

HEALTH CARE SERVICES FOUNDATION
AND SUBSIDIARY

JUNE 30, 2009

BATON ROUGE, LOUISIANA

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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.

Release Date 9/16/09

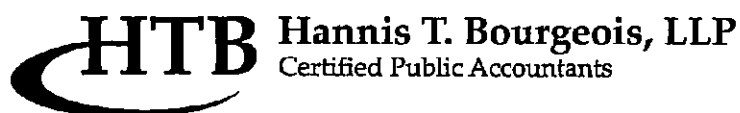
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2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

August 28, 2009

Independent Auditor's Report

Board of Directors
Health Care Services Foundation and Subsidiary
Baton Rouge, Louisiana

We have audited the accompanying Consolidating Statement of Financial Position of Health Care Services Foundation and Subsidiary as of June 30, 2009, and the related Consolidating Statements of Activities, and Cash Flows for the year ended June 30, 2009. These financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Health Care Services Foundation and Subsidiary as of June 30, 2009, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2009, on our consideration of Health Care Services Foundation and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the internal control over financial reporting or on compliance. That report is part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The Annual Financial Statement Reporting Packet, presented as supplementary information is not a required part of the basic financial statements of Health Care Services Foundation and Subsidiary, but is supplementary information required by the Louisiana State University System. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Respectfully submitted,

Hannis T. Bourgeois, LLP

HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2009

<u>ASSETS</u>	Health Care Services Foundation	Bogalusa Community Medical Center	Eliminations	Consolidated Totals
Current Assets:				
Cash	\$ 639,250	\$ 2,010,675	\$ -	\$ 2,649,925
Current Portion of Capital Lease Receivable, Net	-	199,278	-	199,278
Current Portion of Other Receivable	7,753	248,141	(7,753)	248,141
Prepaid Expenses	-	23,688	-	23,688
Total Current Assets	647,003	2,481,782	(7,753)	3,121,032
Restricted Cash	-	5,670,661	-	5,670,661
Property, Plant and Equipment, Net	3,083,828	-	-	3,083,828
Deferred Bond Issuance Cost, Net	47,331	595,386	-	642,717
Capital Lease Receivable, Net	-	17,766,384	-	17,766,384
Other Receivables, Net	-	1,664,262	-	1,664,262
Total Assets	\$ 3,778,162	\$ 28,178,475	\$ (7,753)	\$ 31,948,884
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts Payable	\$ 16,632	\$ 4,508,398	\$ (7,753)	\$ 4,517,277
Estimated Third-Party Payables	-	119,012	-	119,012
Other Current Liabilities	50,715	1,518,843	-	1,569,558
Current Portion of Bonds Payable	240,000	-	-	240,000
Total Current Liabilities	307,347	6,146,253	(7,753)	6,445,847
Long-Term Liabilities:				
Long-Term Bonds Payable, Including Unamortized Bond Premium of \$-0- and \$581,254, Respectively	1,385,000	18,081,254	-	19,466,254
Total Liabilities	1,692,347	24,227,507	(7,753)	25,912,101
Net Assets:				
Unrestricted	2,082,525	3,947,510	-	6,030,035
Temporarily Restricted	3,290	3,458	-	6,748
Total Net Assets	2,085,815	3,950,968	-	6,036,783
Total Liabilities and Net Assets	\$ 3,778,162	\$ 28,178,475	\$ (7,753)	\$ 31,948,884

The accompanying notes are an integral part of this statement.

HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2009

	Health Care Services Foundation - Unrestricted	Health Care Services Foundation - Temporarily Restricted	Health Care Services Foundation - Total
Revenues from Operations:			
Management and Implementation Fees	\$ 90,000	\$ -	\$ 90,000
Interest Income on Capital Lease	-	-	-
Other Revenue, Including Rental Income	714,621	-	714,621
Net Assets Released from Restrictions	2,752	(2,752)	-
	807,373	(2,752)	804,621
Operating Expenses:			
Bank and Bond Fees	27,381	-	27,381
Depreciation and Amortization	127,703	-	127,703
Insurance Expense	-	-	-
Interest Expense	31,162	-	31,162
Janitorial	91,922	-	91,922
Landscaping	8,850	-	8,850
Legal and Professional	143,070	-	143,070
Maintenance Contracts	17,814	-	17,814
Repairs and Maintenance	891	-	891
Supplies and Other	7,275	-	7,275
Utilities	125,228	-	125,228
In-Kind Donations	52	-	52
	581,348	-	581,348
Change in Net Assets	226,025	(2,752)	223,273
Net Assets - Beginning of Year, as Restated	1,856,500	6,042	1,862,542
Net Assets - End of Year	\$ 2,082,525	\$ 3,290	\$ 2,085,815

The accompanying notes are an integral part of this statement.

Bogalusa Community Medical Center - Unrestricted	Bogalusa Community Medical Center - Temporarily Restricted	Bogalusa Community Medical Center - Total	Eliminations	Consolidated Totals
\$ -	\$ -	\$ -	\$ (90,000)	\$ -
636,289	-	636,289	-	636,289
727,072	20,950	748,022	-	1,462,643
17,492	(17,492)	-	-	-
1,380,853	3,458	1,384,311	(90,000)	2,098,932
2,000	-	2,000	-	29,381
20,961	-	20,961	-	148,664
102,687	-	102,687	-	102,687
720,954	-	720,954	-	752,116
-	-	-	-	91,922
-	-	-	-	8,850
179,874	-	179,874	(90,000)	232,944
-	-	-	-	17,814
445,175	-	445,175	-	446,066
17,836	-	17,836	-	25,111
-	-	-	-	125,228
-	-	-	-	52
1,489,487	-	1,489,487	(90,000)	1,980,835
(108,634)	3,458	(105,176)	-	118,097
4,056,144	-	4,056,144	-	5,918,686
\$ 3,947,510	\$ 3,458	\$ 3,950,968	\$ -	\$ 6,036,783

HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY

CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009

	Health Care Services Foundation	Bogalusa Community Medical Center	Eliminations	Consolidated Totals
Cash Flows From Operating Activities:				
Change in Net Assets:	\$ 223,273	\$ (105,176)	\$ -	\$ 118,097
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	127,703	918	-	128,621
Changes in Current Assets and Liabilities:				
(Increase) Decrease in Lease Receivables	-	(392,983)	-	(392,983)
(Increase) Decrease in Other Receivables	(208)	(93,904)	7,753	(86,359)
(Increase) Decrease in Other Assets	-	31,636	-	31,636
(Increase) Decrease in Prepaid Expense	-	843	-	843
Increase (Decrease) in Accounts Payable	15,331	(5,449,363)	(7,753)	(5,441,785)
Increase (Decrease) in Other Current Liabilities	2,148	469,403	-	471,551
Increase (Decrease) in Unearned Income	-	(636,290)	-	(636,290)
Net Cash Provided by (Used in) Operating Activities	368,247	(6,174,916)	-	(5,806,669)
Cash Flows From Investing Activities:				
Purchases of Capital Assets	(86,481)	-	-	(86,481)
(Increase) Decrease in Restricted Cash	-	4,887,394	-	4,887,394
Net Cash Provided by (Used in) Investing Activities	(86,481)	4,887,394	-	4,800,913

(CONTINUED)

	Health Care Services Foundation	Bogalusa Community Medical Center	Eliminations	Consolidated Totals
Cash Flows from Financing Activities:				
Repayment of Long Term Debt	(230,000)	-	-	(230,000)
Net Cash Provided by (Used in) Financing Activities	(230,000)	-	-	(230,000)
Net Increase (Decrease) in Cash and Cash Equivalents	51,766	(1,287,522)	-	(1,235,756)
Cash and Cash Equivalents - Beginning of Year	587,484	3,298,197	-	3,885,681
Cash and Cash Equivalents - End of Year	<u>\$ 639,250</u>	<u>\$ 2,010,675</u>	<u>\$ -</u>	<u>\$ 2,649,925</u>
Supplemental Disclosure of Cash Flow Information:				
Cash Payments for Interest	<u>\$ 38,469</u>	<u>\$ 720,954</u>	<u>\$ -</u>	<u>\$ 759,423</u>

The accompanying notes are an integral part of this statement.

HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies -

Organization

Health Care Services Foundation, ('the Foundation') is a nonprofit organization, incorporated in the State of Louisiana that provides support and appropriate services to the Health Care Services Division of the Louisiana State University Agricultural and Mechanical College ('the Division') which includes purchasing, leasing, owning, operating, managing and selling property and services to maximize healthcare capabilities in Louisiana. Bogalusa Community Medical Center ('BCMC') is a nonprofit, non-stock corporation, incorporated in the State of Louisiana. On April 25, 2002, the Foundation became the sole member of the BCMC. Prior to September 27, 2007 BCMC leased the hospital's facilities to the Louisiana State University Health Care Service Division (LSUHCSO). Effective September 27, 2007, the facilities were sold to the LSUHCSO as part of a capital lease transaction. The Foundation and BCMC are referred to collectively as the "Organizations."

Operations

The Organizations define operations as all program and supporting service activities undertaken to promote and support the Division and all the hospitals, health care facilities, departments, and divisions comprising it. Revenues that result from these activities, and their related expenses, are reported as operations. Gains, losses and other revenue that results from ancillary activities, such as investing liquid assets and disposing of fixed or other assets, are reported as non-operating.

Reporting Entity

Health Care Services Foundation and its wholly-owned subsidiary are considered to be a component unit of LSUHCSO. LSUHCSO is a component unit of the LSU System, which is a component unit of the State of Louisiana.

The accompanying financial statements present information only on the activities and funds maintained by the Foundation and do not present information on LSUHCSO, the general governmental services provided by that governmental unit or the other governmental units that comprise the financial reporting entity for the State of Louisiana.

Principles of Consolidation

The financial statements include the accounts of the Health Care Services Foundation and the Bogalusa Community Medical Center and have been consolidated in accordance with Statement of Position 94-3, *Reporting of Related Entities by Not-for-Profit Organizations*. All significant intercompany accounts and transactions have been eliminated in these financial statements.

Basis of Accounting

The Organizations prepare their financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board on its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organizations are required to report information regarding their financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Cash and Cash Equivalents

The Organizations consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements or otherwise encumbered.

Net Assets

The Organizations classify assets into three categories: unrestricted, temporarily restricted and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary, donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the statement of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions.

Lease Receivable

Lease receivables are reported at net realizable value, after deduction of allowances for estimated uncollectible accounts. The allowance for uncollectible accounts is based on aging of current outstanding amounts.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in revenues.

Prepaid Expenses and Deferred Charges

Prepaid expenses are amortized over the estimated period of future benefit, generally on a straight-line basis. Deferred financing costs are amortized over the term of the related debt on the interest method.

Property and Equipment

Property and equipment acquisitions are recorded at cost, if purchased, or at fair value at the date of the gift, if donated. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The class lives of the assets are as follows:

Buildings	40 years
Equipment	5 years
Furniture and Fixtures	7 years

Maintenance and repairs are charged against income when incurred.

The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any resulting gain or loss is reflected in operations.

Cost of Borrowing

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets if material. Costs incurred in connection with the obtaining of financing are deferred and are amortized over the period the obligation is outstanding on the interest method. Costs and premium or discounts incurred in connection with the issuance of bonds or indentures are amortized over the life of the obligation on the straight line method, and the unamortized amount is included in the balance of the outstanding debt.

Contributions

Unconditional promises to give cash or other assets to the Organizations are recorded at fair value on the date the promise is received. Conditional promises to give are recorded at fair value at the date the promise becomes unconditional. Gifts of cash and other assets are presented as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Gifts of long-lived assets such as land, buildings, and equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit donor restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Federal Income Taxes

The Organizations are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). There were no unrelated business activities for the year ended June 30, 2009. Accordingly, no tax expense was incurred during the year ended June 30, 2009.

Note 2 - Restricted Cash -

Certain proceeds of the Series 2007A and 2007B Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of position because they are maintained in a separate bank account and their use is limited by applicable bond covenants. The assets included in restricted cash include; 2007A Bond Project Fund, 2007A Bond Debt Service Fund, 2007B Special Sinking Fund, 2007B Project Fund and Capitalized Interest Fund.

Note 3 - Related Parties -

Health Care Services Foundation is affiliated with the Health Care Services Division of the Louisiana State University Agricultural and Mechanical College which includes the building property and general liability insurance of HCSF with their office of Risk Management policy for the land, building and equipment rented to Health Care Services Division of the Louisiana State University Agricultural and Mechanical College.

- Health Care Services Foundation is the sole member of Bogalusa Community Medical Center. The Foundation provides management and administrative services to the BCMC. Administrative fees for the fiscal year ended June 30, 2009 totaled \$90,000 and is eliminated in these financial statements.

In addition, the BCMC is affiliated with the Health Care Services Division of the Louisiana State University Health Sciences Center through a recapitalization agreement. Prior to September 27, 2007, the Division leased from BCMC all net rentable space in its hospital. For the year ended June 30, 2009, rental income received from LSUHCSD totaled \$606,592. In addition amounts owed to LSUHCSD at June 30, 2009 amounted to \$1,518,843 for excess rents charged. This amount is included in Other Current Liabilities on the Consolidating Statement of Financial Position.

Effective September 30, 2007, an agreement was entered into between BCMC and LSUHCSD to pay for the unfunded assets owned by BCMC at the date of the capital lease and future capital improvements and major repairs. The agreement calls for the payments to be made over the life of the assets, and the payment amount is calculated based on the straight-line depreciation of those assets. Given the long-term nature of the payment schedule, the receivables were recorded at the present value of the expected cash flows (net of \$45,274 discounted at .19%), with \$242,891 due in less than one year and \$1,570,358 due after one year. The long-term portion of the receivable is included in Other Receivables on the Statement of Financial Position.

Note 4 - Concentration of Credit Risk -

The Organizations maintain cash accounts with commercial banks which are insured by the Federal Deposit Insurance Corporation up to the maximum amount allowed. Periodically, cash may exceed the federally insured amount.

Note 5 - Property, Plant and Equipment -

A summary of property, plant and equipment for the Foundation at June 30, 2009 is set forth below:

Land	\$ 370,000
Building and Improvements	3,085,936
Furniture	100,950
Equipment	<u>182,512</u>
	3,739,398
Less: Accumulated Depreciation	<u>(655,570)</u>
	<u>\$ 3,083,828</u>

Depreciation expense for the year ended June 30, 2009 amounted to \$127,703.

Note 6 - Leases -

Foundation

The Foundation entered into an agreement to lease space, land and equipment to Louisiana State University Health Care Sciences Division (LSUHCSD) to be used as a medical office and clinic facility. The rent commencement date was June 1, 2004 and will continue until May 31, 2014. Base rent is \$53,323 per month, based on monthly estimated operating costs plus estimated debt service. The operating costs component of base rent shall be reconciled annually and the debt service component of base rent shall be reconciled quarterly. Rent income for the year ended June 30, 2009 was \$711,013.

The carrying values of the property and equipment leased by the Foundation are as follows:

Building and Improvements	\$ 3,085,936
Furniture	100,950
Equipment	<u>182,512</u>
Total Leased Property	3,369,398
Less: Accumulated Depreciation	<u>(655,570)</u>
Land	<u>370,000</u>
Net Leased Property	<u>\$ 3,083,828</u>

BCMC

The BCMC has entered into multiple non-cancelable leases with third parties for the lease of various property and equipment. These leases are as follows:

Effective September 1, 2007, a capital lease agreement was entered into to lease space, land, and equipment to Louisiana State University Health Care Sciences Division ("LSUHCSD") to be used as a hospital, and has a term of 32 years. The monthly lease amount consists of two base components: (1) debt service in accordance with Series 2007A Bonds, and (2) \$158,065 (Series

2007B Payment). In accordance with the lease agreement, monthly estimated operating costs will be reimbursed. These operating costs are not included in the minimum lease receivable.

The components of the investment in the sales type lease at June 30, 2009 is as follows:

Minimum Lease Payment Receivable	\$ 29,328,321
Less: Unearned Revenue	<u>(11,362,659)</u>
Net Investment in Sales Type Lease	<u>\$ 17,965,662</u>

Unearned revenue is amortized using the effective interest method calculated based on a constant periodic rate over the lease term.

The following is a schedule, by year, of the estimated total minimum lease payments receivable under the sale type lease as of June 30, 2009:

2010	\$ 844,079
2011	844,079
2012	844,079
2013	844,079
2014	844,079
Thereafter	<u>25,107,926</u>
Total Minimum Lease Payment Receivable	<u>\$ 29,328,321</u>

Lease agreements have been entered into with various third parties on a month to month basis to lease space, property, and equipment. The monthly rental of these various leases totaled \$64,491.

Note 7 - Bond Payable -

Foundation

During 2003, the Foundation issued Equipment and Capital Facilities Pooled Loan Program Revenue Bonds Series 2003B in the amount of \$2,500,000 dated October 1, 2003. The bond was issued to finance the renovation of a health care facility. The bond was issued through the Louisiana Public Facilities Authority. The trust indenture established the maturity of this bond to be July 1, 2014. Hancock Bank of Louisiana serves as the Trustee and is the Mortgagee. The bonds are secured by an irrevocable direct pay letter of credit issued by Capital One in the amount of \$1,433,266.

Under the terms of the Trust Indenture for the bonds, the Foundation is requested to fund a sinking fund account at the bank. The account is to be funded monthly for 1/12 of the principal amount to be paid at the next due date of the bond payment. The provisions of the bond contain certain covenants that the Foundation must comply with or maintain throughout the term of the bonds.

At June 30, 2009, the outstanding indebtedness consisted of the following:

<u>Bond Series</u>	<u>Indenture Maturity</u>	<u>Interest Rate</u>	<u>Payable 06/30/09</u>
2003B	7/01/14	The rate at June 30, 2009 was 1.36% and adjusts weekly.	<u>\$ 1,625,000</u>

Interest expense for the year ended June 30, 2009 was \$31,162.

Bonds are required to be redeemed as follows:

2010	\$ 240,000
2011	255,000
2012	265,000
2013	275,000
2014	290,000
Thereafter	<u>300,000</u>
	<u>\$ 1,625,000</u>

BCMC

BCMC entered into a loan agreement with Health Care Community Development Corporation (HCCDC) on September 1, 2007. In this agreement, HCCDC loaned the proceeds of the Series 2007A Health Care Community Development Corporation Revenue Bonds and the Series 2007B Health Care Community Development Corporation Taxable Revenue Bonds with aggregate principle sums of \$13,490,528 (which includes a bond premium of \$615,528) and \$4,625,000, respectively. These proceeds were to be used to finance the cost of (1) the renovation of the first floor for an acute care and obstetrics unit of the hospital, (2) the acquisition of a generator and power distribution system, (3) the renovation and expansion of the clinic to be known as Family Medicine Residency Clinic, (4) refinancing the line of credit used to purchase equipment for the hospital and make repairs to the roof, (5) refinancing an existing loan with the United States Department of Agriculture and (6) the funding of the Debt Service Reserve, capitalized interest and the payment of issuance cost. Within the loan agreement, BCMC agreed to assign certain rights under the Facilities Lease (including rent) and to make payments in the amount sufficient to make timely payment of principle and interest on these bonds.

The 2007A Bond bears the following interest and maturities as set forth by the Trust Indenture:

\$ 2,490,000	7.88% Term Bond due June 15, 2022
1,855,000	4.98% Term Bond due June 15, 2026
<u>8,530,000</u>	5.17% Term Bond due June 15, 2038
<u>\$ 12,875,000</u>	

The 2007B Bond was issued in the aggregate principle amount of \$4,625,000 and bears an interest rate of .2466% due on June 15, 2038.

At June 30, 2009, long-term debt consisted of the following:

Series 2007A	\$ 12,875,000
Series 2007B	<u>4,625,000</u>
	17,500,000
Less: Current Portion	<u>-</u>
	<u>\$ 17,500,000</u>

For the year ended June 30, 2009, BCMC recorded interest expense of \$720,954, which is net of the amortization of the bond premium of \$20,043.

The future scheduled maturities of long-term debt are as follows:

Years ended June 30,	
2009	\$ -
2010	-
2011	-
2012	-
2013	-
Thereafter	<u>17,500,000</u>
	<u>\$ 17,500,000</u>

Under the terms of the Trust Indenture for the bonds, BCMC is required to maintain a Debt Service Reserve Fund for the Series 2007A. The Debt Service Reserve fund deposit should be an amount equal to the debt service fund requirement. The balance in the debt service reserve fund at June 30, 2008 equaled \$954,907. The debt service fund balance is included in restricted cash on the statement of position. The Series 2007A Bond has a mandatory sinking fund requirement. Payments made to this sinking fund will begin on June 15, 2015 and continue through maturity of the bond. As of June 30, 2009, no payments have been made to the sinking fund.

The 2007B bond requires an annual special sinking fund payment of \$158,065 on June 1 each year. The payments are to be made until the funds in the Series 2007B Special Sinking Fund equal \$4,625,000. The balance of this sinking fund as of June 30, 2009 was \$316,130. The 2007B Special Sinking Fund balance is included in restricted cash on the statement of position.

Note 8 - Net Assets Released from Restrictions -

Foundation

Net assets were released from restrictions for incurring expenses, satisfying the restricted purpose.

Restrictions Accomplished:

Automatic Doors and Covered Walk	\$ 2,700
Employee Activities	52
	<u>\$ 2,752</u>

BCMC

Net assets were released from restrictions for incurring expenses, satisfying the restricted purpose.

Restrictions Accomplished:

Family Center Equipment	<u>\$ 17,492</u>
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Note 9 - Restriction on Net Assets -

Foundation

Temporarily restricted net assets are available for the following purposes:

Employee Activities	\$ 290
Disease Management Program	3,000
	<u>\$ 3,290</u>

BCMC

Temporarily restricted net assets are available for the following purposes:

Family Center Equipment	<u>\$ 3,458</u>
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Note 10 - Prior Period Adjustment -

A prior period adjustment was made to restate the balance of the capital lease receivable as of June 30, 2008.

BCMC

A recap of the prior period adjustment to the Unrestricted Net Assets is as follows:

Unrestricted Net Asset Balance at June 30, 2008, as	
Originally Reported	\$ 5,019,550
To Correct the Capital Lease Receivable, Record	
Other Receivable and Adjust Loss on Capital Lease	(654,862)
To Correct Payments on Capital Lease and Other	

Receivable	(222,353)
To Correct the Excess Rent Payable (Due to LSU WST)	(200,314)
To Correct Cost of Sales for Laundry Equipment	
Recorded as Receivable in 2009	<u>114,123</u>
Unrestricted Net Asset Balance at June 30, 2009, as Restated	<u>\$ 4,056,144</u>

Note 11 - Subsequent Event -

At the date of the issuance of the Series 2007A Healthcare Community Development Corporation Revenue Bonds, the underwriter was unable to secure \$275,000 of funds which was anticipated to come from its New Market Tax Credits (NMTC) allocation. As a result, the principle sum of the bond was increased by the \$275,000 to a total of \$12,875,000. The underwriter received the allocation of the tax credits subsequent to the bond issuance and transferred funds of \$250,540 to BCMC on August 7, 2009. These funds were provided to make BCMC and LSUHCSD whole as a result of the additional costs incurred by BCMC to borrow the additional funds. The funds were not recorded on BCMC's financials as of June 30, 2009 pending an agreement between BCMC and LSUHCSD on where the funds will be applied.

Subsequent events were evaluated through August 28, 2009, the date which the financials were available to be issued.

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

August 28, 2009

To the Board of Directors
Health Care Services Foundation and Subsidiary
Baton Rouge, Louisiana

We have audited the financial statements of Health Care Services Foundation and Subsidiary as of and for the year ended June 30, 2009, and have issued our report thereon dated August 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Health Care Services Foundation and Subsidiary's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Health Care Services Foundation and Subsidiary's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organizations' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of or Organizations' financial statements that is more than inconsequential will not be prevented or detected by the Organizations' internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Health Care Services Foundation and Subsidiary's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those 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 of other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the Board of Directors, management, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Office of the Louisiana Legislative Auditor and any cognizant agency, and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document and its distribution is not limited.

Respectfully submitted,

Hannia T. Bourgeois, LLP

SUPPLEMENTARY INFORMATION

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

Assets	HCSF	BCMC	Eliminations	Total
Current Assets				
Cash and cash equivalents (Note C)	\$ 639,250	\$ 2,010,675	\$ -	\$ 2,649,925
Investments (Note C)	-	5,670,661	-	5,670,661
Receivables, net (Note D)	7,753	447,419	(7,753)	447,419
Pledges receivable	-	-	-	-
Due from State Treasury	-	-	-	-
Due from Federal Government (Note D)	-	-	-	-
Inventories	-	-	-	-
Deferred charges and prepaid expenses	-	23,688	-	23,688
Notes receivable	-	-	-	-
Other current assets	-	-	-	-
Total current assets	647,003	8,152,443	(7,753)	8,791,693
Noncurrent Assets				
Restricted assets:	-	-	-	-
Cash and cash equivalents (Note C)	-	-	-	-
Investments (Note C)	-	-	-	-
Accounts receivable, net (Note D)	-	19,430,646	-	19,430,646
Notes receivable, net	-	-	-	-
Other	-	-	-	-
Investments (Note C)	-	-	-	-
Pledges receivable	-	-	-	-
Notes receivable, net	-	-	-	-
Capital assets, net (Note E)	3,083,828	-	-	3,083,828
Other noncurrent assets	47,331	595,386	-	642,717
Total noncurrent assets	3,131,159	20,026,032	-	23,157,191
Total assets	\$ 3,778,162	\$ 28,178,475	\$ (7,753)	\$ 31,948,884
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 67,347	\$ 6,146,253	\$ (7,753)	\$ 6,205,847
Due to State Treasury	-	-	-	-
Due to Federal Government	-	-	-	-
Deferred revenues	-	-	-	-
Amounts held in custody for others	-	-	-	-
Other liabilities	-	-	-	-
Current Portion of Noncurrent Liabilities:				
Compensated absences payable (Note I)	-	-	-	-
Capital lease obligations (Note I)	-	-	-	-
Claims and litigation payable (Note I)	-	-	-	-
Amounts held in custody for others (Note I)	-	-	-	-
Notes payable (Note I)	-	-	-	-
Contracts payable (Note I)	-	-	-	-
Reimbursement contracts payable (Note I)	-	-	-	-
Bonds payable (Note I)	240,000	-	-	240,000
Other current liabilities	-	-	-	-
Total current liabilities	307,347	6,146,253	(7,753)	6,445,847
Long-term Portion of Noncurrent Liabilities				
Compensated absences payable	-	-	-	-
Capital lease obligations	-	-	-	-
Claims and litigation payable	-	-	-	-
Amounts held in custody for others	-	-	-	-
Notes payable	-	-	-	-
Contracts payable	-	-	-	-
Reimbursement contracts payable	-	-	-	-
OPEB payable	-	-	-	-
Bonds payable	1,385,000	17,500,000	-	18,885,000
Other noncurrent liabilities	-	581,254	-	581,254
Total noncurrent liabilities	1,385,000	18,081,254	-	19,466,254
Total liabilities	1,692,347	24,227,507	(7,753)	25,912,101
Net Assets				
Invested in capital assets, net of related debt	-	-	-	-
Restricted for: Nonexpendable	-	-	-	-
Expendable	3,290	3,458	-	6,748
Unrestricted	2,082,525	3,947,510	-	6,030,035
Total net assets	2,085,815	3,950,968	-	6,036,783
Total liabilities and net assets	\$ 3,778,162	\$ 28,178,475	\$ (7,753)	\$ 31,948,884

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	HCSF	BCMC	Eliminations*	Total
Operating Revenues				
Student tuition and fees	\$ -	\$ -	\$ -	\$ -
Less scholarship allowances	-	-	-	-
Net student tuition and fees	-	-	-	-
Gifts received by foundations (comp. units only)	-	-	-	-
Endowment income (comp. units only)	-	-	-	-
Federal appropriations	-	-	-	-
Federal grants and contracts	-	-	-	-
State and local grants and contracts	-	-	-	-
Nongovernmental grants and contracts	-	-	-	-
Sales and services of educational departments	-	-	-	-
Hospital income	-	-	-	-
Auxiliary enterprise revenues, (see note HH for revenue amounts pledged as security for bonds)	-	-	-	-
Less scholarship allowances	-	-	-	-
Net auxiliary revenues	-	-	-	-
Other operating revenues	804,621	1,384,311	(90,000)	2,098,932
Total operating revenues	804,621	1,384,311	(90,000)	2,098,932
Operating Expenses				
Education and general:				
Instruction	-	-	-	-
Research	-	-	-	-
Public service	-	-	-	-
Academic support	-	-	-	-
Student services	-	-	-	-
Institutional support	-	-	-	-
Operations and maintenance of plant	-	-	-	-
Depreciation	-	-	-	-
Scholarships and fellowships	-	-	-	-
Auxiliary enterprises	-	-	-	-
Hospital	-	-	-	-
Other operating expenses	581,348	1,489,487	(90,000)	1,980,835
Total operating expenses	581,348	1,489,487	(90,000)	1,980,835
Operating income (loss)	223,273	(105,176)	-	118,097
Nonoperating Revenues (Expenses)				
State appropriations	-	-	-	-
Gifts	-	-	-	-
Federal nonoperating revenues (expenses)	-	-	-	-
Net investment income (loss)	-	-	-	-
Interest expense	-	-	-	-
Payments to or on behalf of the university	-	-	-	-
Other nonoperating revenues (expenses)	-	-	-	-
Net nonoperating revenues (expenses)	-	-	-	-
Income (loss) before other revenues, expenses, gains, losses	223,273	(105,176)	-	118,097
Capital appropriations	-	-	-	-
Capital grants and gifts	-	-	-	-
Additions to permanent endowments	-	-	-	-
Other additions, net	-	-	-	-
Increase (decrease) in Net Assets	223,273	(105,176)	-	118,097
Net assets at the beginning of the year, restated	1,862,542	4,056,144	-	5,918,686
Net assets at the end of the year	\$ 2,085,815	3,950,968	\$ -	\$ 6,036,783

*Enter eliminations and allowances as a negative number.

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
SIMPLIFIED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	Component Units	(-) * Eliminations	Combined Total
	* (-) Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
HCSF	\$ (581,348)	\$ -	\$ -	\$ -			(581,348)
BCMC	(1,489,487)	-	-	-			(1,489,487)
* Eliminations	90,000	-	-	-			90,000
Combined Total	\$ (1,980,835)	\$ -	\$ -	\$ -			(1,980,835)
General revenues:							
State appropriations							
Grants and contributions not restricted to specific programs							
Interest							
Miscellaneous							
Special items							
Extraordinary item - loss on impairment of capital assets							
Transfers							
Total general revenues, special items, and transfers							
Change in net assets							
Net assets - beginning							
Net assets - ending							

* Enter in spreadsheet as a negative number.

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In July of 1984, the GASB issued Statement No. 1, which provided that all statements and interpretations issued by the National Council on Governmental Accounting (NCGA) continue as generally accepted accounting principles until altered, amended, supplemented, revoked or superseded by subsequent GASB pronouncements.

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

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

2. REPORTING ENTITY

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

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

3. BASIS OF ACCOUNTING

For financial reporting purposes, the LSUHSC Health care Services Division is considered a special-purpose government engaged in only business-type activities. Accordingly, the institution's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

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

The financial statements of the Health Care Services Foundation and Subsidiary have been prepared on the accrual basis of accounting.

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

4. CASH EQUIVALENT

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

5. INVESTMENTS

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

6. INVENTORIES

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

7. NONCURRENT CASH AND INVESTMENTS

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

8. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the institution's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, and 3 to 10 years for most movable property. Library collections regardless of age, with a total acquisition value of \$5,000,000 or more will be capitalized and depreciated.

9. DEFERRED REVENUES

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year, but are related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

10. NONCURRENT LIABILITIES

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

11. NET ASSETS

The institution's net assets are classified as follows:

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

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

This represents the institution's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisition, construction, or improvement of those capital assets.

(b) RESTRICTED NET ASSETS – EXPENDABLE

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

(c) RESTRICTED NET ASSETS – NONEXPENDABLE

Restricted nonexpendable net assets consist of endowment and similar type funds for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

(d) UNRESTRICTED NET ASSETS

Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the university, and may be used at the discretion of the governing board to meet current expenses and for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the university's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

12. CLASSIFICATION OF REVENUES

The institution has classified its revenues as either operating or nonoperating revenues according to the following criteria:

- (a) OPERATING REVENUE - Operating activity include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and (3) most Federal, state, and local grants and contracts and Federal appropriations.
- (b) NON-OPERATING REVENUE – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions.

13. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the institution, and the amount that is paid by students and/or third parties making payments on the student's behalf.

14. ELIMINATING INTERFUND ACTIVITY

Activities between Health Care Services Foundation and Subsidiary are eliminated for purposes of preparing the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Net Assets.

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

15. COMPONENT UNITS – Not Applicable

B. BUDGETARY PRACTICES – Not Applicable

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Further, the university/system may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of savings and loan associations and savings banks; and share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and Statement of Net Assets presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

As reflected on the Statement of Net Assets, the Health Care Services Foundation and Subsidiary had deposits with financial institutions totaling \$2,653,109 at June 30, 2009. Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasurer.

GASB Statement 40, which amended GASB Statement 3, requires only the disclosure of deposits considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either: 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2009, consisted of the following:

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Statement of Net Assets (SNA)	\$ 2,649,925	\$ -	\$ -	\$ 2,649,925
Deposits in bank accounts per bank	\$ 2,653,109	\$ -	\$ -	\$ 2,653,109
Bank balances of deposits exposed to custodial credit risk:				
a. Uninsured and uncollateralized	\$ 2,091,003	\$ -	\$ -	\$ 2,091,003
b. Uninsured and collateralized with securities held by the pledging institution	-	-	-	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, <u>but not in the entity's name</u>	-	-	-	-

Note: The "deposits in bank accounts per bank" will not necessarily equal the "Deposits per SNA" due to outstanding items.

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

Cash in State Treasury	\$ 0.00
Petty cash	\$ 0.00
Investments with a maturity of less than 3 months when purchased	\$ 0.00

The following is a breakdown by banking institution, program, *account number, and amount of the "deposits in bank accounts per bank" balances shown above:

	Banking Institution	Program	Amount
1.	Chase Bank	HCSF- Operating	\$ 377,700
2.	Hancock Bank	HCSF- Bond Fund	261,575
3.	Capital One	BCMC- Operating	2,010,435
4.	Capital One	BCMC- Old Patient A/R	3,399
			\$ 2,653,109

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

* Account numbers are not required. However, if you have more than one account at a single institution, you should identify each account separately, such as "Account A", "Account B", or some similar designation that does not involve the actual account number.

2. Investments

LSUHSC Health Care Services Division does not maintain investment accounts as authorized LRS 49:310-325.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are held by either the counterparty or the counterparty's trust department or agent but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns must be reported for total investments regardless of exposure to custodial credit risk.

Type of Investment	Investments Exposed to Custodial Credit Risk			All Investments Regardless of Custodial Credit Risk Exposure	
	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent not in Entity's Name	Uninsured, *Unregistered, and Held by Counterparty	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent not in Entity's Name	Reported Amount on SNA	Fair Value
Negotiable CDs	\$ -	\$ -	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-	-	-
U.S. Government Obligations **	-	-	-	-	-
U.S. Agency Obligations	-	-	-	-	-
Common & preferred stock	-	-	-	-	-
Mortgages (including CMOs & MBSs)	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Mutual funds	-	-	-	-	-
Real estate	-	-	-	-	-
External Investment Pool	-	-	-	-	-
Other: Cash & Cash Equivalent	-	-	-	-	-
Held by Foundations- Debt	-	5,670,661	5,670,661	5,670,661	5,670,661
Total investments	\$ -	\$ 5,670,661	\$ 5,670,661	\$ 5,670,661	\$ 5,670,661

*unregistered — not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. Government. (See Appendix A for the definition of U.S. Government Obligations)

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

3. Derivatives - Not Applicable

The university/system does not (circle one) invests in derivatives as part of its investment policy.

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

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

Rating Agency Used	Rating	Fair Value
	Unrated - Investment Held by Foundation	\$ 5,670,661
Total		\$ 5,670,661

B. Interest rate Risk

Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note - This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A - Credit Risk of Debt Investments.)

Type of Debt Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agency obligations	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Collateralized mortgage obligations	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Other bonds (describe)	-	-	-	-	-
Mutual bond funds	-	-	-	-	-
Other	5,670,661	5,670,661	-	-	-
Total debt investments	\$ 5,670,661	\$ 5,670,661	\$ -	\$ -	\$ -

C. Concentration of Credit Risk - Not Applicable

D. Foreign Currency Risk - Not Applicable

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

5. Policies

Health Care Services Foundation and Subsidiary do not have a policy related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk.

6. Other Disclosures Required for Investments - Not Applicable

D. ACCOUNTS RECEIVABLE

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

List Types	Accounts Receivable	Doubtful Accounts	Net Accounts Receivable	Amounts not scheduled for collection within one year
Student tuition and fees	\$ -	\$ -	\$ -	\$ -
Auxiliary enterprises	-	-	-	-
Contributions and gifts	-	-	-	-
State and private grants and contracts	-	-	-	-
Other Sales & Service	19,878,065	-	19,878,065	19,430,646
Total	\$ 19,878,065	\$ -	\$ 19,878,065	\$ 19,430,646
Due from Federal Government				

Ensure that all federal receivables are reported on the Statement of Net Assets as "Due from Federal Government".

E. CAPITAL ASSETS

[The electronic version of this note contains three spreadsheets. After double clicking on the table, there will be three tabs at the bottom of the spreadsheet (one for the university, one for the component units and a total sheet). Enter the university's information on the university tab and then select the tab for the component units and enter the component units' information. The total spreadsheet is linked and should total automatically. Each of these sheets must be printed separately to obtain a complete hard copy.]

Capital assets and assets under capital lease activity for the year ended June 30, 2009 were as follows:

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

Total

	Balance 6/30/2008	Prior Period Adjustments	Restated Balance 6/30/2008	Additions	*Transfers	**Retire- ments	Balance 6/30/2009
Capital assets not depreciated:							
Land	\$ 370,000	\$ -	\$ 370,000	\$ -	\$ -	\$ -	\$ 370,000
Non-depreciable land improvements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Livestock	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ 370,000	\$ -	\$ 370,000	\$ -	\$ -	\$ -	\$ 370,000
Other Capital Assets							
Infrastructure	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Depreciable land improvements	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Buildings	2,999,455	-	2,999,455	86,481	-	-	3,085,936
Less accumulated depreciation	(316,696)	-	(316,696)	(82,311)	-	-	(399,007)
Total buildings	2,682,759	-	2,682,759	4,170	-	-	2,686,929
Equipment	283,462	-	283,462	-	-	-	283,462
Less accumulated depreciation	(213,133)	-	(213,133)	(43,430)	-	-	(256,563)
Total equipment	70,329	-	70,329	(43,430)	-	-	26,899
Library books	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total library books	-	-	-	-	-	-	-
Total other capital assets	\$ 2,753,088	\$ -	\$ 2,753,088	\$ (39,260)	\$ -	\$ -	\$ 2,713,828
Capital asset summary:							
Capital assets not depreciated	\$ 370,000	\$ -	\$ 370,000	\$ -	\$ -	\$ -	\$ 370,000
Other capital assets, at cost	3,282,917	-	3,282,917	86,481	-	-	3,369,398
Total cost of capital assets	3,652,917	-	3,652,917	86,481	-	-	3,739,398
Less accumulated depreciation	(529,829)	-	(529,829)	(125,741)	-	-	(655,570)
Capital assets, net	\$ 3,123,088	\$ -	\$ 3,123,088	\$ (39,260)	\$ -	\$ -	\$ 3,083,828

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets.

**Enter a negative number except for accumulated depreciation in the retirement column.

HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

F. COLLECTIONS (WORKS OF ART and HISTORICAL TREASURES) – Not Applicable

G. **NOT USED**

H. GENERAL FUND – Not Applicable

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

The following is a summary of bond reimbursement contracts and other long-term debt transactions of the university for the year ended June 30, 2009: (The column "Balance at June 30, 2009" is the total amount of debt for that line item. The noncurrent portion is not listed separately, but can be determined by subtracting "Amounts due within one year" from "Balance at June 30, 2009.")

HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

University/System	Year ended June 30, 2009			
	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Notes & bonds payable:				
Notes payable	\$ -	\$ -	\$ -	\$ -
Bonds payable	1,855,000	-	230,000	1,625,000
Total bonds and notes payable	1,855,000	-	230,000	1,625,000
Other liabilities:				
Compensated absences payable	-	-	-	-
Capital lease obligations	-	-	-	-
Claims and litigation payable	-	-	-	-
Amounts held in custody for others	-	-	-	-
Contracts payable	-	-	-	-
Reimbursement contracts payable	-	-	-	-
OPEB payable	-	-	-	-
Total other liabilities	-	-	-	-
Total long-term liabilities	\$ 1,855,000	\$ -	\$ 230,000	\$ 1,625,000
Component Units				
	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Notes & bonds payable:				
Notes payable	\$ -	\$ -	\$ -	\$ -
Bonds payable	17,500,000	-	-	17,500,000
Total bonds and notes payable	17,500,000	-	-	17,500,000
Other liabilities:				
Compensated absences payable	-	-	-	-
Capital lease obligations	-	-	-	-
Claims and litigation payable	-	-	-	-
Amounts held in custody for others	-	-	-	-
Contracts payable	-	-	-	-
Reimbursement contracts payable	-	-	-	-
OPEB payable	-	-	-	-
Total other liabilities	-	-	-	-
Total long-term liabilities	\$ 17,500,000	\$ -	\$ -	\$ 17,500,000
Combined Total				
	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Notes & bonds payable:				
Notes payable	\$ -	\$ -	\$ -	\$ -
Bonds payable	19,355,000	-	230,000	19,125,000
Total bonds and notes payable	19,355,000	-	230,000	19,125,000
Other liabilities:				
Compensated absences payable	-	-	-	-
Capital lease obligations	-	-	-	-
Claims and litigation payable	-	-	-	-
Amounts held in custody for others	-	-	-	-
Contracts payable	-	-	-	-
Reimbursement contracts payable	-	-	-	-
OPEB payable	-	-	-	-
Total other liabilities	-	-	-	-
Total long-term liabilities	\$ 19,355,000	\$ -	\$ 230,000	\$ 19,125,000

HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

J. SHORT-TERM DEBT – Not Applicable

K. COMPENSATED ABSENCES – Not Applicable

L. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES – Not Applicable

M. CONTINGENT LIABILITIES – Not Applicable

N. RELATED PARTY TRANSACTIONS

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. List all related party transactions.

Health Care Services Foundation is affiliated with the Health Care Services Division of the Louisiana State University Agricultural and Mechanical College which includes the building property and general liability insurance of HCSF with their office of Risk Management policy for the land, building and equipment rented to Health Care Services Division of the Louisiana State University Agricultural and Mechanical College.

Health Care Services Foundation is the sole member of Bogalusa Community Medical Center. The Foundation provides management and administrative services to the BCMC. Administrative fees for the fiscal year ended June 30, 2009 totaled \$90,000 and is eliminated in these financial statements.

In addition, the BCMC is affiliated with the Health Care Services Division of the Louisiana State University Health Sciences Center through a recapitalization agreement. Prior to September 27, 2007, the Division leased from BCMC all net rentable space in its hospital. For the year ended June 30, 2009, rental income received from LSUHCSH totaled \$606,592. In addition amounts owed to LSUHCSH at June 30, 2009 amounted to \$1,518,843 for excess rents charged. This amount is included in Other Current Liabilities on the Consolidating Statement of Financial Position.

Effective September 30, 2007, an agreement was entered into between BCMC and LSUHCSH to pay for the unfunded assets owned by BCMC at the date of the capital lease and future capital improvements and major repairs. The agreement calls for the payments to be made over the life of the assets, and the payment amount is calculated based on the straight-line depreciation of those assets. Given the long-term nature of the payment schedule, the receivables were recorded at the present value of the expected cash flows (net of \$45,274 discounted at .19%), with \$242,891 due in less than one year and \$1,570,358 due after one year. The long-term portion of the receivable is included in Other Receivables on the Consolidating Statement of Financial Position.

O. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS – Not Applicable

P. LEASES

Lessor - Operating Lease

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for leasing organized by major class of property and the amount of accumulated depreciation as of June 30, 2009.

HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

	Cost	Accumulated Depreciation	Carrying Amount
a. Office space	\$ 3,085,936	\$ 399,007	\$ 2,686,929
b. Equipment	283,462	256,563	26,899
c. Land	370,000		370,000
Total	\$ 3,739,398	\$ 655,570	\$ 3,083,828

The following is a schedule of minimum future rentals on non-cancellable operating lease(s) as of June 30, 2009:

	Office Space	Equipment	Land	Other
2010	\$ 53,323	\$	\$	\$
2011	53,323			
2012	53,323			
2013	53,323			
2014	53,323			
2015-2019				
2020-2024				
2025-2029				
Total minimum future rentals	\$ 266,615	\$ -	\$ -	\$ -

Q. NET ASSETS

Restricted Expendable Net Assets

The institution had the following restricted expendable net assets as of June 30, 2009: Examples are net assets restricted by enabling legislation, net assets of the facility corporation, Pell and other grant monies, desegregation funds, etc. (The total should tie to the restricted expendable net assets on the SNA.)

Account title	Amount
Employee Activities	\$ 290
Disease Management Program	3,000
Family Center Equipment	3,458
Total	\$ 6,748

R. OTHER POSTEMPLOYMENT BENEFITS – Not Applicable

S. ACCOUNTING CHANGES – Not Applicable

HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

T. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2009.

	<u>Amount</u>
Ending fund balance as reported on AFR at 6/30/2008	\$ <u>5,019,550</u>
Adjustments Identified after AFR was submitted to OSRAP in PY (usually as a result of audit adjustments:	
1) _____	_____ -
2) _____	_____ -
3) _____	_____ -
Subtotal	\$ <u>-</u>
Items Identified during 2008/2009 requiring a restatement of PY ending Fund Balance:	
1) Correct Capital Lease and Record Other Receivable	<u>(654,862)</u>
2) Correct Payments on Capital Lease and Other Receivable	<u>(222,353)</u>
3) Correct Excess Rent Payments (Due to/from)	<u>(200,314)</u>
4) Correct Cost of Sales for Laundry Equipment	<u>114,123</u>
Subtotal	\$ <u>(963,406)</u>
Total PY adjustments	<u>(963,406)</u>
Beginning fund balance 7/1/2008, as restated	\$ <u>4,056,144</u>

U. PLEDGES OF GIFTS – Not Applicable

V. SEGMENT INFORMATION – Not Applicable

W. PER DIEM PAID TO BOARD MEMBERS – Not Applicable

X. PENSION PLANS – Not Applicable

Y. DEBT REFUNDING – Not Applicable

HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

Z. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – Not Applicable

AA. DONOR RESTRICTED ENDOWMENTS – Not Applicable

BB. NOT USED

CC. DISAGGREGATION OF PAYABLE BALANCES

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
HCSF	\$ 16,632	\$	\$	\$ 50,715	\$ 67,347
BCMC	4,508,398			1,637,855	6,146,253
Elimination b/t entities	(7,753)				(7,753)
Total payables	\$ 4,517,277	\$ -	\$ -	\$ 1,688,570	\$ 6,205,847

DD. SUBSEQUENT EVENTS

No events of a material nature have occurred subsequent to the SNA date that would require adjustment to, or disclosure in, the accompanying financial statement, except as noted below:

At the date of the issuance of the Series 2007A Healthcare Community Development Corporation Revenue Bonds, the underwriter was unable to secure \$275,000 of funds which was anticipated to come from its New Market Tax Credits (NMTC) allocation. The principle sum of the bond was increased by the \$275,000 to a total of \$12,875,000. The underwriter received the allocation of the tax credits subsequent to the bond issuance and transferred funds of \$250,540 to BCMC on August 7, 2009. These funds were provided to make BCMC and LSUHCSD whole as a result of the additional costs incurred by BCMC to borrow the additional funds. The funds were not recorded on BCMC's financials as of June 30, 2009 pending an agreement between BCMC and LSUHCSD on where the funds will be applied.

Subsequent events were evaluated through August 28, 2009, the date which the financials were available to be issued.

EE. NOT USED

FF. IMPAIRMENT OF CAPITAL ASSETS AND INSURANCE RECOVERIES – Not Applicable

GG. EMPLOYEE TERMINATION BENEFITS – Not Applicable

HH. REVENUES – PLEDGED OR SOLD (GASB 48) – Not Applicable

II. POLLUTION REMEDIATION OBLIGATIONS – Not Applicable

JJ. DEBT SERVICE RESERVE REQUIREMENTS

HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

The following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2009.

<u>University/Bond Issue</u>	<u>Reserve Available</u>	<u>Reserve Requirement</u>	<u>Excess</u>
University name			
Series 2007 A & B- Debt Service	\$ 954,907	\$ 954,907	\$ -
Series 2007 B- Sinking Fund	<u>316,671</u>	<u>316,671</u>	
Total	\$ <u>1,271,578</u>	\$ <u>1,271,578</u>	\$ <u>-</u>

Disclose actions and/or resolutions by the board that affects requirements for debt service reserves.

STATE OF LOUISIANA

HEALTH CARE SERVICES FOUNDATION

SCHEDULE OF BONDS PAYABLE
June 30, 2009

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/2008	(Redeemed) Issued	Principal Outstanding 6/30/2009*	Interest Rates	Interest Outstanding 6/30/2009
LPFA Pooled Loan Program Revenue Bonds Series 2003B	12/19/2003	\$ 2,500,000	\$ 1,855,000	\$ (230,000)	\$ 1,625,000	1.36%	\$ 3,849
TOTAL			<u>\$ 1,855,000</u>	<u>\$ (230,000)</u>	<u>\$ 1,625,000</u>		<u>\$ 3,849</u>

*Note: Principal outstanding at 6/30/09 should agree to Bonds Payable on the Statement of Net Assets. Unamortized discounts and premiums should be reported in Other Assets and/or Other Liabilities.

Send copies of new amortization schedules

SCHEDULE 1-A

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY

SCHEDULE OF BONDS PAYABLE
June 30, 2009

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/2008	(Redeemed) Issued	Principal Outstanding 6/30/2009 *	Interest Rates	Interest Outstanding 6/30/2009
2007 A Health Care Community Development Corporation Revenue Bonds	9/1/2007	\$ 2,490,000	\$ 2,490,000	\$ -	2,490,000	7.88%	\$ -
2007 A Health Care Community Development Corporation Revenue Bonds	9/1/2007	1,855,000	1,855,000	-	1,855,000	4.98%	-
2007 A Health Care Community Development Corporation Revenue Bonds	9/1/2007	8,530,000	8,530,000	-	8,530,000	5.17%	-
2007 B Health Care Community Development Corporation Taxable Revenue Bonds	9/1/2007	4,625,000	4,625,000	-	4,625,000	0.25%	-
Total			<u>17,500,000</u>	<u>-</u>	<u>17,500,000</u>		<u>-</u>

*Note: Principal outstanding at 6/30/09 should agree to Bonds Payable on the Statement of Net Assets. Unamortized discounts and premiums should be reported in Other Assets and/or Other Liabilities.

Send copies of new amortization schedules for each new bond issuance for the component units included in the university's financial statements.

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY

SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2009

Fiscal Year Ending:	Principal	Interest
2010	\$ 240,000	\$ 4,124
2011	255,000	-
2012	265,000	-
2013	275,000	-
2014	290,000	-
2015	300,000	-
2016	-	-
2017	-	-
2018	-	-
2019	-	-
2020	-	-
2021	-	-
2022	-	-
2023	-	-
2024	-	-
2025	-	-
2026	-	-
2027	-	-
2028	-	-
2029	-	-
2030	-	-
2031	-	-
2032	-	-
2033	-	-
2034	-	-
2035	-	-
2036	-	-
2037	-	-
2038	-	-
2039	-	-
Total	\$ 1,625,000	\$ 4,124

List the terms by which interest rates change for variable-rate debt:

Weekly Variable Rate

NOTE: The interest portion of the above schedule for 2010 includes only the interest payment made July 1, 2009. The interest rate on the bond varies weekly and therefore the amount of future interest payments are unknown.

SCHEDULE 2-A

STATE OF LOUISIANA
HEALTH CARE SERVICES FOUNDATION AND SUBSIDIARY

SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2009

Fiscal Year Ending:	Principal	Interest
2010	\$	\$ 740,998
2011		740,998
2012		740,998
2013		740,998
2014		740,998
2015	235,000	740,998
2016	250,000	722,480
2017	275,000	702,780
2018	295,000	681,110
2019	320,000	657,864
2020	345,000	632,648
2021	370,000	605,462
2022	400,000	576,306
2023	435,000	544,786
2024	450,000	523,123
2025	475,000	500,713
2026	495,000	477,058
2027	525,000	452,407
2028	550,000	425,285
2029	575,000	396,830
2030	610,000	367,102
2031	640,000	335,565
2032	675,000	302,477
2033	705,000	267,580
2034	745,000	231,131
2035	780,000	192,615
2036	820,000	152,289
2037	865,000	109,895
2038	5,665,000	65,189
2039		
Total	\$ 17,500,000	\$ 14,368,663

List the terms by which interest rates change for variable-rate debt: Series 2007A: 6/15/2015-6/15/2022- 7.880%; 6/15/2023- 6/15/2026 - 4.98%; 6/15/2027- 6/15/2038- 5.17;
Series 2007B: 0.2466%

Note: Include a separate amortization schedule for each bond issuance for the new component units included in the university's financial statements

SCHEDULE 2-A (Component Unit)