

LSU HEALTH SCIENCES CENTER – NEW ORLEANS

LOUISIANA STATE UNIVERSITY SYSTEM

FINANCIAL AUDIT SERVICES

Management Letter
Issued February 18, 2026

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
BETH Q. DAVIS, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 3418 or Report ID No. 80250075 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$0.18. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Jenifer Schaye, General Counsel, at 225-339-3800.

Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

LSU Health Sciences Center – New Orleans



February 2026

Audit Control # 80250075

Introduction

As a part of our audit of the Louisiana State University System (System) and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2025, we performed procedures at the Louisiana State University Health Sciences Center – New Orleans (LSUHSC-NO) to provide assurances on financial information that is significant to the System’s financial statements; evaluate the effectiveness of LSUHSC-NO’s internal controls over financial reporting and compliance; and determine whether LSUHSC-NO complied with applicable laws and regulations.

We also determined whether management has taken actions to correct the findings reported in the prior year.

Results of Our Procedures

Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in the LSUHSC-NO’s management letter dated March 17, 2025. We determined that management has resolved the prior-year findings related to Inaccurate Reporting of Student Enrollment Status and Control Weakness over Direct Loans Monthly Reconciliations.

Financial Statements – Louisiana State University System

As a part of our audit of the System’s financial statements for the year ended June 30, 2025, we considered LSUHSC-NO’s internal control over financial reporting and examined evidence supporting certain account balances and classes of transactions, as follows:

Statement of Net Position

Assets – Capital Assets, Receivables

Liabilities – Accounts Payable and Accruals, Compensated Absences Payable

Net Position – Net Investment in Capital Assets, Restricted-Expendable, Restricted-Nonexpendable, and Unrestricted

Statement of Revenues, Expenses, and Changes in Net Position

Revenues – Nongovernmental Grants and Contracts

Expenses – Educational and General

Based on the results of these procedures, we did not report any findings. In addition, the account balances and classes of transactions tested are materially correct.

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2025, we performed internal control and compliance testing as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on LSUHSC-NO's major federal program, the Research and Development Cluster.

Those tests included evaluating the effectiveness of LSUHSC-NO's internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether LSUHSC-NO complied with applicable program requirements.

In addition, we performed certain procedures on information submitted by LSUHSC-NO's to the Division of Administration's Office of Statewide Reporting and Accounting Policy for the preparation of the state's Schedule of Expenditures of Federal Awards (SEFA) and on the status of the prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings, as required by Uniform Guidance.

Based on the results of these procedures, we did not report any findings. In addition, LSUHSC-NO information submitted for the preparation of the state's SEFA and the state's Summary Schedule of Prior Audit Findings are materially correct.

Trend Analysis

We compared the most current and prior-year financial activity using LSUHSC-NO's Annual Fiscal Reports and/or system-generated reports and obtained explanations from LSUHSC-NO's management for any significant variances.

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mike Waguespack", with a stylized flourish extending to the right.

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

BL:AB:BH:BQD:aa

LSUHSC-NO 2025

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Louisiana State University Health Sciences Center – New Orleans for the period from July 1, 2024, through June 30, 2025, to provide assurances on financial information significant to the Louisiana State University System (System), and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the System’s financial statements and our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2025.

- We evaluated LSUHSC-NO’s operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to LSUHSC-NO.
- Based on the documentation of LSUHSC-NO’s controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinions on the System’s financial statements.
- We performed procedures on the Research and Development Cluster for the year ended June 30, 2025, as a part of the 2025 Single Audit.
- We performed certain procedures on information for the preparation of the state’s Schedule of Expenditures of Federal Awards and on the status of prior-year findings for the preparation of the state’s Summary Schedule of Prior Audit Findings for the year ended June 30, 2025, as a part of the 2025 Single Audit.
- We compared the most current and prior-year financial activity using LSUHSC-NO’s Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from LSUHSC-NO’s management for significant variances.

The purpose of this report is solely to describe the scope of our work at LSUHSC-NO, and not to provide an opinion on the effectiveness of LSUHSC-NO internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review LSUHSC-NO’s Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. LSUHSC-NO’s accounts are an integral part of the System’s financial statements, upon which the Louisiana Legislative Auditor expresses opinions.