



Postlethwaite & Netterville
A Professional Accounting Corporation

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Mr. Patrick Landry
LSU Foundation
Baton Rouge, Louisiana

Release Date 10-27-99

We have performed the procedures enumerated below, which were agreed to by the Legislative Auditor of Louisiana, solely to assist you with respect to the accounting records of the LSU Foundation for the year ended June 30, 1999. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Procedures

Verified that the endowments for the Eminent Scholars Endowed Chairs Program and the Endowed Professorship Program complied with provisions set forth in the Board of Regents Statement of Investment Policy and Objectives.

Verified that the annual financial reports for the Eminent Scholars Endowed Chairs Program and the Endowed Professorship Program submitted to the Board of Regents were mathematically accurate and agreed to the accounting records of the LSU Foundation.

Verified that the LSU Foundation has developed a spending plan for endowment earnings which is in compliance with Board of Regents guidelines.

Verified that in the sample selected for testing, the proceeds of the endowments for the Eminent Scholars Endowed Chairs Program and the Endowed Professorship Program were used as salaries or as a supplement for salaries or for other expenses related to scholarly work for eligible faculty members.

Verified that the Foundation complied with all provisions of the Management Agreement with the University.

Verified that investment earnings generated from pooled assets involving endowed chair or professorship money have been properly allocated to the chairs and professorships in accordance with the Board of Regents policies.



Verified that the value of the state funds held by the LSU Foundation as reported in its audited financial statements is equal to the amount recorded in the University's books.

Verified that there is no regulatory oversight for the investment pool and that the fair value of the position in the pool is the same as the value of the pool shares.

No exceptions were noted in the above procedures.

Findings

The book balance at June 30, 1999 and 1998 of the University investments held by the LSU Foundation was \$23,745,136 and \$21,627,144, respectively.

The fair value at June 30, 1999 and 1998 of the University investments held by the LSU Foundation was \$23,255,268 and \$22,006,008, respectively.

Based on an internal listing provided by the LSU Foundation, and verified by confirming 100% of the Foundation's investments, the following is a description of the types of investments allocated to University funds held by the LSU Foundation: debt securities; governmental securities; and cash management accounts.

The LSU Foundation uses Bloomberg L.P. financial services to determine the fair value for the investments of the University.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Postlethwaite & Netterville

Baton Rouge, Louisiana
October 14, 1999



EXHIBIT A

G. D. Cain Endowed Chair of Agriculture
J. C. Floyd Endowed Professorship in Agriculture
Martin D. Woodin Endowed Professorship in Agricultural Business
Meryal Newsom Annison Professorship in Agriculture
Austin C. Thompson Distinguished Endowed Professorship in Entomology
Fred C. Frey Professorship in Southern Studies
The Dr. J. F. Taylor Endowed Professorship in English
Fred B. Kniffen Professorship in Geography and Anthropology #1
Fred B. Kniffen Professorship in Geography and Anthropology #2
Richard J. Russell Louisiana Studies Professorship
Doris Z. Stone Latin American Studies Distinguished Professorship
Carl O. Sauer Professorship
R. Downs Poindexter Endowed Professorship in Political Science
Jane Degrummond Professorship in History
Seynaeve Professorship in Religious Studies
Urmila Gopal Singhal Professorship in the Religious of India
Gulf Coast Coca Cola Bottling Co., Inc. Professorship of Business Administration
Mack Hornbeak Endowed Professorship in Economics
William A. Copeland Professorship in Business Administration
Hermann Moyse/LBA Endowed Chair of Banking
E. J. Ourso Professor and Dean Endowed Chair
Marjory B. Ourso Excellence in Teaching Professorship #1
Harris J. & Marie P. Chustz, College of B.A. Endowed Professorship
Marjory B. Ourso Excellence in Teaching Professorship #2
Marjory B. Ourso Excellence in Teaching Professorship #3
Marjory B. Ourso Excellence in Teaching Professorship #4
Marjory B. Ourso Professorship & Associate Dean
Marjory B. Ourso Excellence in Teaching Professorship #5
Marjory B. Ourso Excellence in Teaching Professorship #6
Marjory B. Ourso Excellence in Teaching Professorship #7
Ourso Family Professor and Associate Dean for Undergraduate Studies Professorship
Thomas H. Daigre Endowed Chair of Business Administration
Arthur Andersen and Co. Professorship
U. J. LeGrange Endowed Professorship-1 in Accounting
U. J. LeGrange Endowed Professorship-2 in Accounting
KPMG Peat Marwick Endowed Professorship
Donald & Velvia Crumbley Endowed Taxation Professorship
U. J. LeGrange Endowed Professorship-3 in Accounting



EXHIBIT A

Ernst and Young Distinguished Professorship
Freeport McMoRan Endowed Chair in Economics
Lloyd Collette Endowed Chair of Financial Services
Charles Clifford Cameron Endowed Professorship of Finance
Latter & Blum Distinguished Professorship in Business Administration
C. J. Brown Distinguished Professorship in Real Estate
John L. Davidson Teaching Endowed Professorship
William H. Wright, Jr. Endowed Chair for Financial Services
H. Norman Saurage, Jr./Community Coffee Chair of Entrepreneurship
College of Business Administration Robert H. and Patricia A. Hines Endowed Professorship
Edward G. Schleider Endowed Chair of Information Sciences
Cherie H. Flores Endowed Chair of MBA Studies
Alvin Copeland Chair Entrepreneurship
Patrick Taylor Chair - Hazardous Wastes
Philip W. West Chair in Air Quality/Environmental Analytical Chemistry
Cray Research Chair
Hearne Research Chair in Theoretical Physics #1
Hearne Research Chair in Theoretical Physics #2
Charles T. McCord, Jr. Endowed Chair of Geology
Department of Geology Charles L. Jones Endowed Professorship
Mary Lou Applewhite Professorship in Zoology
George C. Kent Endowed Professorship in Life Sciences #1
George C. Kent Endowed Professorship in Life Sciences #2
Department of Chemistry Charles H. Barre Endowed Professorship
Dr. Philip W. and Foymae Kelso West Distinguished Professorship
A. G. Gueymard Professorship
Mary Ethyl Baxter Lipscomb Memorial Endowed Professorship in College of Education
College of Education Vira Franklin and James R. Eagles Endowed Professorship
Elena and Albert LeBlanc Professorship in Laboratory School
St. Bernard Chapter of the LSU Alumni Assoc. Endowed Professorship
Alexis and Marguerite Voorhies Endowed Professorship I
Alexis and Marguerite Voorhies Endowed Professorship II
Elton Yates Professorship in Engineering
James McLaurin Shivers Endowed Professorship
Louisiana Land and Exploration Co. Endowed Professorship of Engineering
M. F. Gautreaux/Ethyl Corp. Chair of Chemical Engineering
Robert D. and Adele Anding Endowed Professorship in Chemical Engineering
William G. Reymond Endowed Professorship
Robert Hughes Harvey Endowed Professorship in Chemical Engineering
Department of Chemical Engineering Jay Affolter Endowed Professorship
Ike East Professorship in Chemical Engineering



EXHIBIT A

Clarence M. Eidt, Jr. Endowed Professorship
Robert D. and Adele W. Anding Professorship of Engineering II
College of Engineering Arthur K. Barton Endowed Professorship
Bingham Cushman Stewart Distinguished Endowed Professorship #1
Irma-Louise Rush Stewart Endowed Professorship
Elizabeth Howell Stewart Endowed Professorship
Bingham Cushman Stewart Distinguished Endowed Professorship #2
Bingham Cushman Stewart Distinguished Endowed Professorship #3
F. Hugh Coughlin/CLECO Endowed Professorship in Electrical Engineering
John E. and Beatrice L. Ritter Professorship in Electrical Engineering
Oskar R. Mention Endowed Professorship in Electrical Engineering
Elaine T. and Donald Cecil Delaune Endowed Professorship in Electrical Engineering
Michel B. Voorhies Distinguished Endowed Professorship of Electrical Engineering
Chair of Contractors Educational Trust Fund
Buquet & LeBlanc, Inc., District Professorship of Commercial Construction
L. R. Daniel Professorship in Mechanical Engineering
Dow Chemical Endowed Chair in Rotating Machinery
Ted and Esther Walker Professorship in Mechanical Engineering
Department of Mechanical Engineering Gerald Cire Williams and Lena Grand Williams Endowed Prof.
Department of Mechanical Engineering Fritz Blumer & Frances M. Blumer Endowed Professorship
H. Mark Krause, Jr. Professorship in Petroleum Engineering
Freeport McMoran Chaired Professorship of Engineering
John W. Rhea, Jr. Endowed Professorship in Engineering
Chevron Professorship of Engineering #1
Texaco Chair in Environmental Engineering
Chevron Professorship of Engineering #2
Edward McLaughlin Professorship in Engineering
Department of Mechanical Engineering Jack Holmes Endowed Professorship
Chevron Professorship of Engineering #3
BASF Professorship in Engineering
Georgia Gulf Endowed Professorship in Engineering
Longwell-Leonard Family Endowed Professorship
McDermott, Inc. Professorship in Engineering
Formosa Plastics Endowed Professorship
George H. Nusloch II Endowed Professorship in Chemical Engineering
Chevron Professorship in Electrical Engineering #4
E. S. "Ned Adler" Memorial Endowed Professorship
George Nusloch II Endowed Professorship #2
Mr. and Mrs. A. J. M. (Bubba) Oustalet Professorship of Engineering
Malcolm D., Jr. and Gene Perdue Lowe Professorship of Engineering
Chevron '94 Professorship of Engineering #5
Rubicon Professorship of Engineering



EXHIBIT A

Bert S. Turner Endowed Professorship of Engineering
Fred B. and Ruth B. Zigler Foundation Professorship in the College of Engineering
Bert S. Turner Professorship of Engineering #2
Bert S. Turner Professorship of Engineering #3
Claiborne Gasoline Company Chair in Air Quality/Environmental Toxicology
Marathon Oil Company Professorship
Erich and Lea Sternberg Honors Professorship #1
Erich and Lea Sternberg Honors Professorship #2
Erich and Lea Sternberg Honors Professorship #3
Erich and Lea Sternberg Honors Professorship #4
Erich and Lea Sternberg Honors Professorship #5
Derryl and Helen Haymon Endowed Professorship in Music
The School of Music Aloysia Landry Barineau Memorial Endowed Professorship
Edith Kilgore Kirkpatrick School of Music Endowed Professorship
Manship Chair in Journalism
School of Journalism Bart R. Swanson Endowed Memorial Professorship
Fred Jones Greer, Jr. Endowed Chair in Media Business & Ethics
Douglas L. Manship, Sr. Professorship
Mary P. Poindexter Endowed Professorship
Huie-Dellmon Endowed Professorship
G. Lee Griffin Distinguished Professorship
Kevin P. Reilly, Sr. Chair in Political Communication
Betty J. Stewart Endowed Professorship in Social Work Practice with Children
Margaret Champagne Womack Professorship in Addictive Disorders
Paula and Milton W. Shepard Professorship in Veterinary Medicine
John P. LaBorde Endowed Chair for Sea Grant Research and Technology Transfer
James P. Morgan Distinguished Professorship in Coastal Studies #1
James P. Morgan Distinguished Professorship in Coastal Studies #2
Morris S. and DeEtte Anderson Endowed Alumni Professorship
Demarcus D. Smith Endowed Alumni Professorship
J. H. Johnson Endowed Professorship in Business
F. Hugh Coughlin Endowed Professorship
Mark Eugene Howard Professorship
Huie Dellmon Trust Endowed Professorship – Liberal Arts
B. Martin Endowed Professorship
R. O. Martin Lumber Company Professorship
Huie Dellmon Trust Professorship in Science
James R. Peltier Chair in Oral & Maxillofacial Surgery
Lafayette General Medical Center Professorship #1
Lafayette General Medical Center Professorship #2
Opelousas General Medical Center Professorship #1



EXHIBIT A

Rosemary Neal Hawkland Professorship
Byron R. Kantrow Professorship
Edwin W. Edwards Distinguished Professorship
Clarence W. Edwards Distinguished Professorship
Herman Moyse, Sr. Professorship
J. Y. Sanders Professorship
George Armstrong Professorship
Joe W. Sanders Law Alumni Association Professorship
Judge Alvin B. Rubin Professorship
Oliver P. Stockwell Professorship
Janice Rubin Professorship
R. Gordon Kean Professorship
James E. and Betty M. Phillips Professorship
Harry S. Redmon, Jr. Professorship
Justice Pike Hall Distinguished Professorship
Law Class of 1950 Professorship
Daggett-Frances Leggio Landry
Dr. Dale E. Bennett Distinguished Professorship
Chalkley Family Endowed Chair
Warner Bruner Professorship in Ag Economics
H. Rouse Caffey Endowed Professorship

