

**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, 2019

**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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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 Sciences Center
in New Orleans/Tulane Health Sciences Center

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center, a nonprofit organization and component unit of the State of Louisiana, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As discussed in Note A-15 to the financial statements, Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center adopted the financial Accounting Standards Board's ASU 2016-14, "*Not-for-Profit Entities*" for the year ended June 30, 2019. Our opinion is not modified with respect to that matter.

Other Matters

Supplementary Information and Annual Fiscal Report

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental statement of revenues and expenses by program on page 23, the schedule of compensation, benefits and other payments to agency head on page 24, are presented for the purpose of additional analysis and are not a required part of the financial statements. The Division of Administration, Office of Statewide Reporting and Accounting Policy's Annual Fiscal Report on pages 30 through 38 is also 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 standards 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2019, on our consideration 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 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 solely 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 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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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 compliance.

Cascio & Schmidt, LLC.

Metairie, Louisiana
September 16, 2019

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

**STATEMENT OF FINANCIAL POSITION
June 30, 2019**

ASSETS

CURRENT ASSETS

Cash and cash equivalents (Notes A-9 and B)		\$	18,093,348
Investments (Notes A-10, C and K)			12,708,647
Receivables:			
Grants (Note E)	\$		7,832,361
Leases			2,448,471
Other			<u>28,261</u>
Prepaid expenses			<u>75,936</u>
Total Current Assets			<u>41,187,024</u>

NON-CURRENT ASSETS

Security deposits			52,400
Property and equipment, net (Notes A-12 and F)			<u>88,229,531</u>
Total Non-current Assets			<u>88,281,931</u>

TOTAL ASSETS

\$ 129,468,955

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable		\$	2,698,144
Accrued liabilities			1,126
Current portion of long-term liabilities, accrued compensated absences (Note G)			<u>43,053</u>
Total Current Liabilities			\$ 2,742,323

NON-CURRENT LIABILITIES

Non-current portion of long-term liabilities, accrued compensated absences (Note G)			<u>53,093</u>
Total Liabilities			2,795,416

NET ASSETS

Without donor restrictions			4,504,570
With donor restrictions (Note H)			<u>122,168,969</u>
Total Net Assets			<u>126,673,539</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 129,468,955

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, 2019**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUE			
Operating support and grants (Note E)	\$ -	\$ 19,441,757	\$ 19,441,757
Lease income (Note J)	2,956,178	-	2,956,178
Fundraising and gifts	218,259	-	218,259
Investment income and other interest, net	13,678	663,940	677,618
Other Income	57,449	-	57,449
Net assets released from restrictions	<u>15,706,446</u>	<u>(15,706,446)</u>	<u>-</u>
Total Revenues	<u>18,952,010</u>	<u>4,399,251</u>	<u>23,351,261</u>
EXPENSES			
Program Services			
Research program	8,431,311	-	8,431,311
Cessation program	4,656,990	-	4,656,990
Louisiana Cancer Strategy program	<u>111,382</u>	<u>-</u>	<u>111,382</u>
	13,199,683	-	13,199,683
Supporting Services			
Management and general	4,536,850	-	4,536,850
Fund-raising	<u>128,522</u>	<u>-</u>	<u>128,522</u>
Total Expenses	<u>17,865,055</u>	<u>-</u>	<u>17,865,055</u>
INCREASE IN NET ASSETS	1,086,955	4,399,251	5,486,206
NET ASSETS, BEGINNING OF YEAR	<u>3,417,615</u>	<u>117,769,718</u>	<u>121,187,333</u>
NET ASSETS, END OF YEAR	\$ <u>4,504,570</u>	\$ <u>122,168,969</u>	\$ <u>126,673,539</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 FUNCTIONAL EXPENSES
Year Ended June 30, 2019**

	PROGRAM SERVICES				SUPPORTING SERVICES			
	Cancer Research Program	Cessation Program	Louisiana Cancer Strategy Program	Total Program Expenses	Management and General	Fundraising	Total Supporting Services	Total Expenses
EXPENSES								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 820,620	\$ 16,402	\$ 837,022	\$ 837,022
Taxes and benefits	-	-	-	-	193,119	-	193,119	193,119
Professional services	-	-	103,677	103,677	241,165	5,300	246,465	350,142
Operating services	-	-	-	-	3,196,295	-	3,196,295	3,196,295
Supplies	-	-	-	-	45,413	1,983	47,396	47,396
Travel and meetings	-	-	7,705	7,705	5,666	12,077	17,743	25,448
Depreciation	3,635,529	-	-	3,635,529	-	-	-	3,635,529
Other expenses	-	-	-	-	34,572	15,494	50,066	50,066
Research expenses	4,795,782	-	-	4,795,782	-	-	-	4,795,782
Cessation expenses	-	4,656,990	-	4,656,990	-	-	-	4,656,990
Fundraising expenses	-	-	-	-	-	77,266	77,266	77,266
Total Expenses	<u>\$ 8,431,311</u>	<u>\$ 4,656,990</u>	<u>\$ 111,382</u>	<u>\$ 13,199,683</u>	<u>\$ 4,536,850</u>	<u>\$ 128,522</u>	<u>\$ 4,665,372</u>	<u>\$ 17,865,055</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, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Grant receipts	\$ 15,072,515
Lease receipts	1,258,177
Fundraising receipts	218,259
Other receipts	32,846
Interest on cash and savings	219,620
Payment to employees for wages & benefits	(1,123,827)
Payments to vendors and suppliers	<u>(14,066,198)</u>

Net Cash Provided by Operating Activities	\$ 1,611,392
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CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property and equipment	(57,140)
Interest earned on investments, net of fees	186,339
Investment income reinvested	<u>(186,339)</u>

Net Cash Used in Investing Activities	(57,140)
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CASH FLOWS FROM FINANCING ACTIVITIES

Net Increase in Cash and Cash Equivalents	1,554,252
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Cash and Cash Equivalents at Beginning of Year	<u>16,539,096</u>
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Cash and Cash Equivalents at End of Year	<u>\$ 18,093,348</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, 2019**

**Reconciliation of Increase (Decrease) in
Net Assets to Net Cash Provided
by Operating Activities**

Increase in net assets		\$ 5,486,206
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Add back depreciation	3,635,529	
(Increase) decrease in assets:		
Investments	(428,242)	
Receivables, grants	(4,371,750)	
Receivables, leases	(1,695,493)	
Receivables, other	(24,603)	
Prepaid expenses	(11,480)	
Security deposits	-	
Increase (decrease) in liabilities:		
Accounts payable	(988,688)	
Accrued liabilities	158	
Accrued compensated absences	<u>9,755</u>	
Total adjustments		<u>(3,874,814)</u>
Net Cash Provided by Operating Activities		\$ <u>1,611,392</u>

Non-cash Transactions

Unrealized gain on investments		\$ 241,903
Investment income reinvested		(241,903)

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, 2019**

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 "Center") was incorporated June 7, 2002 under the laws of the State of Louisiana.

The 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 Health System. The Center is controlled by a Board of Directors, most whose members are representatives of the member institutions.

2. Basis of Accounting

The Center's statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors are considered donor restricted. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.
HEALTH SCIENCES CENTER IN NEW ORLEANS/
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**NOTES TO FINANCIAL STATEMENTS - Continued
June 30, 2019**

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

2. Basis of Accounting - Continued

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Donations of property and equipment are recorded at their estimated fair value at the date of donation.

3. Income Tax Status

The 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 and is exempt from Louisiana income tax under the authority of Louisiana Revenue Statute (R.S.) 47:121(5). Accordingly, no provision for income taxes has been reported. The Center has adopted the provision of FASB ASC 740-10-25, which requires a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. The Center does not believe its financial statements include any uncertain tax positions.

4. Contributions:

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

5. Measure of Operations:

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Center’s ongoing activities. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.
HEALTH SCIENCES CENTER IN NEW ORLEANS/
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**NOTES TO FINANCIAL STATEMENTS - Continued
June 30, 2019**

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

6. Reporting Entity

Using the criteria outlined in GASB Codification Section 2100, *The Financial Reporting Entity*, as amended, the Center is included as a component unit of the State of Louisiana. The Center is considered a component unit of the State of Louisiana because it has been determined that exclusion of the Center from the State's financial reporting entity would render the State of Louisiana's financial statement to be misleading or incomplete, and because public service is rendered within the state's boundaries.

Annually, the State of Louisiana issues a comprehensive report, which includes the activity contained in the accompanying financial statements. The financial statements are issued by the Office of Statewide Reporting and Accounting Policy (OSRAP) and audited by the Louisiana Legislative Auditor. The accompanying financial statements present information only as to the transactions of the Center as authorized by Louisiana statutes and administrative regulations.

7. Revenue Recognition

Grant revenue is recognized as it is earned in accordance with approved contracts. Contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, and when grant services are performed, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

8. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Expenses are allocated on a reasonable basis that is consistently applies.

9. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Center 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, 2019**

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

10. Investments

The 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. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is presented in the statements of activities in accordance with donor restrictions as investment return. Investment return is presented net of investment fees, which fees amounted to \$29,756 for the year ended June 30, 2019.

11. Receivables

The Center considers receivables to be fully collectible, since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

12. Property and Equipment

Capital assets with a cost of \$5,000 or more are reported at cost, net of accumulated depreciation, on the Statement of Financial Position. Repairs and maintenance are expended as incurred. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Description</u>	<u>Years</u>
Building and improvements	40
Research equipment	7
Office furniture and equipment	5-7

Estimated useful life is management's estimate of how long the asset is estimated to meet service demands.

13. 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.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.
HEALTH SCIENCES CENTER IN NEW ORLEANS/
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**NOTES TO FINANCIAL STATEMENTS - Continued
June 30, 2019**

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

14. Subsequent Events

Subsequent events have been evaluated by management through September 16, 2019, the date the financial statements were available to be issued and has determined that no events occurred that required disclosure.

15. New Accounting Pronouncement:

The FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities in August 2016. The update addresses the complexity and understandability of the net asset classifications, deficiencies in information about liquidity, availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU has been applied by the Center for the year ended June 30, 2019.

NOTE B - CASH

At June 30, 2019, the Center's cash and cash equivalents totaled \$18,093,348. The bank balance of these deposits with financial institutions totaled \$19,361,360, and were covered by federal depository insurance, or collateralized by securities in the Center's name held by the Federal Reserve Bank.

NOTE C - INVESTMENTS

At June 30, 2019, investments, amounting to \$12,708,647 consisted of cash \$55,903, and government bonds \$12,652,744, classified as follows:

	<u>Fair Market Value</u>	<u>Cost</u>
Investments:		
Research	\$ 2,077,052	\$ 2,043,978
Cessation	3,111,339	3,080,426
Maintenance Reserve Account (Note J)	<u>7,520,256</u>	<u>7,450,860</u>
 Total investments	 <u>\$ 12,708,647</u>	 <u>\$ 12,575,264</u>

Investment income/interest for the year consists of the following:

Interest income	\$ 216,619
Gain, net of broker fees	<u>211,623</u>
	<u>\$ 428,242</u>

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.
HEALTH SCIENCES CENTER IN NEW ORLEANS/
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**NOTES TO FINANCIAL STATEMENTS - Continued
June 30, 2019**

NOTE D - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Center's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	\$ 18,093,348
Investments (excluding the MRA account)	5,188,391
Grants receivable	7,832,361
Leases receivable	2,448,471
Accounts receivable - other	28,261
Prepaid expenses	<u>75,936</u>
	<u>\$ 33,666,768</u>

The Center's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Center's cash deposits in financial institutions are in interest bearing accounts.

NOTE E - GRANTS RECEIVABLE AND REVENUE

Grants receivable and revenue consisted of the following at June 30, 2019:

	<u>Receivable</u>	<u>Revenue</u>
Louisiana Department of the Treasury - Cancer Research	\$ 974,035	\$ 6,928,367
Louisiana Department of the Treasury - Cessation Program	<u>697,091</u>	<u>4,726,830</u>
Total Louisiana Department of the Treasury	1,671,126	11,655,197

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.
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**NOTES TO FINANCIAL STATEMENTS - Continued
June 30, 2019**

NOTE E - GRANTS RECEIVABLE AND REVENUE - Continued

	<u>Receivable</u>	<u>Revenue</u>
Department of Economic Development and Office of Facility Planning and Control - Cooperative Endeavor Agreement - State capital outlay	6,148,965	7,649,290
United Health Foundation - Louisiana Cancer Strategy	-	125,000
Louisiana State University Health Sciences Center in New Orleans - National Cancer Institute	<u>12,270</u>	<u>12,270</u>
Total	<u>\$ 7,832,361</u>	<u>\$ 19,441,757</u>

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Building	\$ 100,163,680
Research equipment	11,027,876
Office furniture and equipment	<u>1,748,107</u>
Total	112,939,663
Less: accumulated depreciation	<u>(25,381,940)</u>
Total property and equipment, net	87,757,723
Land	<u>671,808</u>
Total property and equipment	<u>\$ 88,229,531</u>

Depreciation expense for the year ended June 30, 2019 amounted to \$3,635,529.

Maintenance Reserve Account

A Maintenance Reserve Account (MRA) is required to fund major maintenance, repair and replacements and is funded by annual deposits into the MRA of one and a half percent (1.5%) of the original construction cost for the building. The fully funded MRA shall have at minimum of 10% of the original construction cost. Said amount may be adjusted with the consent of the Center, LSU and the Board of Regents. The Center shall be the custodian of the MRA and shall have the right to expend the funds therein for major maintenance, repairs and replacements. Following termination of the land lease (Ground Lease) for any reason, if title to the Building and all other improvements transfers to LSU, one hundred percent (100%) of all maintenance reserves transfer to LSU. The fully funded balance in the MRA at June 30, 2019 was \$7,520,256.

**LOUISIANA CANCER RESEARCH CENTER OF L.S.U.
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**NOTES TO FINANCIAL STATEMENTS - Continued
June 30, 2019**

NOTE G - COMPENSATED ABSENCES

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service. Annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. The compensated absences liability is reported as a long-term liability with the portion expected to be paid within one year reported as a current liability. At June 30, 2019, the Center had accrued compensated absences of \$96,146.

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets consist of the following:

Subject to expenditure for a specified purpose:	
Cancer research program	\$ 20,065,069
Cessation program	6,360,942
Louisiana Center Strategy program	25,545
Maintenance Reserve Account	<u>7,487,882</u>
	<u>33,939,438</u>
 Not subject to appropriation or expenditure:	
Capital assets, including building and equipment, to be used by the Center	<u>88,229,531</u>
 Total net assets with donor restrictions	 \$ <u>122,168,969</u>

Releases from donor restricted net assets for 2019 are as follows:

Releases from restrictions:	
Subject to expenditure for a specified purpose:	
Cancer research program	\$ 10,611,227
Cessation program	4,971,567
Louisiana Cancer Strategy program	111,382
Federal Grant - Understanding Cancer Health	<u>12,270</u>
	\$ <u>15,706,446</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, 2019**

NOTE I - RETIREMENT PLAN

All full-time 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 Center as part of the established benefits package. The Plan also allows for employee contributions with a matching of up to 6% of the employee's annual compensation. The Center contributed \$105,962 to the Plan for the year ended June 30, 2019.

NOTE J - LEASES

Land Lease

The Center's building is on land leased from the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College. The lease was executed on February 18, 2008, and has a lease term of fifty (50) years. At the end of the lease term or upon termination for any reason, to the extent allowed by Applicable Law, title to the Building and all improvements, shall transfer to LSU. The annual rental amount is \$129,174, payable in quarterly installments of \$32,293.

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>
2020	\$ 129,174
2021	129,174
2022	129,174
2023	129,174
2024	129,174
Thereafter	<u>4,344,464</u>
Total minimum lease payments	<u>\$ 4,990,334</u>

The land lease expense for the year ended June 30, 2019 amounted to \$129,174.

**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, 2019**

NOTE J - LEASES - Continued

Laboratory and office leases

The Center entered into an agreement with TUHSC to lease certain laboratory and office space of the building, which includes the use of common areas that are part of the building or otherwise located on the land together with all building equipment. The agreement commenced on July 1, 2012, and continues for a term of one year which is automatically renewed each year for an additional one-year term unless TUHSC gives written notice to the Center 60 days prior to the end of any one-year term. Under no case shall the cumulative term and renewals exceed the term of the Center's ground lease. For the year ended June 30, 2019, TUHSC was billed a total of \$1,148,155, which is included in lease income on the Statement of Activities.

The Center replaced LSUHSC's occupancy agreement with a lease agreement. The agreement commenced on July 1, 2018, and continues for a term of twelve years. LSUHSC has the option to renew for two additional ten year terms unless LSUHSC gives written notice to the Center 60 days prior to the end of any ten year term. Under no case shall the cumulative term and renewals exceed the term of the Ground Lease. For the year ended June 30, 2019, LSUHSC was billed a total of \$1,754,597, which is included in lease income on the Statement of Activities.

In fiscal year 2013, the Center also entered into an agreement with the XULA under substantially the same terms as the agreement with TUHSC described above. For the year ended June 30, 2019, XULA was billed a total of \$53,426 for use of its allocated space in the Center, which is included in lease income on the Statement of Activities.

NOTE K - 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.

The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of the following three categories:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3 - Unobservable inputs that are not corroborated by market data.

**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, 2019**

NOTE K - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The following tables set forth, by level within the fair value hierarchy, the Center's financial instruments at fair value as of June 30, 2019.

		<u>Fair value Measurement of Reporting Date</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets:				
Investments				
Cash	\$ 55,903	\$ 55,903	\$ -	\$ -
Government Bonds	<u>12,708,647</u>	<u>-</u>	<u>12,708,647</u>	<u>-</u>
	<u>\$ 12,764,550</u>	<u>\$ 55,903</u>	<u>\$ 12,708,647</u>	<u>\$ -</u>

The assumptions to fair values are as follows:

Fixed income securities are priced by a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value.

NOTE L - 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, 2019.

NOTE M - ECONOMIC DEPENDENCY

The Center received eighty three (83) percent of its revenue from funds provided by the State of Louisiana during the year ended June 30, 2019. The operations of the Center are primarily funded by statutorily dedicated tobacco tax proceeds. Any significant reduction in sales of tobacco products will adversely affect the operations of the Center. This year Louisiana Cancer Research Center did experience a significant decline in its revenue from tax collections. In an effort to avoid a long-term adverse impact of declining tax proceeds, Louisiana Cancer Research Center will continue to seek out opportunities to diversify its revenue.

**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, 2019**

NOTE N - RELATED PARTIES

There are four partner institutions that comprise the Center, which include LSUHSC, TUHSC, XULA, and OHS.

Occupancy Agreements

In the year ended, June 30, 2012 the Center completed the construction of the Louisiana Cancer Research Center ("Cancer Center"). The Cancer Center was constructed to house cancer researchers from the member institutions in order to foster integration of the cancer research programs which supplement the Center's primary function of conducting research and promoting education in the diagnosis, detection and treatment of cancer, in its pursuit of obtaining National Cancer Institute (NCI) designation. As a provision of the Occupancy Agreements between the Center and its partner institutions, each institution ("User") will occupy certain space in the Cancer Center, whereas the User space will be allocated costs based on a sharing of the total operating costs ("User Share"). The Center provides such space to Users without the requirement that User's remit funds so long as the User occupies the space as permitted within the agreements and pursuant to Louisiana R.S. 17:1921 et seq, however, under certain conditions, the User will make cash payments for all or a portion of its User Share.

The Center replaced the occupancy agreement for LSUHSC with a lease agreement effective July 1, 2018. The lease agreements for TUHSC and XULA are pending and will replace the occupancy agreement. Each lessee will be assessed a prorata share of the Center's operating costs based on the amount of square feet occupied.

LSU Health Sciences Center in New Orleans

As management, two members of the LSUHSC are on the governing board of the Center. The Chancellor for LSUHSC served as the Center's Vice Chairman of the Board for the year ended June 30, 2019. The Chairman position rotates between the LSUHSC and TUHSC leaders as required by statute. The other LSUHSC position was held by the Professor and Department Head for the Department of Genetics for LSU School of Medicine.

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 and/or grant agreement which includes an annual budget submitted by LSUHSC and approved by the Center's Board. The total amount billed to the Center for services rendered during the fiscal year totaled \$1,210,147, and the amount due to LSUHSC at year-end was \$246,538, which is included in accounts payable.

**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, 2019**

NOTE N - RELATED PARTIES - Continued

LSUHSC through its auxiliary stores and contract services, conveniently and economically provides goods and services (including research equipment, office and computer supplies and information technology-related services) to the Center, which supports the mission of the Center. LSUHSC auxiliary stores also acts as the Center's agent for the procurement of certain research equipment on behalf of the Center. The total amount billed by LSUHSC for goods and services provided to the Center totaled \$216,400 during the fiscal year and the amount due to LSUHSC at year-end was \$17,742, which is included in accounts payable.

Tulane University Health Sciences Center

As management, two members of TUHSC are on the governing board of the Center. TUHSC's Senior Vice President and Dean for the School of Medicine served as the Center's Chairman of the Board for the fiscal year ended June 30, 2019. The other TUHSC position was held by the Medical Director and Assistant Dean for Oncology for the Tulane Cancer/Medical Center.

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 totaled \$2,769,878, and the amount due to TUHSC at year-end was \$643,556, which is included in accounts payable.

Xavier University of Louisiana

As management, one member of XULA is on the governing board of the Center. XULA's Special Assistant to the President served as Board member for the Center's Board for the fiscal year ended June 30, 2019.

As grantee, XULA 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 was \$483,984 and the amount due to XULA at year-end was \$180,298, which is included in accounts payable.

Ochsner Health System

As management, one member of OHS is on the governing board of the Center. OHS's Executive Vice President and Chief Academic Officer served as members of the Center's Board for the fiscal year ended June 30, 2019. There were no services rendered to the Center from OHS during the fiscal year, and no amounts were due to OHS at year-end.

SUPPLEMENTAL INFORMATION

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

**STATEMENT OF REVENUES AND EXPENSES BY PROGRAM
For the Year Ended June 30, 2019**

	<u>Research Program</u>	<u>Cessation Program</u>	<u>Louisiana Cancer Strategy Program</u>	<u>Fund Raising</u>	<u>Property and Equipment</u>	<u>Total</u>
REVENUE						
Operating support and grants	\$ 14,589,927	\$ 4,726,830	\$ 125,000	\$ -	\$ -	\$ 19,441,757
Lease income	2,956,178	-	-	-	-	2,956,178
Fundraising	-	-	-	218,259	-	218,259
Other income	<u>57,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,449</u>
Total Operating Revenue	<u>17,603,554</u>	<u>4,726,830</u>	<u>125,000</u>	<u>218,259</u>	<u>-</u>	<u>22,673,643</u>
EXPENSES						
Salaries	688,231	132,389	-	16,402	-	837,022
Taxes and benefits	164,857	28,261	-	-	-	193,118
Professional services	239,476	1,689	103,677	5,300	-	350,142
Operating services	3,051,391	144,905	-	-	-	3,196,296
Supplies	45,414	-	-	1,983	-	47,397
Travel & meeting expenses	5,666	-	7,705	12,077	-	25,448
Depreciation	-	-	-	-	3,635,529	3,635,529
Other expenses	27,238	7,333	-	15,494	-	50,065
Research expenses	4,795,782	-	-	-	-	4,795,782
Cessation expenses	-	4,656,990	-	-	-	4,656,990
Fundraising expenses	-	-	-	77,266	-	77,266
Capitalized property and equipment	<u>57,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,140)</u>	<u>-</u>
Total Expenses	<u>9,075,195</u>	<u>4,971,567</u>	<u>111,382</u>	<u>128,522</u>	<u>3,578,389</u>	<u>17,865,055</u>
NON-OPERATING REVENUE						
(EXPENSES)						
Investment returns	347,781	74,189	67	13,678	-	435,715
Unrealized gains on investments	<u>178,561</u>	<u>63,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,903</u>
Total Non-operating Revenue	<u>526,342</u>	<u>137,531</u>	<u>67</u>	<u>13,678</u>	<u>-</u>	<u>677,618</u>
Increase (Decrease) in Net						
Assets	9,054,701	(107,206)	13,685	103,415	(3,578,389)	5,486,206
Net assets, beginning of year	<u>22,049,438</u>	<u>6,468,148</u>	<u>11,860</u>	<u>849,967</u>	<u>91,807,920</u>	<u>121,187,333</u>
Net assets, end of year	<u>\$ 31,104,139</u>	<u>\$ 6,360,942</u>	<u>\$ 25,545</u>	<u>\$ 953,382</u>	<u>\$ 88,229,531</u>	<u>\$ 126,673,539</u>
Net Assets at End of Year						
Donor Restricted For:						
Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 88,229,531	\$ 88,229,531
Purpose restrictions only						
Cancer research program	20,065,069	6,360,942	25,545	-	-	26,451,556
Maintenance reserve account	7,487,882	-	-	-	-	7,487,882
Unrestricted	<u>3,551,188</u>	<u>-</u>	<u>-</u>	<u>953,382</u>	<u>-</u>	<u>4,504,570</u>
	<u>\$ 31,104,139</u>	<u>\$ 6,360,942</u>	<u>\$ 25,545</u>	<u>\$ 953,382</u>	<u>\$ 88,229,531</u>	<u>\$ 126,673,539</u>

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

SUPPLEMENTARY INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD**

For the Year Ended June 30, 2019

Agency Head Name: - Sven Davisson
Position: Chief Administrative Officer

Salary	\$ 218,014
Insurance benefits: health, life, dental, disability	\$ 10,469
Retirement benefits	\$ 19,622
Reimbursements: conferences, meetings, mileage	\$ <u>2,983</u>
	\$ <u><u>251,088</u></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

INDEPENDENT AUDITOR'S 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*

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, in accordance with the 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, the financial statements of Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center (a nonprofit organization) which comprise the statement of financial position as of June 30, 2019 and the related statements of activities, functional expenses, and cash flows and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 16, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 (internal control) to determine the audit procedures that are appropriate in the circumstances 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. 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.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for an other purpose.

This report is intended for the information of the Board of Directors, management, the Louisiana Legislative Auditor, the State of Louisiana, and pass-through agencies, 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 Louisiana Legislative Auditor as a public document.

Cassio & Schmidt, LLC

Metairie, Louisiana
September 16, 2019

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

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2019

A. Summary of Auditor's Results

1. The auditor's report expressed an unmodified 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.

**DIVISION OF ADMINISTRATION, OFFICE OF STATEWIDE REPORTING
AND ACCOUNTING POLICY'S ANNUAL FISCAL REPORT**

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

AGENCY: 20-15A - LA Cancer Research Center of Louisiana State University Health Sciences Center in New Orleans/Tulane Health Sciences Center

PREPARED BY: Deborah Reeder

PHONE NUMBER: 504-210-1030

EMAIL ADDRESS: dreeder@lrcr.info

SUBMITTAL DATE: 09/06/2019 03:29 PM

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	18,149,250.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	12,652,745.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	6,189,496.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	2,448,471.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	1,671,126.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	128,336.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	\$41,239,424.00

NONCURRENT ASSETS:

RESTRICTED ASSETS:

CASH	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	671,808.00
BUILDINGS AND IMPROVEMENTS	84,531,711.00
MACHINERY AND EQUIPMENT	3,026,012.00
INFRASTRUCTURE	0.00
INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	\$88,229,531.00
TOTAL ASSETS	\$129,468,955.00

DEFERRED OUTFLOWS OF RESOURCES

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVES	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	0.00
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

AGENCY: 20-15A - LA Cancer Research Center of Louisiana State University Health Sciences Center in New Orleans/Tulane Health Sciences Center
 PREPARED BY: Deborah Reeder
 PHONE NUMBER: 504-210-1030
 EMAIL ADDRESS: dreeder@lcre.info
 SUBMITTAL DATE: 09/06/2019 03:29 PM

TOTAL DEFERRED OUTFLOWS OF RESOURCES **\$0.00**

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES **\$129,468,955.00**

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUALS	2,698,144.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	0.00
OTHER CURRENT LIABILITIES	1,127.00

CURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	53,093.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	\$2,752,364.00

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	43,052.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
TOTAL OPEB LIABILITY	0.00
NET PENSION LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00
TOTAL LONG-TERM LIABILITIES	\$43,052.00
TOTAL LIABILITIES	\$2,795,416.00

DEFERRED INFLOWS OF RESOURCES

ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVES	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGATION	0.00
LOAN ORIGATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	0.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	0.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

AGENCY: 20-15A - LA Cancer Research Center of Louisiana State University Health Sciences Center in New Orleans/Tulane Health Sciences Center

PREPARED BY: Deborah Reeder

PHONE NUMBER: 504-210-1030

EMAIL ADDRESS: dreeder@lrcr.info

SUBMITTAL DATE: 09/06/2019 03:29 PM

NET POSITION:

NET INVESTMENT IN CAPITAL ASSETS	88,229,531.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	34,443,584.00
UNRESTRICTED	\$4,000,424.00
TOTAL NET POSITION	\$126,673,539.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

AGENCY: 20-15A - LA Cancer Research Center of Louisiana State University Health Sciences Center in New Orleans/Tulane Health Sciences Center
PREPARED BY: Deborah Reeder
PHONE NUMBER: 504-210-1030
EMAIL ADDRESS: dreeder@lrcr.info
SUBMITTAL DATE: 09/06/2019 03:29 PM

STATEMENT OF ACTIVITIES

PROGRAM REVENUES				
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
17,865,055.00	3,691,245.00	355,529.00	7,649,290.00	(\$6,168,991.00)

GENERAL REVENUES

PAYMENTS FROM PRIMARY GOVERNMENT	11,655,197.00
OTHER	0.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CHANGE IN NET POSITION	\$5,486,206.00
NET POSITION - BEGINNING	\$121,187,733.00
NET POSITION - RESTATEMENT	(400.00)
NET POSITION - ENDING	\$126,673,539.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

AGENCY: 20-15A - LA Cancer Research Center of Louisiana State University Health Sciences Center in New Orleans/Tulane Health Sciences Center

PREPARED BY: Deborah Reeder

PHONE NUMBER: 504-210-1030

EMAIL ADDRESS: dreeder@lrcr.info

SUBMITTAL DATE: 09/06/2019 03:29 PM

DUES AND TRANSFERS

Account Type		Amount
Amounts due from Primary		
Government	Intercompany (Fund)	
		Total
		\$0.00

Account Type		Amount
Amounts due to Primary		
Government	Intercompany (Fund)	
		Total
		\$0.00

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SCHEDULE OF BONDS PAYABLE

Series Issue	Date of Issue	Original Issue Amount	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	Interest Outstanding CFY
		0.00	0.00	0.00	\$ 0.00	0.00
		Totals	\$0.00	\$0.00	\$0.00	\$0.00

Series - Unamortized Premiums:

Series Issue	Date of Issue	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
		0.00	0.00	\$ 0.00
		Totals	\$0.00	\$0.00

Series - Unamortized Discounts:

Series Issue	Date of Issue	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
		0.00	0.00	\$ 0.00
		Totals	\$0.00	\$0.00

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SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2020	0.00	0.00
2021	0.00	0.00
2022	0.00	0.00
2023	0.00	0.00
2024	0.00	0.00
2025	0.00	0.00
2026	0.00	0.00
2027	0.00	0.00
2028	0.00	0.00
2029	0.00	0.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
Premiums and Discounts	\$0.00	
Total	\$0.00	\$0.00

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Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2018 measurement date for their OPEB valuation)

Benefit payments made subsequent to the measurement date of the **OGB Actuarial Valuation Report** until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported. 0.00

Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits) 0.00

For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2018 - 6/30/2019). This information will be provided to the actuary for the valuation report early next year. 0.00

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2019 for their OPEB valuation report.)

Covered Employee Payroll for the **CURRENT** fiscal year (not including related benefits) 0.00

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FUND BALANCE/NET POSITION RESTATEMENT

Account Name/Description	Restatement Amount
CURRENT LIABILITIES - ACCOUNTS PAYABLE AND ACCRUALS	
Description:	(400.00)
Restatement of Current Liabilities	
Total	\$(400.00)