EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 1998

PROGRAM NAME	FYSA NO.	AMOUNT AWARDED	PERCENT YEAR EXPIRATIONS
Other Expenditures			
Economic Development-City of New Orleans	N/A	07/01/97 - 06/30/98	\$ 61,882
National Youth Sports Program	N/A	07/01/97 - 06/30/98	88,813
State Grants	N/A	07/01/97 - 06/30/98	387,580
Private Gifts and Grants	N/A	07/01/97 - 06/30/98	13,864
Agency Funds - SOUT 01	N/A	07/01/97 - 06/30/98	378,834
Endowment Expenditures	N/A	07/01/97 - 06/30/98	13,232
Sub-total			953,285
Loan Disbursements			
90% Loan Fund	N/A	07/01/97 - 06/30/98	1,000
Total Other Expenditures			1,953,833

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
SUREVEPORT-BOSBIEER CITY CAMPUS

SCHEDULE OF OTHER EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 1998

PROGRAM NAME	FYSA NO.	APPRO. PERIOD	CURRENT YEAR EXPENDITURES
Other Expenditures			
State Grants	None	07/01/97 - 06/30/98	\$ 14,000
Private Gifts and Grants	None	07/01/97 - 06/30/98	87,100
Agency Funds (NOTE 6)	None	07/01/97 - 06/30/98	338,500
		Sub-total:	<u>\$ 439,600</u>
Loan Disbursements			
SEA Loan Fund	None	07/01/97 - 06/30/98	<u>24</u>
		Total Other Expenditures	<u>\$ 439,624</u>

See the Independent Auditors' Report on Supplementary Information.

SCHEDULE XII

SOUTHERN UNIVERSITY SYSTEM
BOARD AND SYSTEM ADMINISTRATION
SCHEDULE OF SECONDARY SUBRECIPIENTS OF
MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1998

<u>FEDERAL GRANTOR</u>	<u>CFDA OR OTHER NUMBER</u>	<u>PROGRAM NAME</u>	<u>ACTIVITY</u>	<u>SECONDARY SUBRECIPIENT</u>
(1)	(2)	(3)	(4)	(5)

- (1) Southern University Board and System Administration did not disburse any major federal program funds to secondary subrecipients.

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF SECONDARY SUBRECIPIENTS OF
MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR	CFDA OR OTHER NUMBER	PROGRAM NAME	ACTIVITY	SECONDARY SUBRECIPIENT
U. S. Department of the Navy	12.309	Basic and Applied Scientific Research	\$ 3,488	Development Corporation
U. S. Department of the Navy	12.309	Basic and Applied Scientific Research	18,971	University of Georgia Tech
U. S. Department of Energy	\$1,049	Office of Energy Research Financial Program	10,208	NALASCO-Science Consultants
U. S. Department of Energy	\$1,049	Office of Energy Research Financial Program	18,238	Public View A & M
U. S. Department of Energy	\$1,086	Conservation Research and Development	20,628	NALASCO-Science Consultants
	Total		\$111,539	

See the Independent Auditor's Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF SECONDARY SUBSIDIENTS OF
MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1998

<u>FEDERAL GRANTOR</u> (1)	<u>CFDA OR OTHER NUMBER</u> (1)	<u>PROGRAM NAME</u> (1)	<u>ACTIVITY</u> (1)	<u>SECONDARY SUBSIDIENT</u> (1)
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- (1) Southern University at New Orleans did not disburse any major federal program funds to secondary subsidiaries.

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
 SHREVEPORT-BOSSIER CITY CAMPUS
 SCHEDULE OF SECONDARY SUBRECIPIENTS OF
 MAJOR FEDERAL PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTEE (1)	CFDA OR OTHER NUMBER (2)	PROGRAM NAME (3)	ACTIVITY (4)	SECONDARY SUBRECIPIENT (5)
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- (1) Southern University at Shreveport-Bossier City did not disburse any major federal program funds to secondary subrecipients.

See the Independent Auditor's Report on Supplementary Information.

SCHEDULE XVII**SOUTHERN UNIVERSITY SYSTEM
BOARD AND SYSTEM ADMINISTRATION
SCHEDULE OF STATE AGENCY/UNIVERSITY
SUBRECIPIENTS OF FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1998**

<u>FEDERAL GRANTOR</u> (1)	<u>CFDA OR OTHER NUMBER</u> (2)	<u>PROGRAM NAME</u> (3)	<u>ACTIVITY</u> (4)	<u>STATE AGENCY OR UNIVERSITY SUBRECIPIENT</u> (5)
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- (1) Southern University Board and System Administration did not disburse any federal funds to other state agencies/universities.

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF STATE AGENCY/UNIVERSITY
SUBRECIPIENTS OF FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR	CFDA OR OTHER NUMBER	PROGRAM NAME	ACTIVITY	STATE AGENCY OR UNIVERSITY SUBRECIPIENT
National Aeronautics and Space Administration	43.002	Technology Transfer	\$ 115,324	Louisiana State University
U. S. Department of Energy	81.049	Office of Energy Research Financial Assistance	15,322	Louisiana State University
U. S. Department of Education	84.158	Secondary Education and Transitional Services	53,745	University of New Orleans
U. S. Department of Health and Human Services	93.375	Minority Biomedical Research Support	1,000	Louisiana State University
U. S. Department of Health and Human Services	93.389	Research Infrastructure	4,359	University of New Orleans
U. S. Department of Health and Human Services	93.389	Research Infrastructure	14,490	University of Southwestern Louisiana
	Total		\$ 224,240	

See the Independent Auditor's Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
 NEW ORLEANS CAMPUS
 SCHEDULE OF STATE AGENCY/UNIVERSITY
 SUBRECIPIENTS OF FEDERAL PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR (1)	CFDA OR OTHER NUMBER (2)	PROGRAM NAME (3)	ACTIVITY (4)	STATE AGENCY OR UNIVERSITY SUBRECIPIENT (5)
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- (1) Southern University at New Orleans did not disburse any federal funds to other state agencies/institutions.

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
 SHREVEPORT-BOSSIER CITY CAMPUS
 SCHEDULE OF STATE AGENCY/UNIVERSITY
 SUBRECIPIENTS OF FEDERAL PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR (1)	CFDA OR OTHER NUMBER (2)	PROGRAM NAME (3)	ACTIVITY (4)	STATE AGENCY OR UNIVERSITY SUBRECIPIENT (5)
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- (1) Southern University at Shreveport-Bossier City did not disburse any federal funds to other state agencies/universities.

See the Independent Auditor's Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
BOARD AND SYSTEM ADMINISTRATION
SCHEDULE OF INTERAGENCY EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1968

FEDERAL GRANTOR/PROGRAM NAME	Federal CFDA or Other Number	Primary State Agency	Activity
U. S. Department of Agriculture-Youth Education Support	C-845-02B	Louisiana State University	\$ 79,813
U. S. Department of Agriculture-Fund for Post-Secondary Work	CFMS-538509	Office of Family Support- Department of Social Services	\$ 49,721
Total Interagency Expenditures of Federal Awards			\$ 129,534

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF INTERAGENCY EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANT/PROGRAM NAME	Federal CFDA or Other Number	Primary State Agency	Activity
U. S. Department of Agriculture-National School Lunch Program	10-532	Department of Education	\$ 36,947
U. S. Department of Commerce-Coastal Zone Management Administration Awards	11-419	Department of Natural Resources	97,854
Department of Defense-Math Sciences Grants Program	12-081	University of New Orleans	11,049
U. S. Department of Transportation-Federal Transit Grants for University Research and Training	20-502	Department of Transportation	38,911
National Aeronautics and Space Administration- Aerospace Education Services Program	43-001	Louisiana State University	68,680
National Aeronautics and Space Administration- Aerospace Education Services Program	43-006	LSUS&P	50,258
National Aeronautics and Space Administration- Aerospace Education Services Program	43-001	Department of Education	4,629
National Aeronautics and Space Administration- Aerospace Education Services Program	43-001	Board of Regents/ Sciences	16,174
National Aeronautics and Space Administration- Aerospace Education Services Program	43-070	LSUS&P	1,287
Computer and Information Science and Engineering National Science Foundation-	47-070	LSUS&P	907,439
Computer and Information Science and Engineering National Science Foundation-	47-070	Louisiana State University	89,262
Computer and Information Science and Engineering National Science Foundation-	47-070	Board of Regents	1,213
Computer and Information Science and Engineering Small Business Administration-Small Business Development Center	59-007	Department of Economic Development	60,268

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS, CONTINUED
SCHEDULE OF INTERAGENCY EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL PROGRAM/PROGRAM NAME	Federal CFDA or Other Number	Primary Agency	Amount
U. S. Department of Energy-Regional Biomass Energy Program	81-079	Department of Natural Resources	\$ 31,054
U. S. Department of Education-Vocational Education-Basic Grants to States	84-048	Department of Education	67,428
U. S. Department of Education-Special Education Pre-School Grants	84-174	Department of Education	13,934
U. S. Department of Education-Louisiana Library Network	81-831-90	Louisiana State University	3,286
U. S. Department of Health and Human Services- Food and Drug Administration Research	85-185	Department of Health and Hospitals	8,013
U. S. Department of Health and Human Services- Research Infrastructure	85-388	Department of Health and Hospitals	28,778
U. S. Department of Health and Human Services- Research Infrastructure	85-388	Board of Regents	148,132
U. S. Department of Health and Human Services- Low Income Home Energy Assistance	85-948	Department of Social Services	(3,718)
U. S. Department of Health and Human Services- Low Income Home Energy Assistance	85-948	Office of Community Services	266,236

Total Interagency Expenditures of Federal Awards

\$ 1,399,012

See the Independent Auditors' Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF INTERAGENCY EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1968

FEDERAL GRANTOR/PROGRAM NAME	Federal CFDA or Other Number	Primary State Agency	Activity
U. S. Department of Agriculture-National School Lunch Program	16-595	Department of Education	\$ 16,547
Department of Defense-NANO Phase Magnetic Buckle	CFM65-024039	Louisiana State University	5,936
National Science Foundation-Computer and Information Science and Engineering	47-078	Board of Regents	67,828
Small Business Administration-Small Business Development Center	59-037	Small Business Administration	47,123
Small Business Administration-Disadvantaged Business Enterprise	6-77050019	Small Business Administration	26,015
Department of Health and Human Services- Evaluation of the Taught-In Program	CFM65-028958	Department of Social Services	58,652
Department of Health and Human Services- Medical Training Center	CR-603-80038	University of New Orleans	249,250
Department of Health and Human Services- Project Independence	20050	Office of Community Service	350
Department of Health and Human Services- Survey Families Learning Welfare	CFM65-028954	Department of Social Services	52,798
Department of Health and Human Services- Title IV Grant	576-7878	Department of Social Services	131,129
Total Interagency Expenditures of Federal Awards			\$ 627,262

See the Independent Auditor's Report on Supplementary Information.

SOUTHERN UNIVERSITY SYSTEM
 MEMPHIS-CAMPUSES
 SCHEDULE OF INTERAGENCY EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1958

FEDERAL GRANTOR/PROGRAM NAME	Federal CFDA, or Other Number	Primary State Agency	Activities
National Science Foundation-Computer and Information Science and Engineering	47,070	Louisiana Educational Quality Support Fund	\$ 21,778
U. S. Department of Education-Vocational Education- Basic Grants to States	84,048	Department of Education	270,214
U. S. Department of Health and Human Services- Special Minority Initiatives	93,960	Grantmaking State	21,610
Total Interagency Expenditures of Federal Awards			\$ 253,602

See the Independent Auditors' Report on Supplementary Information.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Dr. Leon Tarver, II, President
Southern University System
Baton Rouge, Louisiana 70813

We have audited the Schedules of Expenditures of Federal Awards of the Southern University System (the University) as of and for the year ended June 30, 1990, and have issued our report thereon dated November 27, 1990. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The component unit financial statements were audited by other independent auditors whose report has not been issued as of our report date.

Compliance

As part of obtaining reasonable assurance about whether the University's Schedules of Expenditures of Federal Awards are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, during our exit conference with management of the University, we discussed certain immaterial instances of noncompliance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Dr. Leon Tarver, II, President
Southern University System
Baton Rouge, Louisiana 70813

We did not audit the University's compliance with the regulations governing the administration of the NIMH/Markins program as set forth in the Code of Federal Regulations CFR 34, Part 674. These administrative requirements govern functions performed by the outside service center. Since we did not apply auditing procedures to satisfy ourselves regarding compliance with these requirements, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on compliance with these requirements.

The outside service center's compliance with the requirements governing the functions it performs for the University is audited by another auditor, whose report was furnished to us as of our report issuance date. Based on our review of the other auditors report, we have determined that all of the compliance requirements included in the OMB Circular A-133 Compliance Supplement that are applicable to the programs in which the University participates are addressed in either our report or the report of the other auditor. The audit report on the outside service center includes immaterial instances of non-compliance pertaining to services carried out for the University. The scope of our work was not sufficient to express, and we do not express, an opinion on the completeness of the findings. Information on the effect of the reported findings on the University's SPA programs is included in the SPA Technologies Compliance Attention examination report prepared by rlc@waterhousecoopers.com.

Internal Control Over Financial Reporting

In planning and performing our audit, except for the functions performed at the University's contracted outside service center in connection with processing transactions for the NIMH/Markins program, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the Schedules of Expenditures of Federal Awards and not to provide assurance on the internal control over financial reporting.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Dr. Leon Tarver, II, President
Southern University System
Baton Rouge, Louisiana 70813

For the internal control structure categories at the contracted outside service center, another auditor obtained an understanding of the design of relevant policies and procedures, determined whether they have been placed in operation, and assessed control risk. The other auditor's report has been furnished to us as of our report issuance date. However, the scope of our work did not extend to these internal control structure policies and procedures established and maintained at the outside service center.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts that would be material in relation to the Schedule of Expenditures of Federal Awards being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Also, we noted that other auditors for the outside service center indicated that they noted no matters involving the internal control structure and its operation that they consider to be material weaknesses.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Dr. Leon Terver, II, President
Southern University System
 Baton Rouge, Louisiana 70813

During our exit conference with management of the University, we discussed certain policy and procedural matters relating to federal awards programs that we do not consider to be material weaknesses.

This report is intended for the information of the President, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

November 27, 1998

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Dr. Luca Farver, II, President
Southern University System
Baton Rouge, Louisiana 70803

Compliance

We have audited the compliance of the Southern University System (the University) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. The component unit financial statements were audited by other independent auditors whose report has not been issued as of our report date. The University's major federal programs are identified in the summary of independent auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the University's compliance with those requirements.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

Dr. Leon Tarver, II, President
Southern University System
Baton Rouge, Louisiana 70813

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998. However, the results of our auditing procedures disclosed instances of non-compliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as audit findings 97-21 through 97-25.

We did not audit the University's compliance with the regulations governing the administration of the NSDL/Parkins program as set forth in the code of Federal Regulations CFR 34, Part 234. Those administrative requirements govern functions performed by the outside service center. Since we did not apply auditing procedures to satisfy ourselves regarding compliance with these requirements, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on compliance with those requirements.

The outside service center's compliance with the requirements governing the functions it performs for the University is audited by another auditor, whose report was furnished to us as of our report issuance date. Based on our review of the other auditor's report, we have determined that all of the compliance requirements included in the OMB Circular A-133 Compliance Supplement that are applicable to the programs in which the University participates are addressed in either our report or the report of the other auditor. The audit report on the outside service center includes immaterial instances of non-compliance pertaining to services carried out for the University. The scope of our work was not sufficient to express, and we do not express, an opinion on the completeness of the findings. Information on the effect of the reported finding on the University's SFR program is included in the HFG Technologies Compliance Attestation examination report prepared by PricewaterhouseCoopers.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH GMS CIRCULAR A-133
(CONTINUED)

Dr. Leon Torres, II, President
Southern University System
Baton Rouge, Louisiana 70813

Internal Control Over Compliance

The management of the university is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, except for the functions performed at the University contracted outside Service Center in connection with processing transactions for the MS&L/Parkins program, we considered the University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with GMS Circular A-133.

For the internal control structure categories at the contracted outside service center, another auditor obtained an understanding of the design of relevant policies and procedures, determined whether they have been placed in operation, and assessed control risk. The other auditor's report has been furnished to us as of our report issuance date. However, the scope of our work did not extend to these internal control structure policies and procedures established and maintained at the outside service center.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

Dr. Leon Turner, II, President
Southern University System
Baton Rouge, Louisiana 70813

Also, we noted that other auditors for the outside service center indicated that they noted no matters involving the internal control structure and its operations that they consider to be material weaknesses.

During our exit conference with management of the University, we discussed certain policy and procedural matters relating to federal awards programs that we do not consider to be material weaknesses.

This report is intended for the information of the President, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

November 27, 1996

SOUTHERN UNIVERSITY SYSTEM
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS
 FOR THE YEAR ENDED JUNE 30, 1988

1. Type of report issued on the financial statements: Unqualified.
2. Did the audit disclose any reportable conditions in internal control? No.
3. Were any of the reportable conditions material weaknesses? No.
4. Did the audit disclose any noncompliance which is material to the financial statements of the organization? No.
5. Did the audit disclose any reportable conditions in internal control over major programs? No.
6. Were any of the reportable conditions in internal control over major programs material weaknesses? No.
7. Type of report issued on compliance for major programs: Unqualified.
8. Did the audit disclose any audit findings which the independent auditors are required to report under OMB-Circular A-133, Section 510(a)? Yes.
9. The following is an identification of major programs:

CFDA Number	Federal Program
10.205	Payments to 1890 Land Grants
12.390	Research Capability Upgrade
43.001	Aerospace Education Service
84.048	Vocational Education-Carl Perkins
93.375	Minority Biomedical Research Support
93.389	Minority Biomedical Research Support

SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 1998

10. The dollar threshold used to distinguish between Type A and Type B Programs, as described in OMB Circular A-133, Section 500(b) is as follows:

Program	Amount
Type A	Major Program Determination Performed on a State Level.

11. Did the auditee qualify as a low-risk auditee under OMB Circular A-133, Section 500.8a.

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
FINANCIAL STATEMENTS FINDINGS**

There were no reportable conditions and material weaknesses and no instances of noncompliance related to the financial statements that were required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

AUDIT FINDING REFERENCE NUMBER

97-01-Satisfactory Academic Progress

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA TITLE AND NUMBER

CFDA 84.083 - Federal Pell Grant Program (PELL)
CFDA 84.052 - Federal Family Education Loan Program (FFEL)
CFDA 84.053 - Federal Work Study (FWS)
CFDA 84.007 - Federal Supplemental Educational
Opportunity Grant Program (FSEOG)

FEDERAL AWARD YEAR

June 30, 1998

FEDERAL AGENCY

Department of Education

PASS-THROUGH ENTITY

Not applicable

CRITERIA

Title IV regulations, 34 CFR Section 668.7(c) stipulates that students participating in the Title IV Federal Financial Aid programs must be maintaining satisfactory progress in the course of study he or she is pursuing, according to the standards and practices of that institution to receive student financial aid.

OMB Circular A-133 Compliance Supplement, Part 3 Appendix A, Student Financial Assistance - Student Eligibility Compliance Requirement Number (6) stipulates that a student must maintain good standing, or satisfactory progress.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

AUDIT FINDING REFERENCE NUMBER, CONTINUED

F2-01-Satisfactory Academic Progress

CONDITION AND PERSPECTIVE

We noted during our audit that one (1) student out of seventy (70) tested was awarded and received financial aid, although the student did not meet the University's standards for achieving satisfactory academic progress.

CAUSE

It appears that the University had recently disbursed aid to academically ineligible students.

QUESTIONED COSTS

For purposes of this condition, we have questioned costs totaling \$7,288.

EFFECT

It appears that the University disbursed financial aid to students that did not maintain satisfactory academic progress.

RECOMMENDATION

We recommend that the University adhere to established policies and procedures and monitor the academic standing of all students prior to awarding student financial aid.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

AUDIT FINDING REFERENCE NUMBER

97-02-Federal Family Education Loan Limits

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA TITLE AND NUMBER

Federal Family Education Loan (FFEL)-84.032

FEDERAL AWARD YEAR

June 30, 1998

FEDERAL AGENCY

Department of Education

PASS-THROUGH ENTIRELY

Not applicable

CRITERIA

34 CFR 682.204 and 682.205 and OMB Circular A-133 Compliance Supplement Part 5, Student Financial Assistance Programs - Section E states that the aggregate unpaid principal amount of all Federal Family Education Loan Program and loans received under the Federal Direct Loan Program may not exceed \$23,000 in the case of any student who has not successfully completed a program of study at the undergraduate level. 34 CFR 682.204(j) and OMB Circular A-133 Compliance Supplement, Part 5 states that the annual loan limits for the first year of a program of undergraduate education may not exceed \$2,623, for the second year may not exceed \$3,500, and for the year thereafter, may not exceed \$5,000.

CONDITION AND PERSPECTIVE

During our audit, we noted one (1) instance out of seventy (70) tested in which a student exceeded the aggregate loan limit.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

AUDIT FINDING REFERENCE NUMBER, CONTINUED

97-02-Federal Family Education Loan Limits, CONTINUED

CAUSE

The University allowed the students to continue to borrow funds in excess of allowable amounts for their grade level.

QUESTIONED COSTS

For purpose of this finding, we have questioned costs totaling \$5,908.

EFFECT

The University disbursed FFEI to students in excess of their aggregate loan limit as prescribed by Title IV regulations. This condition resulted in an aggregate over award of \$5,908.

RECOMMENDATION

We recommend that the University adhere to established procedures regarding the disbursement of FFEI. In proceeds.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

ALERT FINDING REFERENCE NUMBER

97-03-Aid In Excess Of Documented Need

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

FEDA TITLE AND NUMBER

Federal Family Education Loan (FFEL)-84-032

FEDERAL AWARD YEAR

June 30, 1998

FEDERAL AGENCY

Department of Education

PASS-THROUGH STATUS

Not applicable

CRITERIA

OMB Circular A-133 Compliance Supplement Part 5, Student Financial Assistance Programs, Section E stipulates that financial aid awards must be coordinated among the various financial aid programs and with other Federal and nonfederal aid to assure that total aid is not awarded in excess of the student's financial need.

CONDITION AND PERSPECTIVE

We noted during our audit that two students out of seventy (70) tested financial aid exceeded the amount of the documented need.

CAUSE

It appears that the University did not properly monitor the awarding and disbursing of financial aid to two students.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

AUDIT FINDING REFERENCE NUMBER, CONTINUED

97-03-Aid In Excess Of Documented Need, Continued

QUESTIONED COSTS

For purposes of this condition, we have questioned costs totaling \$1,862.

EFFECT

The failure of the University to consider all available resources resulted in the over-awarding of financial aid.

RECOMMENDATIONS

We recommend that the University adhere to established procedures to ensure that all available resources are utilized and are included as part of the students' total award package.

**SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

AWARD FINDING REFERENCE NUMBER

97-04-Title IV Refunds

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA TITLE AND NUMBER

CFDA 84.065 - Federal Pell Grant Program (PELL)

CFDA 84.032 - Federal Family Education Loans

FEDERAL AWARD YEAR

June 30, 1998

FEDERAL AGENCY

Department of Education

PASS-THROUGH STATUS

Not applicable

CRITERIA

OMB Circular A-133 Compliance Supplement Part 5, Section 4 stipulates that Title IV refunds must be calculated, and applied to the pertinent Title IV program within a prescribed time frame.

SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

AUDIT FINDING REFERENCE NUMBER, CONTINUED

97-04-Title IV Refunds, Continued

CONDITIONS AND PERSPECTIVE

We noted the following during our audit of Title IV refunds:

- Twelve (12) refunds out of thirteen (13) tested were not remitted to the Title IV Program within the prescribed time frame;
- One (1) refund out of thirteen (13) tested was incorrectly calculated;
- Two (2) refunds out of thirteen (13) tested was distributed to the incorrect Title IV program; and
- Three (3) repayments were not performed.

CAUSE

It appears that the University did not adhere to established procedures.

QUESTIONED COSTS

For purposes of this condition, we have not questioned any costs.

EFFECT

The University has not adhered to federal regulations.

RECOMMENDATION

We recommend that the University adhere to established procedures for processing Title IV refunds in accordance with established procedures.

SOUTHERN UNIVERSITY SYSTEM
SHREVEPORT-BOSSIER CITY CAMPUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

AUDIT FINDING REFERENCE NUMBER

97-05-Title IV Refunds

FEDERAL PROGRAM AND SPECIFIC FEDERAL AWARD IDENTIFICATION

CFDA TITLE AND NUMBER

CFDA 84.065 - Federal Pell Grant Program (PELL)

FEDERAL AWARD YEAR

June 30, 1998

FEDERAL AGENCY

Department of Education

PASS-THROUGH ENTITY

Not applicable

CRITERIA

OMB Circular A-133 Compliance Supplement Part 5, Section 4 stipulates that Title IV refunds must be performed within thirty (30) days of the date the student officially withdraws.

**SOUTHERN UNIVERSITY SYSTEM
SHREVEPORT-BOSSIER CITY CAMPUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

AUDIT FINDING REFERENCE NUMBER, CONTINUED

93-85/Title IV Refunds, Continued

CONDITIONS AND PERSPECTIVE

We noted during our audit that ten (10) refunds out of ten (10) tested were not remitted to the Title IV program within thirty days.

CAUSE

It appears that the University did not closely monitor the withdrawal date of certain students.

QUESTIONED COSTS

For purposes of this condition, we have not questioned any costs.

EFFECT

The University has not adhered to federal regulations.

RECOMMENDATION

We recommend that the University adhere to established procedures for processing Title IV refunds in accordance with established procedures.

**SOUTHERN UNIVERSITY SYSTEM
EXIT CONFERENCE**

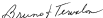
An exit conference was held on December 4, 1998 with representatives of the University. Those individuals participating were as follows:

SOUTHERN UNIVERSITY SYSTEM

Mr. Edward H. Jackson	-- Chancellor - SUSA
Mr. Tyler E. White	-- System Vice President for Finance
Mr. Ralph Slaughter	-- System Vice President Finance
Ms. Diane Robinson	-- Senior Internal Auditor
Mr. Flordas McClinton, Jr.	- Vice Chancellor for Finance and Administration
Ms. Geraldyn Bennett	- Assistant Vice Chancellor for Financial Operations
Ms. Barbara Staffer	- Assistant Director-Financial Aid-SUSA
Ms. Carolyn B. James	- Coordinator of Scholarships-SUSA
Ms. Robyn Merrick	-- Policy Development Coordinator
Mr. Hartnett Dixon	-- Director of Financial Affairs
Dr. Gerald Peoples	- Chancellor-SUSA
Mr. Janius Robinson	-- Vice Chancellor of Administration SUSA
Mr. Gerald Williams	- Comptroller - SUSA
Ms. Ursula Shewby	- Director-Financial Aid - SUSA
Mr. Cleo Carroll	-- Registrar - SUSA
Mr. Sam Gilliam	-- Acting Chancellor - SUSA
Mr. Benjamin Pugh	-- Vice Chancellor of Administration SUSA
Ms. Patricia Flanigan	- Director-Financial Aid-SUSA

BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA	-- Managing Partner
Mr. Edward Phillips, Jr.	-- Senior Manager
Mr. Sean Bruno, CPA	-- Audit Senior



**BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS**

November 27, 1998

Bruno

CERTIFIED PUBLIC ACCOUNTANTS

& Tervalon

**SOUTHERN UNIVERSITY SYSTEM
AUDIT INFORMATION SCHEDULE**

Lead Auditor: Bruno & Terrelon
Certified Public Accountants
Michael E. Bruno, CPA, Managing Partner
Edward Phillips, Senior Manager

Telephone Number: (504) 482-8700

License Number: LI226

The audit field work was performed between March 18, 1998 and November 27, 1998 at the institutions's facilities as follows:

LOCATION	DESCRIPTION OF FACILITY
Daton Rouge	Main Campus
New Orleans	Branch Campus
Shreveport-Monster City	Branch Campus

Institution's Accrediting Organization:

Southern Association of Colleges and Schools,
and
The National Council for Accreditation of Teacher Education.

The institution utilizes a SFA Servicer:

EdaDura Technologies, Inc.
Post Office Box 2981
Winston-Salem, North Carolina

The following functions are provided by this SFA Servicer:

1. Billing Students - Perkins Loans
2. Collection of loan principal and interest - Perkins Loans
3. Processing of cancellations and delinquents - Perkins Loans

A review of the Servicer's internal control structure was performed by the service bureau's independent public accountant.

Records for the accounting and administration of the SFA programs are located at:

Daton Rouge Campus:	Daton Rouge, Louisiana
New Orleans Campus:	6409 Press Drive New Orleans, Louisiana
Shreveport- Monster City Campus	3093 Martin Luther King Drive Shreveport, Louisiana



SOUTHERN UNIVERSITY AT NEW ORLEANS

6800 Poydras Drive
New Orleans, LA 70112
(504) 288-6222
FAX (504) 288-6800

Office of the Chancellor

January 4, 1999

Dr. Daniel G. Kyle
Office of Legislative Auditor
State of Louisiana
1608 Riverside North
P.O. Box 94387
Baton Rouge, LA 70804-9187

Attention: Ms. JoAnn Sanders

Dear Dr. Kyle:

Attached, please find the University's response to the 1997-98 Financial Aid Audit Finding (Title IV Referral).

Sincerely,


Gerald C. Peoples
Chancellor

/s/

Attachment

- cc: Mr. Toloy E. White
- Mr. Justin W. Robinson, Jr.
- Mr. Gerald Williams
- Mr. Richard Phillips

SOUTHERN UNIVERSITY AT NEW ORLEANS
 COLLECTIVE ACTION PLAN - SIGNABLE ALIANT
 FOR THE YEAR ENDED JUNE 30, 1998

ALIANT STRATEGIC	PROPOSED COLLECTIVE ACTION	PREDICTED COMPLETION DATE	CONTACT PERSON
<p>Title IV Review</p> <p>Conditions</p> <ul style="list-style-type: none"> • Title IV review not of status (10) stated was not received in Title IV Program within the prescribed standards. • One (1) school out of eleven (11) period was immediately submitted. • Two (2) schools out of eleven (11) period was distributed to the account Title IV Program. • Three (3) requirements were not performed. 	<p>The University will address its established procedures to assure that:</p> <ul style="list-style-type: none"> • Referrals are submitted, distributed in the account Title IV Program and completed within the prescribed standards, etc. • Requirements are performed as required. 	<p>March 11, 1998</p> <p>March 11, 1998</p>	<p>Mr. Gerald Williams, Comptroller</p> <p>Mr. Gerald Williams, Comptroller</p>

SOUTHERN UNIVERSITY AT SHELBYCOUNTYGOSHER CITY

Centerville Avenue, Fayetteville, Arkansas
 72701
 Phone: 479-781-1111

DATE: December 28, 1998

ISSUES	PROPOSED-CORRECTIVE ACTIONS	PROPOSED-COMPLETION DATE	FOLLOW-UP RESPONSIBILITY
<p>1. BROOM-TO-TOO-LITTLE-TOO-SOON</p> <p>The University will provide more information to the employees on the proper use of the broom.</p>	<p>Develop University of Southern Arkansas (USA) policy regarding broom use. Provide for training on the use of brooms to all employees.</p> <p>Employees will be required to avoid excessive broom use. Employees will be required to use brooms in a safe and effective manner.</p>	<p>March, 1999</p>	<p>Mr. James Wilson, Director of Safety and Health, Office of Environmental Services, Office of Safety and Health, Office of Environmental Services, Office of Safety and Health, Office of Environmental Services</p>

SOUTHERN UNIVERSITY - DAYTON BRIDGE
Response to Federal Grants
Financial and Compliance Audit Report
 FOR THE YEAR ENDED JUNE 30, 1998

Date: December 23, 1998 _____

Audit Finding	Corrective Action Plan	Anticipated Completion Date	Contact Person(s)
97-41 Satisfactory Academic Program	The University's Satisfactory Academic Program policy has been revised and submitted to the United States Department of Education for review. A computerized program is being developed to fully measure the SAP process. This program will eliminate the need for human intervention and allow Satisfactory Academic Programs to be determined, monitored and processed electronically.	June 24, 1999	Ms. Debra Epleton
97-42 Federal Family Education Loan Limits	The student identified in this finding exceeded the aggregate loan limit because the amount borrowed at the previous school attended was not included on the aggregate amount used by the University to verify loan limits. The University will work with the Financial Aid Management System support staff and the NSLDS staff at the Department of Education to establish a method of including transfer students' data on the aggregate loan amount.	June 20, 1999	Ms. Debra Epleton

SOUTHERN UNIVERSITY - BATES COLLEGE
Response to Federal Grants
Financial and Compliance Audit Report
 FOR THE YEAR ENDED JUNE 30, 1998

Date: December 23, 1998

Audit Finding	Corrective Action Plan	Anticipated Completion Date	Contact Person(s)
<p>99-111 Aid in Excess of Documented Need</p>	<p>The University will closely monitor the awards of all Title IV recipients to prevent cost awards from occurring. The University will develop a compliance program which will share the cost of attendance against the amount awarded to identify if an over award has occurred. If it is determined that an over award has occurred, the University will take appropriate and timely corrective action to resolve this condition.</p>	<p>June 30, 1999</p>	<p>Ms. Debra Epleton</p>