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MARY BIRD PERKINS
CANCER CENTER

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009

P&N Postlethwaite & Netterville

A Professional Accounting Corporation

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MARY BIRD PERKINS CANCER CENTER

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2009

CONTENTS

	Page
Independent Auditors' Report	1
Financial Statements	
Consolidated Statements of Financial Position	2 - 3
Consolidated Statement of Activities - for the year ended December 31, 2009	4
Consolidated Statement of Activities - for the year ended December 31, 2008	5
Consolidated Statements of Changes in Net Assets	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 26
Consolidating Schedules	
Consolidating Statement of Financial Position - December 31, 2009	27 - 28
Consolidating Statement of Changes in Net Assets - for the year ended December 31, 2009	29 - 30

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Mary Bird Perkins Cancer Center
Baton Rouge, Louisiana

We have audited the accompanying consolidated statements of financial position of the Mary Bird Perkins Cancer Center (the Center) as of December 31, 2009 and 2008, and the related statements of activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Mary Bird Perkins Cancer Center as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information included on pages 27 through 30 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Postlethwaite & Netterville

Baton Rouge, Louisiana
April 23, 2010

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MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008

ASSETS

	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	$ 8,944,053	$ 4,764,906
Restricted cash	370,532	284,848
Certificates of deposit	4,527,102	8,832,853
Investments	4,897,519	4,368,186
Patient accounts receivable (net of allowances for doubtful accounts of $693,404 and $635,458 at December 31, 2009 and 2008, respectively)	3,989,641	4,085,069
Unconditional promises to give	920,879	814,681
Other receivables	678,243	889,954
Prepaid expenses and other current assets	308,332	496,511
	24,636,301	24,537,008
PROPERTY AND EQUIPMENT		
Property and equipment (net of accumulated depreciation)	23,908,009	20,802,653
OTHER ASSETS		
Goodwill, net	-	3,698,740
Land held for investment	469,995	469,995
Debt issuance costs (net of accumulated amortization)	33,039	29,643
Assets limited as to use		
Investments	3,481,007	2,643,662
Beneficial interest in split interest agreement	611,710	603,895
	4,595,751	7,445,935
Total assets	$ 53,140,061	$ 52,785,596

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND NET ASSETS

	2009	2008
CURRENT LIABILITIES		
Current portion of long-term debt	$ 1,707,310	$ 1,651,336
Accounts payable and other accrued expenses	2,090,063	1,727,791
Credit balances in patient accounts receivable	97,289	608,522
Contract fees payable	1,343,209	1,303,915
Derivative liability	66,698	179,081
	5,304,569	5,470,645
LONG-TERM DEBT, EXCLUDING CURRENT PORTION	6,134,114	7,884,374
Total liabilities	11,438,683	13,355,019
MINORITY INTEREST	3,087,075	1,470,505
	3,087,075	1,470,505
NET ASSETS		
Unrestricted		
Designated by the Board for endowment purposes	2,847,840	1,893,672
Undesignated	34,145,554	34,590,345
Total unrestricted net assets	36,993,394	36,484,017
Temporarily restricted	486,767	401,083
Permanently restricted	1,134,142	1,074,972
Total net assets	38,614,303	37,960,072
Total liabilities and net assets	$ 53,140,061	$ 52,785,596

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING REVENUES:				
Net revenues from patient care	$ 24,389,553	$ -	$ -	$ 24,389,553
Medical management services	2,433,734	-	-	2,433,734
Interest, dividends, rental, and other revenues	1,598,066	-	-	1,598,066
Total revenues from operations	28,421,353	-	-	28,421,353
OPERATING EXPENSES:				
Cost of providing patient care	13,592,522	-	-	13,592,522
General and administrative expenses	8,702,138	-	-	8,702,138
Interest, depreciation, and amortization	6,242,463	-	-	6,242,463
Total expenses from operations	28,537,123	-	-	28,537,123
Net margin from operations	(115,770)	-	-	(115,770)
C.A.R.E. NETWORK AND ACTIVITIES:				
Contributions, donations, and grants	2,172,950	-	-	2,172,950
Restricted contributions, donations, and grants	-	700,963	59,170	760,133
Research trials and cancer abstracting services	725,147	-	-	725,147
Non-operating investment gains (losses)	647,738	-	-	647,738
Total revenues - C.A.R.E. Network	3,545,835	700,963	59,170	4,305,968
Net assets released from restrictions	615,279	(615,279)	-	-
Total revenues and support - C.A.R.E. Network	4,161,114	85,684	59,170	4,305,968
Less expenses incurred for:				
Cancer support services	353,589	-	-	353,589
Awareness and education	139,000	-	-	139,000
Research	1,738,477	-	-	1,738,477
Early detection	687,251	-	-	687,251
Fundraising expenses	736,712	-	-	736,712
Total expenses - C.A.R.E. Network	3,655,029	-	-	3,655,029
Excess of C.A.R.E. Network Revenues Over (Under) Expenses	506,085	85,684	59,170	650,939
Minority interest	6,679	-	-	6,679
	6,679	-	-	6,679
Change in value of derivative liability	112,383	-	-	112,383
	112,383	-	-	112,383
CHANGE IN NET ASSETS	$ 509,377	$ 85,684	$ 59,170	$ 654,231

The accompanying notes are an integral part of this financial statement.

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING REVENUES:				
Net revenues from patient care	$ 21,192,770	$ -	$ -	$ 21,192,770
Medical management services	2,535,168	-	-	2,535,168
Interest, dividends, rental, and other revenues	1,465,987	-	-	1,465,987
Total revenues from operations	25,193,925	-	-	25,193,925
OPERATING EXPENSES:				
Cost of providing patient care	11,956,379	-	-	11,956,379
General and administrative expenses	8,631,158	-	-	8,631,158
Interest, depreciation, and amortization	2,008,994	-	-	2,008,994
Total expenses from operations	22,596,531	-	-	22,596,531
Net margin from operations	2,597,394	-	-	2,597,394
C.A.R.E. NETWORK AND ACTIVITIES:				
Contributions, donations, and grants	2,153,487	-	-	2,153,487
Restricted contributions, donations, and grants	-	674,042	637,092	1,311,134
Research trials and cancer abstracting services	579,239	-	-	579,239
Non-operating investment gains (losses)	(846,607)	-	-	(846,607)
Total revenues - C.A.R.E. Network	1,886,119	674,042	637,092	3,197,253
Net assets released from restrictions	587,650	(587,650)	-	-
Total revenues and support - C.A.R.E. Network	2,473,769	86,392	637,092	3,197,253
Less expenses incurred for:				
Cancer support services	428,105	-	-	428,105
Awareness and education	507,270	-	-	507,270
Research	1,550,292	-	-	1,550,292
Early detection	359,568	-	-	359,568
Fundraising expenses	835,295	-	-	835,295
Total expenses - C.A.R.E. Network	3,680,530	-	-	3,680,530
Excess of C.A.R.E. Network Revenues Over (Under) Expenses	(1,206,761)	86,392	637,092	(483,277)
Minority interest	69,875	-	-	69,875
	69,875	-	-	69,875
Change in value of derivative liability	(179,081)	-	-	(179,081)
	(179,081)	-	-	(179,081)
CHANGE IN NET ASSETS	$ 1,281,427	$ 86,392	$ 637,092	$ 2,004,911

The accompanying notes are an integral part of this financial statement.

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
Balance at December 31, 2007	$ 35,202,590	$ 314,691	$ 437,880	$ 35,955,161
Increase in net assets for the year ended December 31, 2008	1,281,427	86,392	637,092	2,004,911
Balance at December 31, 2008	36,484,017	401,083	1,074,972	37,960,072
Increase in net assets for the year ended December 31, 2009	509,377	85,684	59,170	654,231
Balance at December 31, 2009	$ 36,993,394	$ 486,767	$ 1,134,142	$ 38,614,303

The accompanying notes are an integral part of these financial statements.

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES AND GAINS		
Increase in net assets	$ 654,231	$ 2,004,911
Adjustments to reconcile increase in net assets to net cash provided by operating activities and gains:		
Depreciation	4,397,372	3,826,919
Amortization of bond issuance costs	4,984	24,319
Amortization / write-off of goodwill	3,698,740	194,670
Provision for bad debts	341,660	275,012
Unrealized (gains) losses on investments	(528,665)	954,568
Minority interest	(6,679)	(69,875)
Change in value of derivative liability	(112,383)	179,081
Net change in patient accounts receivable	(757,465)	(1,708,619)
Net change in other receivables and prepaid expenses	285,877	(614,045)
Net change in accounts payable and accrued expenses	401,566	510,556
Net cash provided by operating activities and gains	8,379,238	5,577,497
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(7,502,728)	(10,536,568)
Net sales (purchases) of certificates of deposit	4,305,751	(330,038)
Purchases of investments	(1,794,569)	(4,359,708)
Sales of investments	1,363,554	5,057,298
Net decrease (increase) in assets limited as to use	(406,998)	(688,190)
Net cash used in investing activities	(4,034,990)	(10,857,206)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of notes and bonds	(1,694,286)	(3,734,729)
Proceeds from issuance of notes and bonds	-	8,300,000
Payment of debt issuance costs	(8,380)	(30,000)
Capital contribution from minority interest	1,623,249	1,259,247
Net cash provided by (used in) financing activities	(79,417)	5,794,518
Net change in cash and cash equivalents	4,264,831	514,809
Cash and cash equivalents - beginning of year	5,049,754	4,534,945
Cash and cash equivalents - end of year	$ 9,314,585	$ 5,049,754
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 353,521	$ 226,782

The accompanying notes are an integral part of these financial statements.

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The accounting and reporting policies of the Mary Bird Perkins Cancer Center (the Center) conform to accounting principles generally accepted in the United States of America and the prevailing practices within the healthcare industry. The significant accounting policies used by the Center in preparing and presenting its financial statements are summarized as follows:

Organization

The Center is a Louisiana not-for-profit corporation and is the owner and operator of cancer treatment and research facilities in Baton Rouge, Hammond, Houma, and Covington. The Center also has a tumor registry which coordinates regional data gathering services, trains hospital personnel in registry procedures, and compiles abstracts of medical records on newly diagnosed cancer cases. The Center also offers a series of education, outreach, and patient support programs through its C.A.R.E. Network. C.A.R.E. is an acronym for Cancer Support Services, Awareness and Education, Research, and Early Detection.

During the year ended December 31, 2005, the Center established the Mary Bird Perkins Cancer Center Foundation (the "Foundation") for the purpose of building a long-term sustainable endowment fund to provide financial support to programs conducted in the geographic area served by the Center which are intended to reduce cancer incidence, reduce cancer mortality, or to improve the life for those affected by cancer. The Foundation is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. The Foundation is governed by a Board of Directors of not less than six and not more than nine members who shall be selected for their knowledge and interest in the purposes for which the Foundation is created. The Foundation is organized on a non-stock basis with the Center as its sole member.

The Center also formed Integrated Oncology Solutions, LLC (IOS) during the year ended December 31, 2005, for the purpose of engaging in for-profit consulting, non-medical professional management services, professional medical physics and dosimetry consulting and technical services, and related services to medical providers.

During the year ended December 31, 2007, the Center, together with St. Elizabeth Hospital, created St. Elizabeth - Mary Bird Perkins Cancer Center, LLC for the purpose of constructing and operating a cancer treatment and research facility in Gonzales, Louisiana. The Center holds a 65% membership interest in the venture, and operations commenced in during the year ended December 31, 2009.

Basis of presentation

The consolidated financial statements include the accounts of the Mary Bird Perkins Cancer Center, the Mary Bird Perkins Cancer Center Foundation, Integrated Oncology Solutions, LLC, and St. Elizabeth-Mary Bird Perkins Cancer Center, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation.

1. Summary of significant accounting policies (continued)

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

While management uses available information in estimating the Center's contractual allowances and allowances for doubtful accounts, changes in the reimbursable contract rates and the composition of the patient treatments could result in further changes in the carrying amounts of patient receivables. As such, it is reasonably possible that the estimated net patient accounts receivable may change materially in the near term. The amount of the change that is reasonably possible, however, cannot be estimated.

Patient accounts receivable

The Center provides credit in the normal course of operations to both patients located primarily in southeastern Louisiana and the surrounding areas and insurance companies conducting operations in these areas.

The Center maintains an allowance for doubtful accounts based on management's assessment of collectibility, current economic conditions, and prior experience. The Center determines if patient accounts receivable are past-due based on the original bill date; however, the Center does not charge interest on past-due accounts. The Center charges off patient accounts receivable if management considers the collection of the outstanding balances to be doubtful.

Investments and investment income

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value. Unrealized gains and losses are recorded in current year operations as increases or decreases in unrestricted net assets. Dividend, interest, and other investment income is recorded as an increase in unrestricted net assets unless the use is restricted by the donor.

Donated investments are recorded at market value at the date of receipt, which is then treated as cost. Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost bases of the securities sold, using the specific identification method, and these realized gains and losses flow through the Center's current operations.

Property and equipment

Property and equipment are stated at cost. Donated property is recorded at its estimated fair value on the date of receipt, which is then treated as cost. Additions, renewals, and betterments that extend the lives of assets are capitalized. Maintenance and repair expenditures are expensed as incurred.

1. Summary of significant accounting policies (continued)

Property and equipment (continued)

Depreciation has been provided using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 40 years.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gains or losses are recognized in the Center's current operations.

Assets limited as to use

Assets limited as to use, which consist primarily of money market funds, assets held with brokerage firms, beneficial interests in split interest agreements, and assets held in trust for the benefit of the Center, represent assets permanently restricted by donors and designated assets set aside by the Board of Directors for equipment replacement and endowment purposes. The Board retains control over the designated assets and may, at its discretion, subsequently use them for other purposes. The amounts required to meet current liabilities of the Center, if any, have been reclassified in the statements of financial position as current assets.

Intangible assets

Goodwill resulted from the Center's acquisition of its Houma facility during the year ended December 31, 2008, for an amount in excess of the fair value of the net assets acquired. Goodwill totaled $3,893,410 and was being amortized over the period estimated to be benefited. The Center amortized $194,670 during the year ended December 31, 2008, and the remaining $3,698,740 during the year ended December 31, 2009, when it determined that benefits to future periods were doubtful.

Costs of borrowing

Financing costs are amortized on a straight-line basis over the period that the related obligation is outstanding.

Derivative financial instruments

The Center uses interest rate swap agreements to modify interest rate characteristics of its outstanding indebtedness. Interest rate swaps are contracts in which a series of interest rate flows are exchanged over a prescribed period. The notional amount on which the interest payments are based is not exchanged. These swap agreements are derivative instruments and generally convert a portion of the Center's variable-rate debt to a fixed rate (cash flow hedge).

Temporarily and permanently restricted net assets

Temporarily restricted net assets are those whose use by the Center has been limited by donors to a specific time, period, or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Center in perpetuity.

1. Summary of significant accounting policies (continued)

Operating revenues and expenses

Management considers revenues and expenses associated with the provision of patient care; revenues earned and expenses incurred for medical management services rendered; all general, administrative and depreciation expenses; and other income such as rents, grants, and interest and dividends earned on operating balances, to be components of its net margin from operations. Revenues and direct expenses associated with Center activities promoting cancer awareness, education, early detection and non-capital campaign fundraising, together with gains and losses earned on restricted and designated funds, are considered components in the determination of C.A.R.E. Network results.

Net patient service revenue

The Center has agreements with various third-party payors that provide for payments to the Center at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity care

The Center provides care to patients who meet certain criteria established under its charity care policy at no charge or at rates substantially lower than its prevailing rates. Because the Center does not pursue collection of amounts classified as charity care, these amounts are not reported as revenue.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give cash and other assets to the Center are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value when the conditions on which they are depend are substantially met and the promises become unconditional.

Split-interest agreements and assets held in trust

Irrevocable split-interest agreements are recorded as revenue when the trust agreements are executed. Revenues from the split-interest agreements are based on the present value of the expected cash flows to be received by the Center over the term of the agreement.

1. Summary of significant accounting policies (continued)

Split-interest agreements and assets held in trust (continued)

The Center is the principal beneficiary of several charitable remainder trusts. Since these trusts are revocable at the discretion of the grantors, these assets are not included in the Center's statements of financial position.

Professional liability claims

The Center maintains insurance for protection from losses resulting from professional liability claims. The policy is of the claims-made type. The Center has not experienced material losses from professional liability claims in the past. As such, no accrual for losses has been established.

Communications and advertising

The Center expenses communications and advertising costs as they are incurred. Communications and advertising includes all expenses necessary to develop and execute initiatives, including production, printing, collateral development, media costs, and graphic design.

Income taxes

The Center is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. The Center established IOS, a for-profit subsidiary, for the purpose of providing services to medical providers. Accordingly, a provision for income taxes has been made in the accompanying financial statements.

The Center has evaluated its position regarding the accounting for uncertain income tax positions. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-than-likely-than-not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs.

With few exceptions, the statute of limitations for the examination of the Center's income tax returns is generally 3 years from the due date of the tax return including extensions. The tax years open for assessment are the years ending on or after December 31, 2006.

Cash flows

For purposes of the statements of cash flows, the Center considers all checking accounts, savings accounts, money market funds, and investments with original maturities of ninety days or less that are not held in brokerage accounts and are not limited as to use to be cash equivalents.

1. Summary of significant accounting policies (continued)

Reclassifications

Certain amounts in the 2008 financial statements have been reclassified to conform to the current year presentation.

Recent accounting standards

Effective July 1, 2009, the Center adopted new accounting guidance related to accounting principles generally accepted in the United States of America (GAAP). This guidance establishes Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as the source of authoritative U.S. GAAP recognized by FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. FASB ASC supersedes all existing non-SEC accounting and reporting standards. All other nongrandfathered, non-SEC accounting literature not included in FASB ASC has become nonauthoritative. FASB will no longer issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates (ASUs), which will serve to update FASB ASC, provide background information about the guidance and provide the basis for conclusions on the changes to FASB ASC. FASB ASC is not intended to change U.S. GAAP or any requirements of the SEC. This guidance is effective for the Center as of December 31, 2009.

2. Net patient service revenue

The Center has agreements with governmental and other third-party payors that provide for payments to the Center at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the differences between the Center's billings at established rates for services and amounts reimbursed by third-party payors. A summary of the basis of reimbursement with major third-party payors is as follows:

- *Medicare* - services rendered to Medicare program beneficiaries are paid at predetermined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

- *Medicaid* - services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates.

The Center has also entered into agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. Payment methodologies under these agreements include discounts from established charges and prospectively determined rates.

2. Net patient service revenue (continued)

Presented below is a summary of net patient service revenue for the years ended December 31, 2009 and 2008.

	2009	2008
Gross patient service revenue	$ 74,911,136	$ 66,818,529
Less: provision for contractual adjustments	(50,521,583)	(45,625,759)
Net patient service revenue	$ 24,389,553	$ 21,192,770

Discounts for the years ended December 31, 2009 and 2008 are as follows:

	2009	2008
Managed care discounts	$ 20,335,745	$ 17,535,527
Medicare contractual allowances	23,418,446	21,593,035
Medicaid contractual allowances	6,767,392	6,497,197
Total discounts	$ 50,521,583	$ 45,625,759

3. Split-Interest Agreements

The Center is the irrevocable beneficiary of a split-interest agreement related to a charitable lead trust. The funds are held and administered by an unrelated third party trustee. The Center's interest in the funds held by the trustee is measured at present value and is recorded at fair market value in the statements of financial position as a beneficial interest in split-interest agreement.

The discount rate used in the present value calculation for future payments is the prevailing rate of interest for similar types of high quality, fixed income investments. The discount rates used for the year ended December 31, 2009 and 2008 were 5.49% and 6.07%, respectively and the remaining term of the agreement is approximately 20 years. Contribution revenues totalled $53,670 and $617,092 for the years ended December 31, 2009 and 2008, respectively, and distributions received from the trust totalled $45,855 and $13,197 for the years ended December 31, 2009 and 2008, respectively.

As of December 31, 2009, trust distributions are expected to be received as follows:

Less than one year	$ 46,346
One to five years	238,552
More than five years	713,702
	998,600
Less: Discount to net present value	(386,890)
Beneficial interest in split-interest agreement	$ 611,710

4. Investments

Investments are stated at fair value and consisted of the following at December 31, 2009 and 2008:

	2009	2008
Money market funds	$ 4,078	$ 6,434
U.S. Government securities	637,983	2,002,199
Mutual funds	4,255,458	2,359,553
	$ 4,897,519	$ 4,368,186

The composition of investments classified as assets limited as to use, which are stated at fair value, is set forth in the following table. As of December 31, 2009, all such investments were held in the Mary Bird Perkins Cancer Center Foundation. Investments are stated at fair value and consisted of the following at December 31, 2009 and 2008:

	2009	2008
Money market funds and cash equivalents	$ 150,033	$ 132,513
Government obligations	307,910	258,035
Corporate bonds	208,353	119,274
Mutual funds and equities	2,814,711	2,133,840
	$ 3,481,007	$ 2,643,662

Following is the composition of investment revenues for the years ended December 31, 2009 and 2008:

	2009	2008
Dividends, interest, and realized gains	$ 687,403	$ 660,971
Unrealized gain (loss) on investments	528,665	(954,568)
	$ 1,216,068	($ 293,597)

5. Property and equipment

Below is a summary of property and equipment at December 31, 2009 and 2008.

	2009	2008
Land	$ 532,570	$ 532,570
Buildings	22,255,181	19,024,681
Medical and physics equipment	19,731,090	18,077,740
Office furniture and equipment	2,378,136	5,431,763
Construction in progress	51,582	4,775,806
	44,948,559	47,842,560
Less: accumulated depreciation	(21,040,550)	(27,039,907)
	$ 23,908,009	$ 20,802,653

6. Long-term debt

On July 1, 2004, the Center entered into an assignment and assumption agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (Authority). In accordance with the terms of this agreement, the Center is responsible for the amounts due under the financing and lease agreement entered into by the Authority and a regional financial institution. The financing and lease agreement established five separate lease agreements ranging in amounts from $1,632,584 to $3,800,000; one of these agreements remained outstanding at December 31, 2009.

During the year ended December 31, 2008, the Center entered into an additional assignment and assumption agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (Authority). In accordance with the terms of this agreement, the Center is responsible for the amounts due under the financing and lease agreement entered into by the Authority and a regional financial institution. The financing and lease agreement established two separate agreements in amounts of $2,000,000 and $6,300,000.

Long-term debt at December 31, 2009 and 2008, is summarized below:

	2009	2008
Note payable dated November 13, 1986, in the original amount of $680,331. The note is due in monthly installments of $3,863, which includes interest at 5.50%. The note is secured by a leasehold interest in a building. The remaining balance on this note was paid in April of 2010.	$ 311,384	$ 344,585
Financing agreement dated July 1, 2004, in the original amount of $2,200,000. The lease agreement bears interest at 4.31% and is due in monthly installments of $30,386 through July 12, 2011. The lease agreement is secured by the Center's equipment, revenues, and receivables. The remaining balance on this note was paid in April of 2010.	557,115	891,125
Financing agreement dated December 1, 2008, in the original amount of $6,300,000. The lease agreement bears interest at a variable rate based upon changes in the 30 day LIBOR rate (1.05% and 2.71% at December 31, 2009 and 2008, respectively) and is due in monthly installments through December of 2014. The lease agreement is secured by the Center's equipment, revenues, and receivables.	5,250,000	6,300,000
Financing agreement dated December 1, 2008, in the original amount of $2,000,000. The lease agreement bears interest at a variable rate based upon changes in the 30 day LIBOR rate (1.05% and 2.71% at December 31, 2009 and 2008, respectively) and is due in monthly installments through December of 2015. The lease agreement is secured by the Center's equipment, revenues, and receivables.	1,722,925	2,000,000
	7,841,424	9,535,710
Less: current portion	(1,707,310)	(1,651,336)
	$ 6,134,114	$ 7,884,374

6. Long-term debt (continued)

As part of the lease agreements, the Center has agreed to comply with certain covenants. These consist, primarily, of reporting requirements, restrictions on additional debt and security interests, maintenance of its tax-exempt status, maintenance of its facilities, and other administrative requirements.

The long-term debt obligations are scheduled to mature during the years ending December 31st as follows:

Year ending December 31,	Amount
2010	$ 1,707,310
2011	1,577,331
2012	1,369,452
2013	1,371,355
2014	1,373,365
Thereafter	442,611
	$ 7,841,424

7. Net assets

Temporarily restricted net assets were restricted for the following specific operating purposes at December 31, 2009 and 2008:

	2009	2008
Cancer screenings / early detection	$ 311,799	$ 271,537
Cancer support services	174,988	129,546
	$ 486,767	$ 401,083

Net assets which were released from restrictions during the years ended December 31, 2009 and 2008, due to the Center making payments were as follows:

	2009	2008
Cancer screenings / early detection	$ 592,888	$ 326,559
Cancer support services	22,391	261,091
	$ 615,279	$ 587,650

8. Endowed net assets

The Mary Bird Perkins Cancer Center Foundation has established prudent investment and spending policies with the objective of maintaining the purchasing power of its endowed net assets in perpetuity. In an effort to achieve this objective, the Foundation's asset allocation strategy is periodically reviewed and adjusted to maximize return while limiting risk.

The Foundation has not disbursed any funds from the endowment or the board designated funds over the last two years. Appropriations of endowment assets must be approved by the Board of Directors of the Mary Bird Perkins Cancer Center Foundation. A summary of endowed net assets as of December 31, 2009, is as follows:

	Unrestricted Board Designated	Restricted	Total
Donor-restricted endowment	$ -	$ 1,134,142	$ 1,134,142
Board-designated endowment	2,847,840	-	2,847,840
	$ 2,847,840	$ 1,134,142	$ 3,981,982

A summary of changes in endowed net assets for the year ended December 31, 2009, is as follows:

	Unrestricted Board Designated	Restricted	Total
Endowed net assets - December 31, 2008	$ 1,893,672	$ 1,074,972	$ 2,968,644
Investment return:			
Investment income	178,140	-	178,140
Net appreciation (depreciation)	528,665	-	528,665
Contributions	247,363	59,170	306,533
Endowed net assets - December 31, 2009	$ 2,847,840	$ 1,134,142	$ 3,981,982

9. Lease commitments - lessee

The parcels of land on which the Center's treatment facilities in Baton Rouge and Hammond, Louisiana are located are owned by various unrelated and unaffiliated hospitals. Use of these pieces of property has been provided at little or no cost to the Center. These land leases expire at various dates through June 30, 2082. Since the fair values of these land leases cannot be determined with reasonable certainty, they are not included in the accompanying financial statements.

The Center has entered into several lease agreements for operating facilities in Baton Rouge, Houma, Gonzales, and Covington whose terms expire at various times through the year ending December 31, 2017, and require monthly payments ranging from $5,816 to $14,203.

9. Lease commitments – lessee (continued)

The following is a schedule by year of future minimum lease payments required under all of these operating leases which have initial or remaining non-cancelable lease terms in excess of one year:

Year ending December 31,		Amount
2010	$	427,581
2011		375,653
2012		375,653
2013		352,389
2014		220,645
Thereafter		1,756,495
	$	3,508,416

Rental expenses under these lease agreements totaled approximately $585,000 and $504,000 during the years ended December 31, 2009 and 2008, respectively.

10. Operating leases - lessor

The Center leases office space to several unrelated medical organizations under operating leases whose terms expire at various times through September 30, 2013, with options to renew.

Future required payments to be made to the Center under these leases are as follows:

Year ending December 31,		Amount
2010	$	727,565
2011		238,346
2012		144,504
2013		93,258
	$	1,203,673

11. Contract fees payable and related party transactions

The Center has entered into a contract with a group of radiation oncologists to provide professional medical services to the patients of the Center. The monthly fees paid to the group are calculated based on collections pursuant to a contractual agreement which specifies payment of a percentage on certain medical services rendered to the Center's patients. As of December 31, 2009 and 2008, estimated amounts of $1,343,209 and $1,303,915 were due to the group, respectively.

During the year ended December 31, 2006, the Center entered into a cost sharing agreement with Integrated Oncology Solutions, LLC. In accordance with the terms of this agreement, certain overhead costs are allocated between the two entities based on an overhead allocation formula.

12. Uncompensated care

The Center provides care to patients that are medically indigent. The majority of these patients qualify for Medicaid, which reimburses the Center an average rate of 20 cents for every dollar of covered charges. The Center does treat some patients in which it receives no reimbursement for the services provided. The Center has classified these two types of patients under uncompensated care. The Center maintains records to identify and monitor the level of charity care and uncompensated care provided. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. Total charges foregone during the years ended December 31, 2009 and 2008, totaled approximately $7,050,000 and $7,440,000 respectively. Of these amounts, $6,767,000 and $6,497,197 have been reflected in Medicaid contractual allowances for the years ended December 31, 2009 and 2008, respectively.

In addition to the uncompensated care described in the previous paragraph, the Center recorded bad debts of approximately $342,000 and $275,000 during the years ended December 31, 2009 and 2008, respectively. These amounts represent additional discounts and adjustments applied to patient accounts.

13. Retirement plan

The Center sponsors a 403(b) retirement program which covers substantially all of its employees. The Center matches 100% of the contributions made by eligible employees up to five percent of their covered salaries. Employer contributions totaled $348,263 and $344,829 during the years ended December 31, 2009 and 2008, respectively.

14. Concentrations of credit risk

The Center maintains its cash, cash equivalents, and certificates of deposit with several financial institutions operating primarily in southern Louisiana. The balances, at times, may exceed federally insured limits. Management believes the credit risk associated with these deposits is minimal.

The Center grants credit without collateral to its patients, most of who live within a fifteen parish radius and are insured under various third-party payor agreements. The mix of receivables and revenues from patients and third-party payors at December 31, 2009 and 2008 was as follows:

	Receivables		Revenue	
	2009	2008	2009	2008
Medicare	26%	24%	44%	46%
Medicaid	22	26	13	13
Managed care organizations	45	41	42	40
Patients and other third party payors	7	9	1	1
	100%	100%	100%	100%

15. Derivative instruments and hedging activities

The Center has stand alone derivative financial instruments in the form of interest rate swap agreements, which derive their value from underlying interest rates. The transactions involve both credit and market risk. The notional amounts are the amounts on which calculations, payments, and the value of the derivatives are based. The notional amounts do not represent direct credit exposures. Direct credit exposure is limited to the net difference between the calculated amounts to be received and paid, if any. Such difference, which represents the fair value of the derivative instruments, are reflected on the Center's statements of financial position as a derivative liabilities.

The Center uses long-term variable rate debt as a source of funds for construction, expansion, and other general business purposes. These debt obligations expose the Center to variability in interest payments due to changes in interest rates. Management believes that it is prudent to limit variability of a portion of its interest payments and, therefore, hedged a portion of its variable-rate debt. To meet this objective, management entered into two interest rate swap agreements with a financial institution whereby the Center makes fixed interest rate payments and receives variable rate interest rate payments during the contract period.

At December 31, 2009, the information pertaining to the outstanding interest rate swap agreements used to hedge variable rate debt is as follows:

	Agreement #1	Agreement #2
Notional amount	$ 5,250,000	$ 1,714,286
Pay rate	3.22%	3.32%
Receive rate	30 Day LIBOR + 0.81%	30 Day LIBOR + 0.81%
Maturity	December 2014	December 2015
Amounts payable to settle interest rate contracts	$ 54,897	$ 11,801

At December 31, 2009 and 2008, the amounts payable to settle interest rate contracts relating to these interest rate swap agreements totalled $66,698 and $179,081, respectively and were recorded on the statements of financial position as derivative liabilities.

16. Disclosures about the fair value of financial instruments

In accordance with the *Fair Value Measurements and Disclosure* topic of FASB ASC, disclosure of fair value information about financial instruments, whether or not recognized in the statements of financial position is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not represent the underlying value of the Center.

16. Disclosures about the fair value of financial instruments (continued)

The recent fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

Fair Value Hierarchy

In accordance with this guidance, the Center groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- Level 1 - valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

- Level 2 - valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

- Level 3 - valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following methods and assumptions were used by the Center in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents, certificates of deposit, accounts receivable, other receivables, accounts payable, and other accrued expenses - the carrying amounts approximate fair values because of the short maturity of these instruments.

Assets limited as to use and short-term investments - where quoted prices are available in an active market, securities are classified within level 1 of the valuation hierarchy. Securities are defined as both long and short positions. Level 1 securities include highly liquid government bonds and exchange-traded equities.

16. Disclosures about the fair value of financial instruments (continued)

If quoted market prices are not available, fair values are estimated using pricing models and discounted cash flows that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, and credit spreads. Examples of such instruments, which would generally be classified within level 2 of the valuation hierarchy, include GSE obligations, corporate bonds, and other securities. Mortgage-backed securities are included in level 2 if observable inputs are available. In certain cases where there is limited activity or less transparency around inputs to the valuation, those securities are classified in level 3.

Long-term debt - due to the variable interest rate, the carrying amount of the Center's long-term debt approximates its fair value.

Derivative financial instruments - fair values for interest rate swap agreements are based upon the amounts required to settle the contracts.

Limitations - fair value estimates are made at a specific point in time, based on relevant market information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair Value of Assets and Liabilities Measured on a Recurring Basis

The Center's securities are measured on a recurring basis through estimates and assumptions made by management. We value level 3 investments using inputs which include discounted cash flow models. Unobservable inputs used in these models are significant to the fair value of the investments.

The following table presents for each of the fair-value hierarchy level the Center's financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2009 and 2008.

	Level 1	Level 2	Level 3
December 31, 2009			
Investments	$ 7,224,280	$ 1,154,246	$ -
Split interest agreement	$ -	$ -	$ 611,710
Derivative liability	$ -	$ -	$ 66,698
December 31, 2008			
Investments	$ 4,632,340	$ 2,379,508	$ -
Contributions receivable	$ -	$ -	$ 603,895
Derivative liability	$ -	$ -	$ 179,081

16. Disclosures about the fair value of financial instruments (continued)

The following table represents changes in Level 3 instruments measured on a recurring basis for the year ended December 31, 2009:

	Contributions Receivable	Derivative Liability
Balance - December 31, 2007	$ -	$ -
New pledges	692,280	-
Receipts	(13,197)	-
Change in interest in split interest agreements	(75,188)	-
Change in value of derivative liability	-	179,081
Balance - December 31, 2008	603,895	179,081
Receipts	(45,855)	-
Change in interest in split interest agreements	53,670	-
Change in value of derivative liability	-	(112,383)
Balance - December 31, 2009	$ 611,710	$ 66,698

17. Classification of expenses

The following expenses were incurred during the years ended December 31, 2009 and 2008:

	2009	2008
Salaries, benefits, and staff expenses	$ 16,177,481	$ 14,057,592
Occupancy and equipment costs	7,585,054	7,291,601
Supplies and services	2,092,086	2,378,680
Marketing and communication	1,516,360	1,312,720
Other	4,821,171	1,236,468
Total expenses	$ 32,192,152	$ 26,277,061

Included in the above expenses are the following costs and expenses incurred by the Center in support of the C.A.R.E. Network programs. Contributions, grants, and sponsorship funds of approximately $3,000,000 and $3,400,000 were received during the years ended December 31, 2009 and 2008, respectively and were used to offset these expenses and are included in the accompanying financial statements as revenues. The expenses attributable to the C.A.R.E. Network for the years ended December 31, 2009 and 2008 were as follows:

	2009	2008
Salaries, benefits, and staff expenses	$ 2,667,419	$ 2,614,681
Occupancy and equipment costs	11,089	115,922
Supplies and services	477,713	362,008
Marketing and communication	417,159	519,546
Other	81,649	68,373
Total expenses	$ 3,655,029	$ 3,680,530

18. Subsequent events

During the first quarter, 2010, the Center exchanged its interests in certain leasehold improvements and ground leases for clinical and office leasehold space to be located in a medical office building under construction. In addition, the Center received a ground leases on additional land. The terms of the leases are in excess of 70 years and the rental rates to be charged to the Center on both the medical office building and ground lease are fixed at significantly discounted rates from the current market. In 2010, the Center expensed the carrying value of land and leasehold improvements exchanged and will recognize the value of its leaseholds upon completion of construction, expected to occur in 2014.

During the first quarter of 2010, the Center executed a purchase agreement for approximately 20,000 square feet of medical and office space in Covington, Louisiana, and will relocate its present operations to the facility upon completion of construction, expected in the first quarter 2011. At the same time, the Center executed purchase agreements for the acquisition of a linear accelerator and other medical equipment to be used at the new facility. Upon completion, the Center expects to invest $6.5 million in building and medical equipment at this location.

Management has evaluated subsequent events through April 23, 2010, the date that the financial statements were available to be issued, and determined that no additional disclosures are necessary.

19. Service to the community (unaudited)

It is an integral part of Mary Bird Perkins' charitable mission to treat every patient referred for radiation treatment, regardless of the patient's ability to pay. As such, free care is provided to patients who are deemed to be medically indigent.

The Center provides radiation therapy services to patients under government programs, including Medicare and Medicaid. These programs pay providers at predetermined rates. The amounts reimbursed by these programs fall far short of the amounts reimbursed by other third party payors for rendering the services provided to the recipients.

In addition to radiation therapy services, the Center also commits significant time and resources to its research efforts. Unique to Mary Bird Perkins is our academic and research partnership with Louisiana State University. The Mary Bird Perkins-LSU Medical Physics Graduate Program is nationally competitive as one of only 18 programs of its kind in the United States accredited by the Commission on Accreditation for Medical Physics Educational Programs, Inc. The program also established the Dr. Charles M. Smith Endowed Chair for Medical Physics, the only one in the state and one of just a few in the nation. This public-private partnership has been tremendously successful, opening up new areas of cancer research and development and improving treatment for cancer patients.

In addition to research, the Center commits significant time and resources to patient supportive care services, awareness and education, research, and early detection in an effort to reduce cancer incidence and mortality in Louisiana and to improve the quality of life for those affected by cancer.

19. Service to the community (unaudited) – continued

Most of these activities are offered with the knowledge that they will not be self-supporting or financially viable. Some examples of community education and involvement include, but are not limited to, the following:

- Early detection programs are offered to the community by way of free cancer screenings. All screenings are staffed by allied health professionals and impact public awareness regarding cancer prevention, signs and symptoms of cancer, and guidelines for early detection. These important messages have the ultimate goal of reducing cancer morbidity and mortality. In 2009, the Center was able to screen over 5,400 people at community cancer screenings for breast, colorectal, prostate and skin cancer. This was largely due to the Center's utilization of the *Early Bird*, the only mobile medical clinic in the area dedicated to comprehensive community cancer screenings. The mobile unit allows for expanded screenings, bringing these services directly into communities that need them the most. Since the inception of the early detection and outreach program in 2002, over 31,000 people have been screened – all at no cost to the patient.

- During 2009, community education was offered through "Lunch and Learn" lectures to community, employer, and civic groups focusing on a variety of cancer prevention and early detection topics. Additionally, the Center participated in numerous community-based health fairs offering literature on many cancer topics, particularly promoting the importance of early detection/screening of cancer.

- Of particular note is the Minority Cancer Awareness event held in April in recognition of National Minority Cancer Awareness Week. This program was hosted by the Cancer Program of Our Lady of the Lake and Mary Bird Perkins. Screenings were offered for breast, prostate, colorectal and skin, as well as blood pressure and glucose. Entertainment for children and food were also provided so the whole family could attend. Over 400 people were reached on this one day.

- Genetics Counseling and Assessment Clinics were offered monthly in Covington and Hammond. These clinics provided assessment and counseling services at no cost to individuals at risk for hereditary cancer syndromes, such as breast, ovarian, colorectal and endometrial.

- Free Lymphedema Prevention Clinics were offered monthly at Baton Rouge and quarterly each in Hammond and Covington to provide prevention education to breast cancer survivors at risk of developing lymphedema.

- Though not covered by insurance, the Center provides free social services assistance to patients and their families by licensed clinical social workers, free access to a registered dietician, and where appropriate, dental services. The Center also provides free transportation for many of the medically indigent patients who are treated at the Center each year. In 2009, 316 patients were transported by the Center van and $31,400 in gas cards were provided to patients seeking treatment in outlying communities.

- Mary Bird Perkins is committed to providing quality professional education programs for physicians. Accredited by the Louisiana State Medical Society, Mary Bird Perkins Cancer Center is the only singularly cancer-focused continuing medical education (CME) provider in the Baton Rouge area. Numerous tumor conferences were sponsored in 2009 in several communities across the Center's 18-parish service area. Education programs were conducted for 639 medical professionals.

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

	Mary Bird Perkins Cancer Center	Mary Bird Perkins Cancer Center Foundation
CURRENT ASSETS		
Cash and cash equivalents	$ 7,578,048	$ 187,818
Restricted cash	370,532	-
Certificates of deposit	4,527,102	-
Short-term investments	4,897,519	-
Patients accounts receivable, net	3,491,510	-
Unconditional promises to give	813,699	107,180
Other receivables	712,217	98,752
Prepaid expenses and other current assets	292,317	-
	22,682,944	393,750
OTHER ASSETS		
Property and equipment, net	16,039,728	-
Land held for investment	469,995	-
Debt issuance costs (net of accumulated amortization)	33,039	-
Assets limited as to use:		
Investments	-	3,481,007
Beneficial interest in split interest agreement	-	611,710
Investment in St. Elizabeth - MBPCC, LLC	5,733,148	-
Investment in Integrated Oncology Solutions, LLC	400,255	-
	22,676,165	4,092,717
Total assets	$ 45,359,109	$ 4,486,467
CURRENT LIABILITIES		
Current portion of long-term debt	$ 1,707,310	$ -
Accounts payable and other accrued expenses	2,001,665	34,538
Credit balances in patient accounts receivable	97,289	-
Contract fees payable	1,189,659	-
Derivative liability	66,698	-
	5,062,621	34,538
Long-term debt, excluding current portion	6,134,114	-
Total liabilities	11,196,735	34,538
MINORITY INTEREST	-	-
	-	-
NET ASSETS / EQUITY		
Unrestricted - undesignated	33,786,342	359,212
Unrestricted - designated for endowment purposes	-	2,847,840
Temporarily restricted	370,532	116,235
Permanently restricted	5,500	1,128,642
Total net assets	34,162,374	4,451,929
Total liabilities and net assets	$ 45,359,109	$ 4,486,467

Integrated Oncology Solutions, LLC	St. Elizabeth-Mary Bird Perkins Cancer Center, LLC	Eliminations	Consolidated
$ 516,193	$ 661,994	$ -	$ 8,944,053
-	-	-	370,532
-	-	-	4,527,102
-	-	-	4,897,519
-	498,131	-	3,989,641
-	-	-	920,879
327,270	21,621	(481,617)	678,243
-	16,015	-	308,332
843,463	1,197,761	(481,617)	24,636,301
28,116	7,840,165	-	23,908,009
-	-	-	469,995
-	-	-	33,039
-	-	-	3,481,007
-	-	-	611,710
-	-	(5,733,148)	-
-	-	(400,255)	-
28,116	7,840,165	(6,133,403)	28,503,760
$ 871,579	$ 9,037,926	$ (6,615,020)	$ 53,140,061
$ -	$ -	$ -	$ 1,707,310
471,324	64,153	(481,617)	2,090,063
-	-	-	97,289
-	153,550	-	1,343,209
-	-	-	66,698
471,324	217,703	(481,617)	5,304,569
-	-	-	6,134,114
471,324	217,703	(481,617)	11,438,683
-	-	3,087,075	3,087,075
-	-	3,087,075	3,087,075
400,255	8,820,223	(9,220,478)	34,145,554
-	-	-	2,847,840
-	-	-	486,767
-	-	-	1,134,142
400,255	8,820,223	(9,220,478)	38,614,303
$ 871,579	$ 9,037,926	$ (6,615,020)	$ 53,140,061

MARY BIRD PERKINS CANCER CENTER
BATON ROUGE, LOUISIANA

CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2009

	Mary Bird Perkins Cancer Center	Mary Bird Perkins Cancer Center Foundation
OPERATING REVENUES:		
Net revenues from patient care	$ 22,572,717	$ -
Medical management services	22,828	-
Interest, dividends, rental, and other operating revenues	1,579,285	-
Total revenues from operations	24,174,830	-
OPERATING EXPENSES:		
Cost of providing patient care	12,826,575	-
General and administrative expenses	5,802,196	-
Interest, depreciation, and amortization	5,577,577	-
Total expenses from operations	24,206,348	-
Net margin from operations	(31,518)	-
C.A.R.E. NETWORK AND ACTIVITIES:		
Unrestricted contributions, donations, and grants	1,925,587	247,363
Restricted contributions, donations, and grants	706,463	53,670
Research trials and cancer abstracting services	725,147	-
Non-operating investment gains (losses)	-	647,738
Total revenues - C.A.R.E. Network	3,357,197	948,771
Less expenses incurred for:		
Cancer support services	353,589	-
Awareness and education	139,000	-
Research	1,738,477	-
Early detection	687,251	-
Fundraising expenses	719,039	17,673
Total expenses - C.A.R.E. Network	3,637,356	17,673
Excess of C.A.R.E. Network Revenues Over (Under) Expenses	(280,159)	931,098
Earnings of subsidiaries	(77,573)	-
	(77,573)	-
Revenues over expenses	(389,250)	931,098
Minority interest	-	-
Change in value of derivative liability	112,383	-
Equity transfers	(115,000)	115,000
Capital contributions	-	-
Net assets / equity - beginning of year	34,554,241	3,405,831
Net assets / equity - end of year	$ 34,162,374	$ 4,451,929

Integrated Oncology Solutions, LLC	St. Elizabeth-Mary Bird Perkins Cancer Center, LLC	Eliminations	Consolidated
$ -	$ 1,816,836	$ -	$ 24,389,553
2,410,906	-	-	2,433,734
-	18,781	-	1,598,066
2,410,906	1,835,617	-	28,421,353
-	765,947	-	13,592,522
2,423,325	476,617	-	8,702,138
52,750	612,136	-	6,242,463
2,476,075	1,854,700	-	28,537,123
(65,169)	(19,083)	-	(115,770)
-	-	-	2,172,950
-	-	-	760,133
-	-	-	725,147
-	-	-	647,738
-	-	-	4,305,968
-	-	-	353,589
-	-	-	139,000
-	-	-	1,738,477
-	-	-	687,251
-	-	-	736,712
-	-	-	3,655,029
-	-	-	650,939
-	-	77,573	-
-	-	77,573	-
(65,169)	(19,083)	77,573	535,169
-	-	6,679	6,679
-	-	-	112,383
-	-	-	-
-	3,822,049	(3,822,049)	-
465,424	5,017,257	(5,482,681)	37,960,072
$ 400,255	$ 8,820,223	$ (9,220,478)	$ 38,614,303