



# Report Highlights

## LSU Health Sciences Center in Shreveport Louisiana State University System

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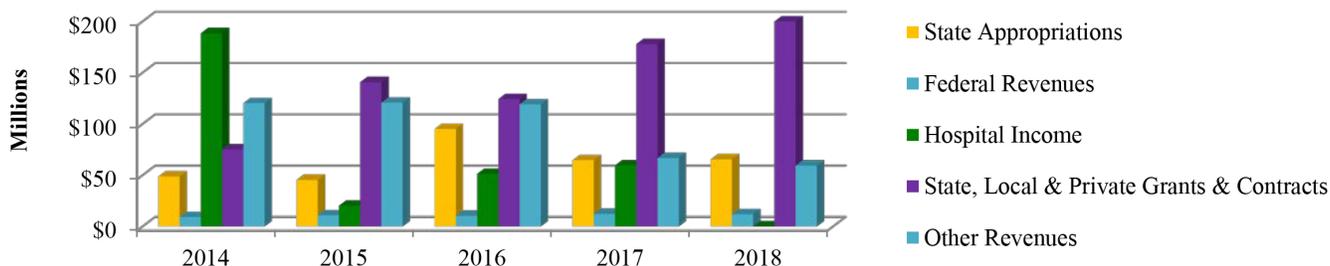
### Why We Conducted This Audit

We performed certain procedures at the Louisiana State University Health Sciences Center – Shreveport (Center) as a part of the Louisiana State University System audit, the Single Audit of the State of Louisiana, and to evaluate the Center’s accountability over public funds for the period July 1, 2017, through June 30, 2018.

### What We Found

- The Center does not have adequate controls over federal, state, and private grants and contracts to pursue collection of accounts receivable. Furthermore, the Center failed to establish proper allowance and write-off procedures. Failure to establish adequate collection and write-off procedures increases the risk that delinquent accounts could become uncollectible and that financial statements could be misleading.
- Financial information relating to the following accounts was materially correct, as adjusted: receivables, net position, nongovernmental grants and contracts revenue, hospital income, educational and general expenses, and hospital expenses.

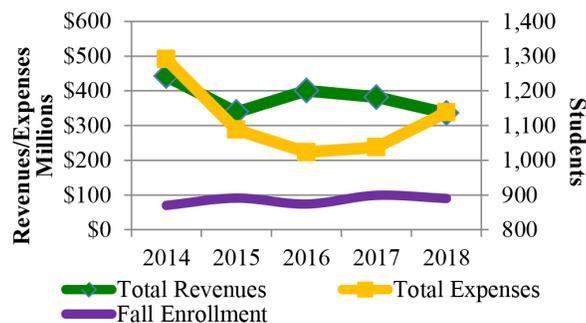
#### Five-Year Revenue Trend, by Fiscal Year



Source: Fiscal years 2014-2018 Financial Statements, as adjusted

- In analyzing financial trends of the Center over the past five fiscal years, hospital revenues and expenses decreased drastically in fiscal year (FY) 2014 and FY 2015 due to the privatization of the Center’s two largest hospitals as of October 2013, and its third as of July 1, 2014. In FY18, hospital income decreased due to a write-off of approximately \$54 million for uncompensated care (UCC) receivables that was recorded against hospital income. Beginning in January 2017, net physician related revenues are recognized as private grants and contracts, due to the contract with Faculty Group Practice, rather than other revenues, causing a decrease in other revenues and an increase in private grants and contracts revenues in fiscal years 2017 and 2018. In fiscal year 2018, clinical operations, pension, and building and equipment lease expenses increased.

#### Fiscal/Enrollment Trends, by Fiscal Year



Source: Fiscal years 2014-2018 Center’s Financial Statements, as adjusted, and Board of Regents website Data/Publication