

**LOUISIANA CANCER RESEARCH CENTER  
OF L.S.U. HEALTH SCIENCES CENTER  
IN NEW ORLEANS/TULANE  
HEALTH SCIENCES CENTER**

**FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**June 30, 2011**

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 OCT 05 2011

**CASCIO & SCHMIDT, LLC  
Certified Public Accountants**

**LOUISIANA CANCER RESEARCH CENTER  
OF L.S.U. HEALTH SCIENCES CENTER  
IN NEW ORLEANS/TULANE  
HEALTH SCIENCES CENTER**

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**FINANCIAL**

# CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA  
STEVEN A. SCHMIDT, CPA

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED  
PUBLIC ACCOUNTANTS

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors  
Louisiana Cancer Research Center of L.S.U. Health Science Center  
in New Orleans/Tulane Health Sciences Center

We have audited the accompanying statement of financial position of the Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center (a nonprofit corporation) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of The Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from The Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center's 2010 financial statements which were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated August 27, 2010.

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 The Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center as of June 30, 2011, and the changes in net assets and its 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 a report dated August 24, 2011, on our consideration of the Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center's internal control over financial

reporting and 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 on the internal control over financial reporting or on compliance. That report is an integral 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 conducted for the purpose of forming an opinion on the financial statements of the Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center taken as a whole. The accompanying schedule of revenues and expenses by program for the year ended June 30, 2011, and the other supplementary information required by the State of Louisiana, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Cassio + Schmidt, L.L.C.*

Metairie, Louisiana  
August 24, 2011

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2011**

	<u>ASSETS</u>	MEMORANDUM ONLY <u>JUNE 30, 2010</u>
<b>CURRENT ASSETS</b>		
Cash (Note B)	\$ 11,118,887	\$ 14,260,618
Investments (Notes A7, C and I)	11,118,357	11,096,674
Receivable, grants (Note D)	13,582,041	10,831,774
Receivables, other	16,573	26,799
Prepaid expenses	<u>476</u>	<u>-</u>
Total current assets	35,836,334	36,215,865
<b>PROPERTY AND EQUIPMENT (Notes A-9 and E)</b>	<u>80,907,384</u>	<u>42,090,546</u>
Total assets	<u>\$ 116,743,718</u>	<u>\$ 78,306,411</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>  		
<b>CURRENT LIABILITIES</b>		
Accounts payable, trade	\$ 3,133,428	\$ 3,097,222
Accounts payable, construction	1,411,758	3,617,634
Retainages payable, construction	3,367,805	-
Accrued liabilities	<u>77,513</u>	<u>65,991</u>
Total liabilities	7,990,504	6,780,847
<b>COMMITMENTS ( Note K)</b>	-	-
<b>NET ASSETS (Note A-2)</b>		
Unrestricted	649,648	1,021,250
Temporarily restricted	<u>108,103,566</u>	<u>70,504,314</u>
Total Net Assets	<u>108,753,214</u>	<u>71,525,564</u>
Total liabilities and net assets	<u>\$ 116,743,718</u>	<u>\$ 78,306,411</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2011**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>MEMORANDUM ONLY JUNE 30, 2010</u>
<b>REVENUES</b>				
Grants (Note D)	\$ -	\$ 53,114,557	\$ 53,114,557	\$ 43,203,249
Interest	-	44,681	44,681	44,612
Fund raising	257,805	-	257,805	224,497
Net assets released from restrictions	<u>16,124,811</u>	<u>( 16,124,811)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>16,382,616</u>	<u>37,034,427</u>	<u>53,417,043</u>	<u>43,472,358</u>
<b>EXPENSES</b>				
Cessation expenses	7,349,008	-	7,349,008	7,699,656
Salaries and related benefits	5,455,086	-	5,455,086	6,151,439
Operating services	564,502	-	564,502	586,368
Supplies	1,584,391	-	1,584,391	1,779,879
Professional services	214,021	-	214,021	261,471
Marketing	1,500	-	1,500	31,502
Travel	161,239	-	161,239	170,916
Depreciation	703,737	-	703,737	667,296
Fund-raising	68,100	-	68,100	54,096
Other	<u>87,809</u>	<u>-</u>	<u>87,809</u>	<u>135,491</u>
Total Expenses	<u>16,189,393</u>	<u>-</u>	<u>16,189,393</u>	<u>17,538,114</u>
<b>INCREASE IN NET ASSETS</b>	193,223	37,034,427	37,227,650	25,934,244
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>456,425</u>	<u>71,069,139</u>	<u>71,525,564</u>	<u>45,591,320</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 649,648</u>	<u>\$ 108,103,566</u>	<u>\$ 108,753,214</u>	<u>\$ 71,525,564</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2011**

**Increase (Decrease) in Cash and  
Cash Equivalents**

**MEMORANDUM  
ONLY  
JUNE 30, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Grant revenue	\$ 50,374,516	\$ 43,008,637
Interest income	22,467	29,736
Other	<u>257,805</u>	<u>224,497</u>
	50,654,788	43,262,870

Payments to employees and suppliers	(15,438,404)	(16,720,720)
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Net Cash Provided by Operating Activities	35,216,384	26,542,150
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Acquisition of property and equipment	( 226,104)	( 279,073)
Construction in progress	(38,132,540)	(27,859,039)
Investment income	-	14,876
Purchase of investments	-	(21,605,750)
Sale of investments	<u>-</u>	<u>21,514,603</u>

Net Cash Used in Investing Activities	(38,358,644)	(28,214,383)
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**CASH FLOWS FROM FINANCING ACTIVITIES**

Net (Decrease) in Cash and Cash Equivalents	( 3,142,260)	( 1,672,233)
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Cash and Cash Equivalents at Beginning of Year	<u>14,260,617</u>	<u>15,932,850</u>
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Cash and Cash Equivalents at End of Year	<u>\$ 11,118,357</u>	<u>\$ 14,260,617</u>
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The accompanying notes are an integral part of this statement.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2011**

<b>RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>MEMORANDUM ONLY <u>JUNE 30, 2010</u></b>	
Increase in net assets	\$ <u>37,227,650</u>	\$ <u>25,919,368</u>
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	703,737	667,296
Investment income	( 22,214)	-
(Increase) Decrease in operating assets:		
Receivables	( 2,740,041)	( 216,733)
Prepaid expenses	( 476)	20,000
Increase (decrease) in accounts payable and accrued liabilities	<u>47,728</u>	<u>152,219</u>
Total adjustments	<u>(2,011,266)</u>	<u>622,782</u>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ <u>35,216,384</u></b>	<b>\$ <u>26,542,150</u></b>

The accompanying notes are an integral part of this statement.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

A summary of the corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

Louisiana Cancer Research center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center (the "Research Center") was incorporated June 7, 2002 under the laws of the State of Louisiana. The Research center is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is exempt from Louisiana income tax under the authority of R.S. 47:121(5).

The Research Center was organized for charitable, educational and scientific purposes. The primary purpose is to conduct and support research and promote education in the diagnosis, detection and treatment of cancer in the pursuit of obtaining the National Cancer Institute designation for its member institutions, the Louisiana State University Health Sciences Center in New Orleans, the Tulane University Health Sciences Center, Xavier University of Louisiana and Ochsner Healthcare System. The Research Center is owned by its member institutions and is controlled by a Board of Directors, most whose members are representatives of the member institutions.

2. Financial Statement Presentation

The Research Center's financial statements are presented in accordance with the requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification ASC as set forth in FASB ASC 958. Accordingly, the net assets of the Research Center are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets and (c) permanently restricted net assets. There were no permanently restricted net assets during the year ended June 30, 2011.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

The financial statements of the Research Center are prepared on the accrual basis of accounting.

LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2011

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

3. Reporting Entity

Using the criteria established in GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Research Center is reported as a discretely presented component unit of the State of Louisiana, since it is legally separate from and is financially accountable to the State of Louisiana.

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 of the State of Louisiana.

4. Revenue Recognition

Grant revenue is recognized as it is earned in accordance with approved contracts. Contributions are recognized as income in the period received and is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, and when grant services are performed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions."

5. Functional Allocation of Expenses

The expenses of providing program and other activities have been summarized on a functional basis in the statement of functional expenses. Certain of those expenses have been allocated among the program and supporting services benefitted based on estimates by management of the costs involved.

6. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2011

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

7. Investments

The Research Center accounts for investments under Statement of Financial Accounting Standards ASC 958, *Accounting for Certain Investments Held by Not for-Profit Organizations*. Under ASC 958, investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values. For valuation purposes, fair value is measured using quoted prices in active markets.

8. Estimates

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

9. Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the costs of depreciable assets to operations over their estimated service lives, on a straight-line basis. It is the policy of the Research Center to capitalize property and equipment with an acquisition cost in excess of \$5,000.

10. Subsequent Events

Subsequent events have been evaluated through August 24, 2011, the date the financial statements were available to be issued.

11. Total Columns-Overview

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Research Center's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2011**

**NOTE B - CASH**

At June 30, 2011, the Research Center's cash on deposit with financial institutions was covered by federal depository insurance, and collateralized by securities in the Research Center's name held by the Federal Reserve Bank.

**NOTE C - INVESTMENTS**

At June 30, 2011, investments consisted of the following:

Money market accounts	\$ <u>11,118,887</u>
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**NOTE D - GRANTS RECEIVABLE AND REVENUE**

Grants receivable and revenue consisted of the following at June 30, 2011:

	<u>Receivable</u>	<u>Revenue</u>
Louisiana State University Health Sciences Center in New Orleans - Cancer Research	\$ 4,832,345	\$ 9,664,690
Louisiana State University Health Sciences Center in New Orleans - Cessation Program	<u>3,296,834</u>	<u>6,593,667</u>
Total Louisiana State Health Sciences Center	8,129,179	16,258,357
Department of Economic Development and Office of Facility Planning and Control - Cooperative Endeavor Agreement	<u>5,452,862</u>	<u>36,856,200</u>
	<u>\$ 13,582,041</u>	<u>\$ 53,114,557</u>

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2011**

**NOTE E - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30, 2011:

	<u>2011</u>	<u>2010</u>
Research equipment	\$ 5,020,605	\$ 4,794,501
Office equipment	<u>82,706</u>	<u>82,706</u>
Total equipment	5,103,311	4,877,207
Less: accumulated depreciation	<u>(3,554,316)</u>	<u>(2,850,578)</u>
Total equipment, net	1,548,995	2,026,629
Land	671,808	671,808
Construction in progress - building	<u>78,686,581</u>	<u>39,392,109</u>
Total property and equipment, net	\$ <u>80,907,384</u>	\$ <u>42,090,546</u>

Cancer research is currently being performed at Louisiana State University Health Sciences Center and Tulane Health Sciences Center. Construction of a combined cancer research facility began in February 2008, with the facility expected to be completed in the 4<sup>th</sup> quarter of 2011. Total estimated construction cost for the project is \$102 million. Members of each of the member institution's cancer programs will occupy space in the new facility when completed.

The Research Programs Center entered into a Cooperative Endeavor Agreement with the State of Louisiana Department of Economic Development and the State Office of Facility Planning and Control during the year ended June 30, 2009. Under the Cooperative Endeavor Agreement, the Research Center has been receiving reimbursement for State-approved capital expenditures for the cancer research facility.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2011**

**NOTE F - RETIREMENT PLAN**

All full-time Research Center employees are eligible to participate in a 403 (b) retirement plan. The existing 403 (b) plan is a tax-sheltered annuity (TSA) plan, currently administered by TIAA-CREF. Although eligible employees are not required to participate in the Plan, contributions are made by the Research Center as part of the established benefits package. The Plan also allows for employee contributions with a matching of up to 3% of the employee's annual compensation. The Research Center contributed \$51,556 to the Plan for the year ended June 30, 2011.

**NOTE G - SCHEDULE OF FUNCTIONAL EXPENSES**

A Schedule of Function Expenses for the year ended June 30, 2011 is as follow:

	<u>Program Expenses</u>	<u>General and Administration</u>	<u>Fund Raising</u>	<u>Total</u>
Research expenses	\$ 7,262,907	\$ -	\$ -	\$ 7,262,907
Cessation expenses	7,349,008	-	-	7,349,008
Depreciation expense	-	703,737	-	703,737
Salaries and related expenses	-	472,115	-	472,115
Professional services	-	166,039	-	166,039
Operating services	-	137,519	-	137,519
Fund raising expenses	-	-	68,100	68,100
Marketing	-	1,500	-	1,500
Other expenses	-	7,476	-	7,476
Supplies	-	16,849	-	16,849
Travel	-	4,143	-	4,143
	<u>\$ 14,611,915</u>	<u>\$ 1,509,378</u>	<u>\$ 68,100</u>	<u>\$ 16,189,393</u>

**NOTE H - BOARD OF DIRECTORS' COMPENSATION**

The Board of Directors is a voluntary board, therefore, no compensation was paid to any board member during the year ended June 30, 2011.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2011**

**NOTE I - FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), as set forth in FASB ASC 820-10, requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. In accordance with ASC 820, the Research center classifies its investments into Level 1, which refers to securities traded in an active market, Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available, or Level 3 securities where there is a contractual restriction, and Level 3, which refers to securities not traded in an active market and for which no significant observable market inputs are available.

Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

	<u>Fair Value Measurement of Reporting Date</u>		
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Financial Assets:			
Investments - Money market accounts	\$ <u>11,118,887</u>	\$ <u>11,118,887</u>	\$ <u>-</u>

The assumptions to fair values are as follows

The fair market value of investments are based on quoted market prices for those or similar investments.

The fair value of cash and cash equivalents, receivables, accounts payable, accrued liabilities, and construction payables, approximate book value at June 30, 2011, due to the short-term nature of these accounts.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2011**

**NOTE J - ECONOMIC DEPENDENCY**

The Research Center received ninety-nine (99) percent of its revenue from funds provided through funding by the State of Louisiana during the year ended June 30, 2011. The operations of the Research Center are funded by a legally dedicated State tobacco tax. Any reductions in the tax rate or the amount of taxes collected would have an adverse impact on the Research Center's operations.

The Research Center is dependent upon State funding to complete its new building now under construction, however, since the necessary remaining funds have either been appropriated by the State, or are currently being held in escrow by the State, it is unlikely that the building's completion, currently estimated to be in the 3<sup>rd</sup> quarter of 2011, would not be funded.

Funding necessary to operate the new building upon completion will be dependent upon a possible overhead cost reimbursement arrangement which needs to be developed and agreed to by its member institutions. If such an arrangement is not in place when the new building is completed and/or is not sufficient to cover the operating costs of the building, the Research Center will need to use a portion of its dedicated tobacco tax revenues for those costs, which would have an adverse impact on the Research Center's ability to fund its research efforts.

**NOTE K - LEASES**

The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College has leased land to the Research Center on which the Research Center is constructing its new cancer research building. The lease was executed on February 18, 2008 and has a lease term of fifty (50) years. The rental amount is \$80,000 per year payable in quarterly installments. The annual rental amount will be \$129,174, payable in quarterly installments, when the building is substantially complete. The building is expected to be completed in October 2011.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2011**

**NOTE K - LEASES - Continued**

The following is a schedule, by year, of future minimum lease payment required under the operating lease:

<u>Year ending June 30,</u>	<u>Amount</u>
2012	\$ 129,174
2013	129,174
2014	129,174
2015	129,174
2016	129,174
Thereafter	<u>5,425,308</u>
Total minimum lease payments	\$ <u>6,071,178</u>

**NOTE L -RELATED PARTIES**

**Louisiana Gene Therapy Research Consortium**

The Louisiana Cancer Research Center of LSU Health Sciences Center in New Orleans/Tulane Health Sciences Center (the "Center") and the Louisiana Gene Therapy Research Center (LGTRC) have an affiliate relationship, as they are both partnerships between the LSU Health Sciences Center in New Orleans and the Tulane Health Sciences Center. LGTRC includes both LSU Health Sciences Center in New Orleans and in Shreveport and Tulane Health Sciences Center as partners, while the Center includes L.S.U. Health Sciences Center in New Orleans, Tulane University Health Sciences Center, Xavier University of Louisiana, and Ochsner Health System, which are governed by governing boards with common members.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2011**

**NOTE L -RELATED PARTIES - Continued**

**Louisiana Gene Therapy Research Consortium - Continued**

The Center has an arrangement with the LGTRC that allows for resource cost sharing. The Center and LGTRC share office space, personnel, and other related supplies and services. Overhead expenses are captured in a cost (common cost) pool and allocated to the appropriate organization based on space, usage, and "percent of effort" where applicable. Because contracts and benefits are in LGTRC's name, LGTRC pays all shared expenses on behalf of the Center's research and cessation components. The Center reimburses LGTRC based on billings. The total billed to the Center during the fiscal year ended June 30, 2011, was \$534,362. LGTRC's state funding has been eliminated, effective for calendar year 2011. No additional source of funding has been found. LGTRC is in the process of dissolving, forcing the Center to absorb the entire cost of office and personnel expenses previously shared.

**LSU Health Sciences Center in New Orleans**

LSU Health Sciences Center in New Orleans (LSUHSC) is one of the four partner institutions that comprise the Center. The other institutions are Tulane University Health Sciences Center (TUHSC), Xavier University of Louisiana (XULA) and Ochsner Health System (OHS).

As management, two members of the LSUHSC are on the governing board of the Center. The Chancellor for LSU Health Sciences Center in New Orleans served as the Vice-Chairman of the Board for the year ended June 30, 2011. The Vice-Chairman position rotates between the two Health Sciences Center's (LSUHSC and TUHSC) leaders as dictated by statute. The Vice Chancellor for Academic Affairs of LSU Health Sciences Center in New Orleans is also a voting member of the Center's Board.

LSUHSC (an entity of the State) is the transferring agency for state funding, acting on behalf of the State of Louisiana. Under a Cooperative Endeavor Agreement arrangement, it is responsible for transferring funds appropriated by the State of Louisiana for the Center.

As grantee, the LSUHSC is allocated Center funding support for program development (part of the mission of the Center). Transfer of funds to LSUHSC for the program is governed by a fully executed operating agreement which includes an annual budget submitted by LSU Health Sciences Center in New Orleans and approved by the Center's Board. The total amount billed to the Center for services rendered during the fiscal year ended June 30, 2011 was \$2,823,107.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**June 30, 2011**

**NOTE L -RELATED PARTIES - Continued**

**LSU Health Sciences Center in New Orleans - Continued**

As a vendor, LSUHSC Auxiliary Stores provide goods and services (including research equipment, office and computer supplies) to the Center. The stores conveniently provide products and services which support the mission of the Center. The total amount billed to the Center for goods and services during the fiscal year ended June 30, 2011 was \$108,337.

**Tulane University Health Sciences Center**

Tulane University Health Sciences Center (TUHSC) is one of the four partner institutions that comprise the Center. The other institutions are LSU Health Sciences Center in New Orleans (LSUHSC), Xavier University of Louisiana (XULA) and Ochsner Health System (OHS).

As management, two members of TUHSC are on the governing board of the Center. TUHSC's Senior Vice President for Health Sciences served as Chairman of the Board for the fiscal year ended June 30, 2011. The other TUHSC position was held by the Associate Dean for School of Medicine.

As grantee, TUHSC is allocated Center funding support for program development (part of the mission of the Center). Transfer of funds to TUHSC for the program is governed by a fully executed operating agreement which includes an annual budget submitted by TUHSC and approved by the Center's Board. The total amount billed to the Center for services rendered during the fiscal year ended June 30, 2011 was \$3,129,829.

**Xavier University of Louisiana**

Xavier University of Louisiana (XULA) is one of the four partner institutions that comprise the Center. The other institutions are the LSU Health Sciences Center in New Orleans (LSUHSC), Tulane University Health Sciences Center (TUHSC) and Ochsner Health System (OHS).

As management, one member of XULA is on the governing board of the Center. Xavier's President served as Board member for the fiscal year ended June 30, 2011.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**NOTES TO FINANCIAL STATEMENTS - *Continued***

**June 30, 2011**

**NOTE L -RELATED PARTIES - *Continued***

**Xavier University of Louisiana - *Continued***

As grantee, Xavier University of Louisiana is allocated Center funding support for program development (part of the mission of the Center). Transfer of funds to XULA for the program is governed by a fully executed operating agreement, which includes an annual budget submitted by XULA and approved by the Center's Board. The total amount billed to the Center for services rendered during the fiscal year ended June 30, 2011 was \$1,015,027.

**Ochsner Healthcare System**

Ochsner Health System (OHS) is one of the four partner institutions that compromise the Center, joining the Center in March, 2010. As management, one member of Ochsner is on the governing Board of the Center.

**SUPPLEMENTAL INFORMATION**

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM**

**For the Year Ended June 30, 2011**

	<u>Cancer Research</u>	<u>Cessation</u>	<u>Fund Raising</u>	<u>Property and Equipment</u>	<u>Total</u>
<b>REVENUE</b>					
Grant	\$ 46,520,890	\$ 6,593,667	\$ -	\$ -	\$ 53,114,557
Interest	13,825	5,124	3,518	-	22,467
Investment income	22,214	-	-	-	22,214
Fund raising	<u>-</u>	<u>-</u>	<u>257,805</u>	<u>-</u>	<u>257,805</u>
Total Revenue	<u>46,556,929</u>	<u>6,598,791</u>	<u>261,323</u>	<u>-</u>	<u>53,417,043</u>
<b>EXPENSES</b>					
Research expenses	7,262,907	-	-	-	7,262,907
Cessation expenses	-	7,278,948	-	-	7,278,948
Depreciation	-	-	-	703,737	703,737
Salaries and related expenses	472,115	59,131	-	-	531,246
Fund raising expenses	-	-	67,820	-	67,820
Professional services	166,039	-	-	-	166,039
Operating services	137,519	4,441	-	-	141,960
Other expenses	954	1,488	280	-	2,722
Supplies	16,849	-	-	-	16,849
Travel	4,143	-	-	-	4,143
Marketing	1,501	5,000	-	-	6,501
Business expenses	<u>6,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,521</u>
Total expenses	<u>8,068,548</u>	<u>7,349,008</u>	<u>68,100</u>	<u>703,737</u>	<u>16,189,393</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>					
	38,488,381	( 750,217)	193,223	( 703,737)	37,227,650
Property and Equipment Capitalized	( 226,103)	-	-	226,103	-
Net assets, beginning of year	<u>56,982,043</u>	<u>8,500,828</u>	<u>456,425</u>	<u>5,586,268</u>	<u>71,525,564</u>
Net assets, end of year	<u>\$ 95,244,321</u>	<u>\$ 7,750,611</u>	<u>\$ 649,648</u>	<u>\$ 5,108,634</u>	<u>\$ 108,753,214</u>

**REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS**

# CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA  
STEVEN A. SCHMIDT, CPA

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED  
PUBLIC ACCOUNTANTS

## 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

### Independent Auditor's Report

To the Board of Directors

Louisiana Cancer Research Center of L.S.U. Health Sciences Center  
in New Orleans/Tulane Health Sciences Center

We have audited the financial statements of Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center (a non-profit corporation) as of and for the year ended June 30, 2011, and have issued our report thereon dated August 24, 2011. 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 Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center'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 Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center's internal control over financial reporting.

*A deficiency in internal control* 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented and corrected on a timely basis.

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center'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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the audit committee, management, Louisiana Legislative Auditor, awarding agencies, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Carris & Schmitt, R PC.*

Metairie, Louisiana  
August 24, 2011

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.  
HEALTH SCIENCES CENTER IN NEW ORLEANS/  
TULANE HEALTH SCIENCES CENTER**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2011**

**A. Summary of Auditor's Results**

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *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*.
3. No instances of noncompliance material to the financial statements were noted.

**B. Findings - Financial Statement Audit**

There were no findings for the current year or the prior year.

**C. Management Letter**

A management letter was not issued for the current year or the prior year.

**OTHER SUPPLEMENTARY INFORMATION REQUIRED BY THE  
STATE OF LOUISIANA**

Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane  
 Health Sciences Center  
 STATE OF LOUISIANA  
 Annual Financial Statements  
 June 30, 2011

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 AFFIDAVIT

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MD&A

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Statement of Activities (See Also Instructions for Simplified Statement of Activities)	C
Statement of Cash Flows	D

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- A. Summary of Significant Accounting Policies
- B. Budgetary Accounting
- C. Deposits with Financial Institutions and Investments (See OSRAP Memo 11-36, Appendix A)
- D. Capital Assets – Including Capital Lease Assets
- E. Inventories
- F. Restricted Assets
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- H. Retirement System
- I. Other Postemployment Benefits (Additional information in OSRAP Memo 11-36, Appendix D)
- J. Leases
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- M. Related Party Transactions
- N. Accounting Changes
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- Z. Liabilities Payable from Restricted Assets
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**Schedules**

- 1 Schedule of Per Diem Paid to Board Members
- 2 Not Applicable
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 5 Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non-GAAP Basis (applicable only for entities whose budget is appropriated by the legislature)
- 15 Schedule of Comparison Figures and Instructions
- 16 Schedule of Cooperative Endeavors (see OSRAP Memo 11-36 Appendix F)

**See the Appendix Packet on our Website (OSRAP Memo 11-36)**

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ended June 30, 2011

LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN NEW  
ORLEANS/TULANE HEALTH SCIENCES CENTER  
1615 Poydras St. Ste 1000, New Orleans LA 70112

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

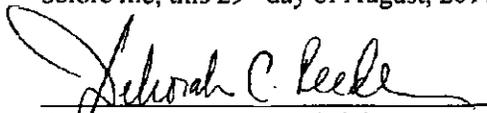
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Baton Rouge, Louisiana 70802

Physical Address:  
1600 N. Third Street  
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Deborah C. Reeder, Vice President of Finance of the Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center at June 30, 2011 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 29<sup>th</sup> day of August, 2011.

  
Signature of Agency Official

  
NOTARY PUBLIC

Prepared by: Ryan A. Graffagnini  
Title: Fiscal Operations Manager  
Telephone No.: (504) 598-1557  
Date: 8/29/11  
Email Address: rgraftagnini@lgtc.org

**STATE OF LOUISIANA  
LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN  
NEW ORLEANS/TULANE HEALTH SCIENCES CENTER  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2011**

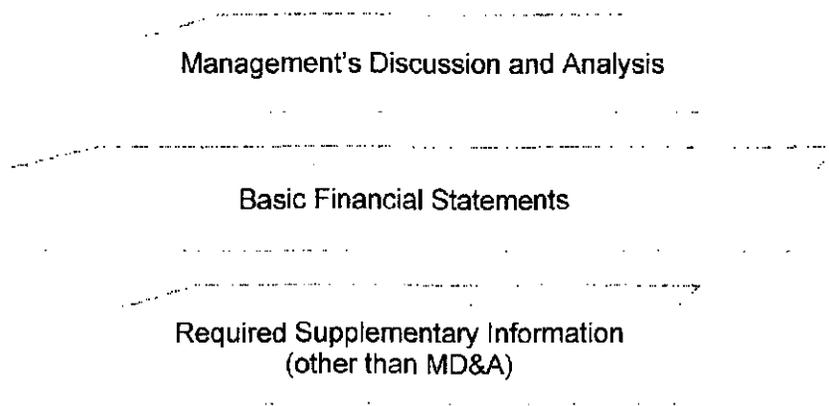
Management's Discussion and Analysis of the Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center (Louisiana Cancer Research Center's) financial performance presents a narrative overview and analysis of Louisiana Cancer Research Center's financial activities for the year ended June 30, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the the Louisiana Cancer Research Center's financial statements, which begin on page 34.

**FINANCIAL HIGHLIGHTS**

- ★ The Louisiana Cancer Research Center's assets exceeded its liabilities at the close of fiscal year 2011 by 108,753,214 which represents a 52% increase from last fiscal year. The net assets increased by \$37,227,650 or 52%.
- ★ The Louisiana Cancer Research Center's revenue increased \$9,944,685 or 23% and the net results from activities increased by \$11,293,406 (or 44%).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

**Basic Financial Statements**

The basic financial statements present information for the Louisiana Cancer Research Center as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

**STATE OF LOUISIANA  
 LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN  
 NEW ORLEANS/TULANE HEALTH SCIENCES CENTER  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2011**

The Balance Sheet (page 34) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana Cancer Research Center is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 35) presents information showing how Louisiana Cancer Research Center's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 37 - 38) presents information showing how Louisiana Cancer Research Center's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
 as of June 30, 2011  
 (in thousands)

	Total	
	2011	2010
Current and other assets	\$ 35,836	\$ 36,216
Capital assets	<u>80,907</u>	<u>42,091</u>
Total assets	<u>116,743</u>	<u>78,307</u>
Other liabilities	7,990	6,781
Long-term debt outstanding	-	-
Total liabilities	<u>7,990</u>	<u>6,781</u>
Net assets:		
Invested in capital assets, net of debt	80,907	38,473
Restricted		
Unrestricted	<u>27,846</u>	<u>33,053</u>
Total net assets	<u>\$ 108,753</u>	<u>\$ 71,526</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

**STATE OF LOUISIANA  
 LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN  
 NEW ORLEANS/TULANE HEALTH SCIENCES CENTER  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2011**

Net assets of Louisiana Cancer Research Center increased by \$37,227,650 or 52%, from June 30, 2010 to June 30, 2011. The primary reason is due to the addition of 39,294,473 in Construction in Progress Assets. Other causes include a slight decrease in Net Property & Equipment Assets due to depreciation.

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 for the years ended June 30, 2011  
 (in thousands)

	Total	
	2011	2010
Operating revenues	\$ 53,395	\$ 43,457
Operating expenses	16,189	17,538
Operating income(loss)	<u>37,206</u>	<u>25,919</u>
Non-operating revenues	22	15
Non-operating expenses *		
Income(loss) before transfers	<u>37,228</u>	<u>25,934</u>
Transfers in		
Transfers out		
Net increase(decrease) in net assets	<u>\$ 37,228</u>	<u>\$ 25,934</u>

\* Enter expenses as a negative amount

The Louisiana Cancer Research Center's total revenues increased by \$ 9,944,685 or 23%. The total cost of all programs and services decreased by \$1,348,721 or 8%.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year ended June 30, 2011, the Louisiana Cancer Research Center had \$80,907,384 (net) invested in a broad range of capital assets, including land, construction in progress, research and office equipment (see accompanying Table). This amount represents a net increase (including additions and deductions) of \$38,816,838 or 92%, over last year.

This year's major additions included (in thousands):

STATE OF LOUISIANA  
 LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN  
 NEW ORLEANS/TULANE HEALTH SCIENCES CENTER  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2011

- \$39,294,473 in Construction in Progress

	<u>2011</u>	<u>2010</u>
Land	\$ 672	\$ 672
Buildings and improvements	78,686	39,392
Equipment	1,549	2,027
Infrastructure		
Intangible Assets		
Totals	<u>\$ 80,907</u>	<u>\$ 42,091</u>

**Debt**

The Louisiana Cancer Research Center had \$ 0 thousand in bonds and notes outstanding at year-end. The Louisiana Cancer Research Center currently has no outstanding long-term debt.

<b>Outstanding Debt at Year-end (in thousands)</b>		
	<u>2011</u>	<u>2010</u>
General Obligation Bonds	\$ -	\$ -
Revenue Bonds and Notes	-	-
Totals	<u>\$ -</u>	<u>\$ -</u>

The Louisiana Cancer Research Center has no claims and judgments outstanding at year-end compared to none last year. Other obligations include accrued vacation pay and sick leave.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$\_0\_ million over/under budget and expenditures were more than/less than budget due in part to delays in hiring.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Louisiana Cancer Research Center's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- Due to the operations of the new Cancer Center building, overhead costs will increase significantly which will negatively impact funding for the research programs
- Competing priorities for funding and growing program activity will require the Center to seek out additional revenue sources

**STATE OF LOUISIANA  
LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2011**

The Louisiana Cancer Research Center expects that next year's results will improve based on the following:

- Completion of and move-in to the Cancer Research Center should aid in the recruiting of funded faculty, the creating integrated programs, and the enhancing fundraising efforts
- Net Assets will increase significantly due to the completion and fitting out of the Center with state-of-the-art research equipment, which positively impacts the Center's financial position

**CONTACTING THE LOUISIANA CANCER RESEARCH CENTER'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana Cancer Research Center's finances and to show the Louisiana Cancer Research Center's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Deborah Reeder at (504) 598-1557.

**STATE OF LOUISIANA**  
**LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN**  
**NEW ORLEANS/TULANE HEALTH SCIENCES CENTER**  
**BALANCE SHEET**  
**AS OF JUNE 30, 2011**

**Statement A**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$	11,118,357
Restricted Cash and Cash Equivalents		
Investments		11,118,887
Derivative instrument		
Deferred outflow of resources		
Receivables (net of allowance for doubtful accounts)(Note U)		13,598,614
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		476
Notes receivable		
Other current assets		
Total current assets		35,836,334

**NONCURRENT ASSETS:**

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes receivable		
Capital assets, net of depreciation (Note D)		
Land and non-depreciable easements		671,808
Buildings and improvements		
Machinery and equipment		1,548,995
Infrastructure		
Intangible assets		
Construction/Development-in-progress		78,686,581
Other noncurrent assets		
Total noncurrent assets		80,907,384
Total assets	\$	116,743,718

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$	7,990,504
Derivative instrument		
Deferred inflow of resources		
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities: (Note K)		
Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
Other long-term liabilities		
Total current liabilities		7,990,504

**NONCURRENT LIABILITIES (Note K)**

Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
OPEB payable		
Other long-term liabilities		
Total noncurrent liabilities		-
Total liabilities		7,990,504

**NET ASSETS**

Invested in capital assets, net of related debt		
Restricted for:		
Capital projects		
Debt Service		
Unemployment compensation		
Other specific purposes		
Unrestricted		108,753,214
Total net assets		108,753,214
Total liabilities and net assets	\$	116,743,718

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

Statement B

**STATE OF LOUISIANA**  
**LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN**  
**NEW ORLEANS/TULANE HEALTH SCIENCES CENTER**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<b>OPERATING REVENUE</b>	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____
Other - Grants (LSUHSC)	53,114,557
Other - Fundraising	257,805
Total operating revenues	<u>53,372,362</u>
<b>OPERATING EXPENSES</b>	
Cost of sales and services	_____
Administrative	15,485,656
Depreciation	703,737
Amortization	_____
Total operating expenses	<u>16,189,393</u>
Operating income(loss)	<u>37,182,969</u>
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	44,681
Other expense	_____
Total non-operating revenues(expenses)	<u>44,681</u>
Income(loss) before contributions, extraordinary items, & transfers	<u>37,227,650</u>
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>37,227,650</u>
Total net assets – beginning	<u>71,525,564</u>
Total net assets – ending	<u>\$ 108,753,214</u>

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

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 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2011

Statement C

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Entity	\$ <u>16,189,393</u>	\$ _____	\$ <u>53,114,557</u>	\$ _____
General revenues:				
Taxes				_____
State appropriations				_____
Grants and contributions not restricted to specific programs				_____
Interest				<u>44,681</u>
Miscellaneous				<u>257,805</u>
Special items:				
Extraordinary item - Loss on impairment of capital assets				_____
Transfers				_____
Total general revenues, special items, and transfers				<u>302,486</u>
Change in net assets				<u>37,227,650</u>
Net assets - beginning as restated				<u>71,525,564</u>
Net assets - ending				\$ <u>108,753,214</u>

The accompanying notes are an integral part of this statement.

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2011

Statement D

<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 50,374,516	
Cash payments to suppliers for goods and services	(15,438,404)	
Cash payments to employees for services		
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)	280,272	
Net cash provided(used) by operating activities		<u>35,216,384</u>
<b>Cash flows from non-capital financing activities</b>		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(38,358,644)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(38,358,644)</u>
<b>Cash flows from investing activities</b>		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		
Net cash provided(used) by investing activities		<u>-</u>
Net increase(decrease) in cash and cash equivalents		<u>(3,142,260)</u>
Cash and cash equivalents at beginning of year		<u>14,260,617</u>
Cash and cash equivalents at end of year	\$	<u><u>11,118,357</u></u>

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Statement D

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)	\$ <u>37,227,650</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:	
Depreciation/amortization	<u>703,737</u>
Provision for uncollectible accounts	<u>                    </u>
Other	<u>(22,214)</u>
Changes in assets and liabilities:	
(Increase)decrease in accounts receivable, net	<u>(2,740,041)</u>
(Increase)decrease in due from other funds	<u>                    </u>
(Increase)decrease in prepayments	<u>(476)</u>
(Increase)decrease in inventories	<u>                    </u>
(Increase)decrease in other assets	<u>                    </u>
Increase(decrease) in accounts payable and accruals	<u>47,728</u>
Increase(decrease) in compensated absences payable	<u>                    </u>
Increase(decrease) in due to other funds	<u>                    </u>
Increase(decrease) in deferred revenues	<u>                    </u>
Increase(decrease) in OPEB payable	<u>                    </u>
Increase(decrease) in other liabilities	<u>                    </u>
Net cash provided(used) by operating activities	\$ <u>35,216,384</u>

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease(s)	\$ <u>                    </u>
Contributions of fixed assets	<u>                    </u>
Purchases of equipment on account	<u>                    </u>
Asset trade-ins	<u>                    </u>
Other (specify)	<u>                    </u>
Investment accrued interest income	<u>22,467</u>
<b>Total noncash investing, capital, and financing activities:</b>	<b>\$ <u>22,467</u></b>

The accompanying notes are an integral part of this statement.

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**INTRODUCTION**

The Louisiana Cancer Research Center was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 17:1921. The following is a brief description of the operations of Louisiana Cancer Research Center and includes the parish/parishes in which the (BTA) is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

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. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences present information only as to the transactions of the programs of the Louisiana Cancer Research Center as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Cancer Research Center are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.



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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.

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,** eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are 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, 2011, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 11,118,357	\$	\$	\$ 11,118,357
Deposits in bank accounts per bank	\$ 14,455,217	\$	\$	\$ 14,255,217
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized	\$	\$	\$	\$
b. Uninsured and collateralized with securities held by the pledging institution	14,455,217	\$	\$	14,255,217
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's	\$	\$	\$	\$

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per Balance Sheet" due to outstanding items.

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

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Whitney National Bank</u>	<u>Research</u>	\$ <u>10,508,499</u>
2. <u>Whitney National Bank</u>	<u>Cessation</u>	<u>2,620,119</u>
3. <u>Whitney National Bank</u>	<u>Fundraising</u>	<u>1,126,599</u>
4. _____	_____	_____
<b>Total</b>		<b>\$ <u>14,255,217</u></b>

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

Cash in State Treasury \$ \_\_\_\_\_  
 Petty cash \$ \_\_\_\_\_

2. INVESTMENTS

The Louisiana Cancer Research Center of L.S.U. Health Science Center in New Orleans/Tulane Health Sciences Center does maintain investment accounts as authorized by the Board of the Louisiana Cancer Research Center's Governing Board and consistent with policy governing its organizational structure.

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 either held by 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. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be 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

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counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
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 (IAMP) ***	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: (Commercial Paper)	_____	_____	11,118,887	11,118,887
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____	\$ _____	\$ 11,118,887	\$ 11,118,887

\* 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, Memo 11-36 for the definition of US Government Obligations)

\*\*\* LAMP investments should not be included in deposits AND should be identified separately in this table to

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

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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).

<u>Rating Agency</u>	<u>Rating</u>	<u>Fair Value</u>
		\$ 11,118,887
	<b>Total</b>	<b>\$ 11,118,887</b>

B. Interest Rate Risk of Debt Investments

1. 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, unless you have an external investment pool as discussed in OSRAP Memo 11-22.)

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Agency obligations	_____	_____	_____	_____	_____
Mortgage backed securities	_____	_____	_____	_____	_____
Collateralized mortgage obligations	_____	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____	_____
Other bonds (describe)	_____	_____	_____	_____	_____
Mutual bond funds	_____	_____	_____	_____	_____
Other	11,118,887	11,118,887	_____	_____	_____
<b>Total debt investments</b>	<b>\$ 11,118,887</b>	<b>\$ 11,118,887</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the

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investment. See OSRAP Mcmo 11-36, Appendix A, for examples of debt investments that are highly sensitive to changes in interest rates.

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____ -	

**C. Concentration of Credit Risk**

List, by amount and issuer, investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____ -	

**D. Foreign Currency Risk**

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total	\$ _____ -	\$ _____ -

**4. DERIVATIVES (GASB 53)**

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**A. Summary of Derivative Instruments**

Complete the following table. "Summary of Derivative Instruments" for all derivative instruments held by the entity at June 30, 2011. If no derivative instruments were held by the entity at June 30, please state "None".

Summary of Derivative Instruments

Type	Notional	Changes in Fair Value		Fair Value at June 30	
		Classification	Amount	Classification	Amount *
<u>Investment Derivative Instruments:</u>			\$		\$
<u>Fair Value Hedges:</u>			\$		\$
<u>Cash Flow Hedges:</u>			\$		\$

\*If fair value is based on other than quoted market prices, the methods and significant assumptions used to estimate those fair market values should be disclosed.

**B. Investment Derivative Instruments**

Investment derivative instruments include derivative instruments that are not effective or are no longer effective and cannot be classified as hedging derivative instruments. Separately list each investment derivative instrument included in the table above and discuss the exposure to risk from these investments for the following risks:

**1. Credit Risk of Investment Derivative Instruments**

N/A  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**2. Interest Rate Risk of Investment Derivative Instruments**

Investment Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 5	6 - 10	More than 10
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

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Disclose the reference rate for each investment derivative instrument along with any embedded options

N/A

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3. Foreign Currency Risk of Investment Derivative Instruments

Foreign Currency	Fair Value in U.S. Dollars	
	Bonds	Stocks
	\$	\$
Total	\$ -	\$ -

4. Reclassification from Hedging Derivative Instrument to Investment Derivative Instrument

Item Reclassified	Notional Amount	Ineffective @ 6/30/11 (Y/N)	Fair Value @ 6/30/11	Ineffective @ 6/30/10 (Y/N)	Fair Value @ 6/30/10	Change in Fair Value @ 6/30/11
						-
						-
						-
						-

C. Hedging Derivative Instruments

Complete the following table- Terms and Objectives of Hedging Derivative Instruments - for all hedging derivative instruments held by the entity at June 30, 2011.

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**Terms and Objectives of Hedging Derivative Instruments**

Type	Notional	Objective	Effective Date	Maturity Date	Terms *	Counterparty Credit Rating

\*Terms include reference rates, embedded options, and the amount of cash paid or received, if any, when a forward contract or swap (including swaptions) was entered into.

Interest rates and the various swap indices change over time. Use the schedule below to summarize payments on the swap and interest payments to bondholders for applicable hedging derivative instruments.

List each hedging derivative separately, and discuss the exposure to risk from these hedges for the following risks:

Hedging Derivative Instrument	Counterparty Swap Payment			Interest Payments to Bondholders	Total Payments
	To	From	Net		

**1. Credit Risk of Hedging Derivative Instruments**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2. Interest Rate Risk of Hedging Derivative Instruments**

Hedging Derivative Instrument	Notional Amount	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 5	6 - 10	More than 10

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3. Basis Risk of Hedging Derivative Instruments

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

4. Termination Risk of Hedging Derivative Instruments

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5. Rollover Risk of Hedging Derivative Instruments

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

6. Market-Access Risk of Hedging Derivative Instruments

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

7. Foreign Currency Risk of Hedging Derivative Instruments

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total	\$ _____	\$ _____

If any hedged items are a debt obligation, then its net cash flows are required to be disclosed in accordance with GASB Statement No. 38, paragraphs 10 – 11. This information, if applicable, should be provided below, and will be included in Note 8 of the CAFR.

Using the following chart, provide the principal and interest requirements to maturity for those hedged items that are a debt obligation. If your fiscal year ends other than June 30, change the date within the table. If the number of years for your debt to terminate exceeds the years listed, add those years to the table (in 5 year increments).

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**Debt and Lease Obligations for Hedged Debt (per GASB 38, paragraph 10)**

Fiscal Year Ending June 30	Principal	Interest	Hedging Derivative Instruments, Net	Total
2012	\$	\$	\$	\$
2013				-
2014				-
2015				-
2016				-
2017-2021				-
2022-2026				-
2027-2031				-
2032-2036				-
2037-2041				-
Total	-	-	-	-

*Note: The hedging derivative column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.*

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

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Using the following chart, provide the future minimum lease payments for those hedged items that are obligations under capital and noncancelable operating leases (per GASB 38, paragraph 11). If your fiscal year ends other than June 30, change the date within the table. If the number of years for your lease extends beyond the years listed, add those years to the table (in 5 year increments).

Fiscal Year Ending June 30	Minimum Future Lease Payment
2012	\$
2013	
2014	
2015	
2016	
2017-2021	
2022-2026	
2027-2031	
2032-2036	
2037-2041	
Total	-

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If effectiveness is determined by another quantitative method not identified in GASB Statement No. 53, provide the identity and characteristics of the method used, the range of critical terms the method tolerates, and the actual critical terms of the hedge.

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**D. Contingent Features**

Disclose any contingent features that are included in derivative instruments held at the end of the reporting period. The required disclosures include (1) the existence and nature of contingent features and the circumstances in which the features could be triggered, (2) the aggregate fair value of derivative instruments that contain those features, (3) the aggregate fair value of assets that would be required to be posted as collateral or transferred in accordance with the provisions related to the triggering of the contingent liabilities, and (4) the amount, if any, that has been posted as collateral by the government as of the end of the reporting period.

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**E. Hybrid Instruments**

If your entity has any hybrid instruments, disclosure of the companion instrument should be consistent with disclosures required of similar transactions. List any hybrid instruments below and provide information regarding any hybrid instruments and a reference to where the required disclosures can be found. If the required disclosures are not presented elsewhere, provide those disclosures below. If your entity does not have any hybrid instruments, state "None".

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**F. Synthetic Guaranteed Investment Contracts (SGICs)**

If your entity has a fully benefit-responsive SGIC, then a description of the nature of the SGIC and the SGIC's fair value (including separate disclosure of the fair value of the wrap contract and the fair value of the corresponding underlying investments) should be disclosed as of the end of the reporting period. Provide those required disclosures below. If your entity does not have any, state "None".

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**5. POLICIES**

STATE OF LOUISIANA  
LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES  
CENTER IN NEW ORLEANS/TULANE HEALTH SCIENCES CENTER  
Notes to the Financial Statements  
As of and for the year ended June 30, 2011

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

Louisiana Cancer Research Center's current investment policy complies with the state policy RS 33:2955

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

a. Investments in pools managed by other governments or mutual funds  
N/A

b. Securities underlying reverse repurchase agreements N/A

c. Unrealized investment losses NONE

d. Commitments as of June 30, 2011, to resell securities under yield maintenance repurchase agreements:

1. Carrying amount and market value at June 30 of securities to be resold  
N/A

2. Description of the terms of the agreement  
N/A

e. Losses during the year due to default by counterparties to deposit or investment transactions NONE

f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet NONE

Legal or Contractual Provisions for Reverse Repurchase Agreements

g. Source of legal or contractual authorization for use of reverse repurchase agreements  
N/A

h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year NONE

STATE OF LOUISIANA  
LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES  
CENTER IN NEW ORLEANS/TULANE HEALTH SCIENCES CENTER  
Notes to the Financial Statements  
As of and for the year ended June 30, 2011

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Reverse Repurchase Agreements as of Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest  
N/A
- 
- j. Commitments on June 30, 2011 to repurchase securities under yield maintenance agreements NONE
- k. Market value on June 30, 2011 of the securities to be repurchased  
N/A
- 
- l. Description of the terms of the agreements to repurchase N/A
- 
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements NONE
- 
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement NONE

Fair Value Disclosures (GASB 31)

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices Fair Value is based on quoted market prices
- 
- p. Basis for determining which investments, if any, are reported at amortized cost  
N/A
- 
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool  
N/A
- 
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares N/A
- 
- s. Any involuntary participation in an external investment pool NONE

**STATE OF LOUISIANA  
LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES  
CENTER IN NEW ORLEANS/TULANE HEALTH SCIENCES CENTER  
Notes to the Financial Statements  
As of and for the year ended June 30, 2011**

- 
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate

N/A

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- u. Any income from investments associated with one fund that is assigned to another fund

No

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**Land and Other Real Estate Held as Investments by Endowments (GASB 52)**

- v. Louisiana Cancer Research Center of L.S.U. Health Science Center in New Orleans/Tulane Health Sciences Center owns land or other real estate held as investments by endowments. No

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

STATE OF LOUISIANA  
 LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN NEW ORLEANS/TULANE  
 HEALTH SCIENCES CENTER  
 Notes to the Financial Statements  
 As of and for the year ended June 30, 2011

Schedule of Capital Assets (includes capital leases)

<u>University/System</u>	Balance 6/30/2010	Additions	Reclassifi- cation of CIP	** Retirements	Balance 6/30/2011
Capital assets not depreciated:					
Land	\$ 671,808	\$ -	\$ -	\$ -	\$ 671,808
Non-depreciable land improvements	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-
Capitalized collections	-	-	-	-	-
Software - development in progress	-	-	-	-	-
Construction in progress	39,392,169	39,294,472	-	-	78,686,641
Total capital assets not depreciated	\$ 40,063,917	\$ 39,294,472	\$ -	\$ -	\$ 79,358,389
Other capital assets:					
Depreciable land improvements	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-
Total infrastructure	-	-	-	-	-
Buildings	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-
Total land improvements	-	-	-	-	-
Machinery & Equipment	4,877,207	226,103	-	-	5,103,310
** Accumulated depreciation	(2,850,578)	(703,737)	-	-	(3,554,315)
Total buildings	2,026,629	(477,634)	-	-	1,548,995
Infrastructure	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-
Total equipment	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-
Other intangibles	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-
Total intangibles	-	-	-	-	-
Total other capital assets	\$ 2,026,629	\$ (477,634)	\$ -	\$ -	\$ 1,548,995
Capital asset summary:					
Capital assets not depreciated	\$ 40,063,917	\$ 39,294,472	\$ -	\$ -	\$ 79,358,389
Other capital assets, book value	4,877,207	226,103	-	-	5,103,310
Total cost of capital assets	44,941,124	39,520,575	-	-	84,461,699
Accumulated depreciation/amortization	(2,850,578)	(703,737)	-	-	(3,554,315)
Capital assets, net	\$ 42,090,546	\$ 38,816,838	\$ -	\$ -	\$ 80,907,384

\* Should only be used 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

If other intangible assets were reported in the table above, list the types of intangible assets, their cost, and accumulated amortization for each type of intangible assets reported.

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**E. INVENTORIES**

N/A

**F. RESTRICTED ASSETS**

N/A

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Louisiana Cancer Research Center has the following policy on annual and sick leave:

Employees of the Center accrue leave immediately upon hire but at varying rates based on classification and years of service. Vacation and sick time are accrued on a monthly basis. Upon termination, employees will be paid for accrued vacation leave to be calculated at the employee's hourly rate upon termination. Accrued annual and sick leave at June 30, 2011 amount to \$77,247.

**2. COMPENSATORY LEAVE**

N/A

**H. RETIREMENT SYSTEM**

All full-time Research Center employees are eligible to participate in a 403(b) retirement plan. The existing 403(b) plan is a tax-sheltered annuity (TSA) plan, currently administered by TIAA-CREF. Although eligible employees are not required to participate in the Plan, contributions are made by the Research Center as part of the established benefits package. The plan also allows for employee contributions with a matching requirement up to 3% of the employee's annual compensation. The Research Center contributed \$51,556 to the Plan for the year ended June 30, 2011.

**I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

N/A

**J. LEASES**

**NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)**

## 1. OPERATING LEASES

The total payments for operating leases during fiscal year 2011 amounted to \$80,000. (Note: If lease payments extend past FY 2026, create additional columns and report these future minimum lease payments in five year increments.) A schedule of payments for operating leases follows:

Nature of lease	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017- 2021	FY 2022- 2026
Office Space	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Equipment	_____	_____	_____	_____	_____	_____	_____
Land	104,587	129,174	129,174	129,174	129,174	645,870	645,870
Other	_____	_____	_____	_____	_____	_____	_____
<b>Total</b>	<b>\$ 104,587</b>	<b>\$ 129,174</b>	<b>\$ 129,174</b>	<b>\$ 129,174</b>	<b>\$ 129,174</b>	<b>\$ 645,870</b>	<b>\$ 645,870</b>
	FY 2027- 2031	FY 2032- 2036	FY 2037- 2041	FY 2042- 2046	FY 2047- 2051	FY 2052- 2056	FY 2057- 2058
Office Space	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Equipment	_____	_____	_____	_____	_____	_____	_____
Land	645,870	645,870	645,870	645,870	645,870	645,870	258,348
Other	_____	_____	_____	_____	_____	_____	_____
<b>Total</b>	<b>\$ 645,870</b>	<b>\$ 258,348</b>					

## 2. CAPITAL LEASES

Capital leases are not recognized in the accompanying financial statements.

## K. LONG-TERM LIABILITIES

N/A

## L. CONTINGENT LIABILITIES

N/A

## M. RELATED PARTY TRANSACTIONS

### Louisiana Gene Therapy Research Consortium

The Louisiana Cancer Research Center of LSU Health Sciences Center in New Orleans/Tulane Health Sciences Center (the "Center") and the Louisiana Gene Therapy Research Center (LGTRC) have an affiliate relationship as they are both partnerships between the LSU Health Sciences Center in New Orleans and the Tulane Health Sciences Center. LGTRC includes both LSU Health Sciences Center in New Orleans and in Shreveport and Tulane Health Sciences Center as partners while the Center includes L.S.U. Health Sciences Center in New Orleans, Tulane University Health Sciences Center, Xavier University of Louisiana, and Ochsner Health System, which are governed by governing boards with common members.

The Center has an arrangement with the LGTRC that allows for resource cost sharing. The Center and LGTRC share office space, personnel, and other related supplies and services. Overhead expenses are captured in a cost (common cost) pool and allocated to the appropriate organization based on space, usage, and "percent of effort" where applicable. LGTRC pays all shared expenses on behalf of the Center's research and cessation

components. The Center reimburses LGTRC based on billings. The total billed to the Center during the fiscal year ended June 30, 2011 was \$534,362. LGTRC's funding has been eliminated effective calendar year 2011. No new source of funding has been found. LGTRC is in the process of dissolving, forcing the Center to absorb the entire cost of office and personnel expenses previously shared.

### **LSU Health Sciences Center in New Orleans**

LSU Health Sciences Center in New Orleans (LSUHSC) is one of the four partner institutions that comprise the Center. The other institutions are Tulane University Health Sciences Center (TUHSC), Xavier University of Louisiana (XULA) and Ochsner Health System (OHS).

As management, two members of the LSUHSC are on the governing board of the Center. The Chancellor for LSU Health Sciences Center in New Orleans served as the Vice-Chairman of the Board for the year ending June 30, 2011. The Vice Chancellor for Academic Affairs of LSU Health Sciences Center in New Orleans is also a voting member of the Center's Board.

LSUHSC (an entity of the State) is the transferring agency for state funding, acting on behalf of the State of Louisiana. Under a Cooperative Endeavor Agreement arrangement, it is responsible for transferring funds appropriated by the State of Louisiana for the Center.

As grantee, the LSUHSC is allocated Center funding support for program development (part of the mission of the Center). Transfer of funds to LSUHSC for the program is governed by a fully executed operating agreement which includes an annual budget submitted by LSU Health Sciences Center in New Orleans and approved by the Center's Board. The total amount billed to the Center for services rendered during the fiscal year ended June 30, 2011 was \$2,823,107.

As a vendor, LSUHSC Auxiliary Stores provide goods and services (including research equipment, office and computer supplies) to the Center. The stores conveniently provide products and services which supports the mission of the Center. The total amount billed to the Center for goods and services during the fiscal year ending June 30, 2011 was \$108,337.

### **Tulane University Health Sciences Center**

Tulane University Health Sciences Center (TUHSC) is one of the four partner institutions that comprise the Center. The other institutions are LSU Health Sciences Center in New Orleans (LSUHSC), Xavier University of Louisiana (XULA) and Ochsner Health System (OHS).

As management, two members of TUHSC are on the governing board of the Center. TUHSC's Senior Vice President for Health Sciences served as Chairman of the Board for the fiscal year ending June 30, 2011. The Chairman position rotates between the two Health Sciences Center's (LSUHSC and TUHSC) Leaders as dictated by statute. The other TUHSC position was held by the Associate Dean for School of Medicine.

As grantee, TUHSC is allocated Center funding support for program development (part of the mission of the Center). Transfer of funds to TUHSC for the program is governed by a fully executed operating agreement which includes an annual budget submitted by TUHSC and approved by the Center's Board. The total amount billed to the Center for services rendered during the fiscal year ended June 30, 2011 was \$3,129,829.

### **Xavier University of Louisiana**

Xavier University of Louisiana (XULA) is one of the four partner institutions that comprise the Center. The other institutions are the LSU Health Sciences Center in New Orleans (LSUHSC), Tulane University Health Sciences Center (TUHSC) and Ochsner Health System (OHS).

As management, one member of XULA is on the governing board of the Center. Xavier's President served as Board member for the fiscal year ending June 30, 2011.

As grantee, Xavier University of Louisiana is allocated Center funding support for program development (part of the mission of the Center). Transfer of funds to XULA for the program is governed by a fully executed operating agreement which includes an annual budget submitted by XULA and approved by the Center's Board. The total amount billed to the Center for services rendered during the fiscal year ended June 30, 2011 was \$1,015,027.

**Ochsner Health System**

Ochsner Healthcare System (Ochsner) is one of the four partner institutions that comprise the Center, joining the Center in March 2010. The other institutions are the LSU Health Sciences Center in New Orleans (LSUHSC), Tulane University Health Sciences Center (TUHSC) and Xavier University of Louisiana (XULA).

As management, one member of Ochsner is on the governing board of the Center.

**N. ACCOUNTING CHANGES**

N/A

**O. IN-KIND CONTRIBUTIONS**

N/A

**P. DEFEASED ISSUES**

N/A

**Q. REVENUES – PLEDGED OR SOLD (GASB 48)**

N/A

**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)**

N/A

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS**

N/A

**T. SHORT-TERM DEBT**

N/A

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at June 30, 2011, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Cancer Research Program	\$ 4,832,345	\$ _____	\$ _____	\$ 16,573	\$ 4,848,918
Cessation Program	3,296,834	_____	_____	_____	3,296,834
Facility Planning & Control	5,452,862	_____	_____	_____	5,452,862
Gross receivables	\$ 13,582,041	\$ _____	\$ _____	\$ 16,573	\$ 13,598,614
Less allowance for uncollectible accounts					
Receivables, net	\$ 13,582,041	\$ _____	\$ _____	\$ 16,573	\$ 13,598,614

Amounts not scheduled  
for collection during the

## V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2011, were as follows:

Fund	Vendors	Benefits	Interest	Payables	Payables
Cancer Research Program	\$ 1,718,742	\$ _____	\$ _____	\$ 77,513	\$ 1,796,255
Cessation Program	1,414,686	_____	_____	_____	1,414,686
Facility Planning & Control	4,779,563	_____	_____	_____	4,779,563
Total payables	\$ 7,912,991	\$ _____	\$ _____	\$ 77,513	\$ 7,990,504

## W. SUBSEQUENT EVENTS

Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.

N/A

## X. SEGMENT INFORMATION

N/A

## Y. DUE TO/DUE FROM AND TRANSFERS

N/A

## Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

N/A

## AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

N/A

## BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

N/A

## CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

N/A

## DD. EMPLOYEE TERMINATION BENEFITS

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as severance pay or continued access to health insurance through the employer's group insurance plan. Voluntary termination benefits include benefits such as early retirement incentives.

Other termination benefits include:

1. Early retirement incentives such as cash payments. Some state agencies adopted layoff avoidance plans to provide a mechanism to balance budget deficits while delaying or avoiding layoffs.
2. Continued access to healthcare, including COBRA costs paid by the agency
3. Career counseling
4. Outplacement services

Payments for accrued annual leave are not considered as termination benefits. Annual leave is a part of the compensation that the state offers in exchange for services received. As a result, payments for accrued annual leave upon termination are considered to be compensation for employee services. Do not report these amounts as termination benefits.

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits.

1. A description of the termination benefit arrangement(s).
2. Year the state becomes obligated
3. The number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit.
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported).

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact.

The agency recognizes the cost of providing termination benefits as expenditures when paid during the year. For FY 2011, the cost of providing those benefits for 0 terminations totaled \$0.

The liability for the accrued terminations benefits payable at June 30, 2011 is \$0. This liability consists of 0 terminations.

The Louisiana Cancer Research Center compensates employees for accrued vacation leave balances upon voluntary or involuntary termination. Although employees can continue to access health benefits under COBRA, the entire premium is paid by the employee if he/she wishes to continue coverage. There are no other termination benefits provided by the Center.

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

**EE. POLLUTION REMEDIATION OBLIGATIONS**

N/A

**FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

N/A



**STATE OF LOUISIANA**  
**LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN NEW**  
**ORLEANS/TULANE HEALTH SCIENCES CENTER**  
**SCHEDULE OF NOTES PAYABLE**  
**June 30, 2011**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
NONE		\$	\$	\$	\$		\$
<b>Total</b>		<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>		<u>\$</u>

\*Send copies of new amortization schedules



**STATE OF LOUISIANA**  
**LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN NEW**  
**ORLEANS/TULANE HEALTH SCIENCES CENTER**  
**SCHEDULE OF CAPITAL LEASE AMORTIZATION**  
**For The Year Ended June 30, 2011**

Fiscal Year <u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2012	\$ NONE	\$ _____	\$ _____	\$ _____ -
2013	_____	_____	_____	_____ -
2014	_____	_____	_____	_____ -
2015	_____	_____	_____	_____ -
2016	_____	_____	_____	_____ -
2017-2021	_____	_____	_____	_____ -
2022-2026	_____	_____	_____	_____ -
2027-2031	_____	_____	_____	_____ -
2032-2036	_____	_____	_____	_____ -
<b>Total</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>

SCHEDULE 4-A

**STATE OF LOUISIANA**  
**LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN NEW**  
**ORLEANS/TULANE HEALTH SCIENCES CENTER**  
**SCHEDULE OF NOTES PAYABLE AMORTIZATION**  
**For the Year Ended June 30, 2011**

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ <u>NONE</u>	\$ _____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017-2021	_____	_____
2022-2026	_____	_____
2027-2031	_____	_____
2032-2036	_____	_____
<b>Total</b>	<b>\$ _____ --</b>	<b>\$ _____ --</b>

SCHEDULE 4-B

**STATE OF LOUISIANA**  
**LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN NEW**  
**ORLEANS/TULANE HEALTH SCIENCES CENTER**  
**SCHEDULE OF BONDS PAYABLE AMORTIZATION**  
**For The Year Ended June 30, 2011**

Fiscal Year <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ <u>NONE</u>	\$ _____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
2035	_____	_____
2036	_____	_____
Subtotal	--	--
Unamortized Discounts/Premiums	_____	_____
Total	\$ <u>  --  </u>	\$ <u>  --  </u>

**\*Note: Principal outstanding (bond series plus/minus unamortized costs) at 6/30/11 should agree to bonds payable on the Statement of Net Assets.**

**STATE OF LOUISIANA**

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN  
NEW ORLEANS/TULANE HEALTH SCIENCES CENTER**

**COMPARISON FIGURES**

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$3 million, explain the reason for the change.

	<u>2011</u>	<u>2010</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 53,417,043	\$ 43,457,482	\$ 9,959,561	23%
Expenses	16,189,393	17,538,114	(1,348,721)	(8%)
2) Capital assets	80,907,384	42,090,546	38,816,838	92%
Long-term debt			-	
Net Assets	\$ 108,753,214	\$ 71,525,564	37,227,650	52%

Explanation for change: The increase in revenue is due to the additional grant money to reimburse construction costs incurred in the current year on the new building. The increase in Capital assets is related to the above mentioned increase in construction in the current year.

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