Office of the Vice Chancellor for Administration and Finance  
April 30, 2017  

Mr. Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
Budget Unit  
Post Office Box 94397  
Baton Rouge, LA 70804  

Mr. Jay Dardenne  
Commissioner of Administration  
Division of Administration  
Post Office Box 94095  
Baton Rouge, LA 70804-9095  

Chairman Eric LaFleur  
Joint Legislative Committee on the Budget  
Post Office Box 44294  
Baton Rouge, LA 70804  

Dear Gentleman:  

Section 18 B. (1) of Act 17 of the 2016 Legislative Session requires that no funds that are appropriated in the Act shall be transferred to a public or quasi-public agency or entity which is not a budget unit of the state unless certain regulatory stipulations are met. In addition, the section further provides that a report is to be provided by May 1st showing compliance with this section. To that end, please find attached the report and related documentation showing compliance with this section by the LSU Health Sciences Center-New Orleans.  

The program and related funds that are applicable to the Section 18 requirements is the LSU/Cancer Research Consortium Cooperative Agreements managed by the LSU Health Sciences Center-New Orleans. The Louisiana Cancer Research Consortium of New Orleans was created during the 2002 Special Session of the Louisiana State Legislature. This Consortium provides a structure in which Tulane University Health Sciences Center, Louisiana State University Health Sciences Center, Xavier University and Ochsner will work together and coordinate cancer research development in preparation for recognition as a National Center institute (NCE) - Designated Cancer Center. During the 2002 Regular Legislative Session, the Legislature passed a 12-cent increase in the tax on a pack of cigarettes, three cents of which would fund infrastructure and cancer research program development for the new consortium and two cents for a smoking cessation program.  

If you have any further questions in regards to the attached documents or need additional information, please do not hesitate to contact me at 225-578-8878.  

Sincerely,  

Wendy C. Simonneaux, CPA, CGFM, CGMA  
Associate Vice Chancellor for Administration and Finance  

433 Bolivar Street, Suite 811 • New Orleans, Louisiana 70112  
Office 504-568-5135 • Fax 504-568-7399 • www.lsuhsc.edu
Compliance with HB1, Section(B)1

<table>
<thead>
<tr>
<th>Program</th>
<th>Reference Document</th>
<th>Compliance with:</th>
<th>Budget with LLA</th>
<th>Performance Reports</th>
<th>Expended Funds</th>
<th>Audit</th>
<th>Goals &amp; Objectives</th>
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<tr>
<td>Cancer Consortium</td>
<td>Attachment 1</td>
<td></td>
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<td>Smoking Cessation Programs</td>
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</table>
Attachment 1
### Louisiana Cancer Research Center
#### Cancer Research
#### Comprehensive Budget
#### Fiscal Year 2016-2017

<table>
<thead>
<tr>
<th>SOURCES OF FUNDS</th>
<th>LSUHSC</th>
<th>TUHSC</th>
<th>XAVIER</th>
<th>Central Scientific</th>
<th>Facilities &amp; Admin*</th>
<th>Shared Services**</th>
<th>Total Cancer Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Grant Revenue</td>
<td>1,205,068</td>
<td>1,205,068</td>
<td>545,571</td>
<td>156,412</td>
<td>6,421,056</td>
<td>355,967</td>
<td>9,889,143</td>
</tr>
<tr>
<td>TOTAL SOURCES OF FUNDS</td>
<td>1,205,068</td>
<td>1,205,068</td>
<td>545,571</td>
<td>156,412</td>
<td>6,421,056</td>
<td>355,967</td>
<td>9,889,143</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USES OF FUNDS</th>
<th>LSUHSC</th>
<th>TUHSC</th>
<th>XAVIER</th>
<th>Central Scientific</th>
<th>Facilities &amp; Admin*</th>
<th>Shared Services**</th>
<th>Total Cancer Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Related Expenses</td>
<td>601,166</td>
<td>736,338</td>
<td>315,583</td>
<td>13,412</td>
<td>998,887</td>
<td>199,242</td>
<td>2,864,328</td>
</tr>
<tr>
<td>Professional Services</td>
<td>52,000</td>
<td>-</td>
<td>-</td>
<td>36,000</td>
<td>1,069,900</td>
<td>6,325</td>
<td>1,153,225</td>
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<tr>
<td>Operating Services</td>
<td>65,000</td>
<td>-</td>
<td>-</td>
<td>85,000</td>
<td>3,162,305</td>
<td>105,200</td>
<td>3,407,505</td>
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<tr>
<td>Supplies</td>
<td>161,037</td>
<td>251,730</td>
<td>59,812</td>
<td>-</td>
<td>86,053</td>
<td>28,200</td>
<td>586,832</td>
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<tr>
<td>Travel &amp; Meetings</td>
<td>64,000</td>
<td>66,500</td>
<td>23,600</td>
<td>8,000</td>
<td>17,000</td>
<td>4,500</td>
<td>183,500</td>
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<tr>
<td>Other Charges</td>
<td>261,865</td>
<td>150,500</td>
<td>94,300</td>
<td>15,000</td>
<td>14,596</td>
<td>-</td>
<td>536,261</td>
</tr>
<tr>
<td>Equipment/Acquisitions</td>
<td>-</td>
<td>-</td>
<td>62,276</td>
<td>-</td>
<td>-</td>
<td>12,500</td>
<td>64,776</td>
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<tr>
<td>Reserve (MRA)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,092,615</td>
<td>-</td>
<td>-</td>
<td>1,092,615</td>
</tr>
<tr>
<td>TOTAL USES OF FUNDS</td>
<td>1,205,068</td>
<td>1,205,068</td>
<td>545,571</td>
<td>156,412</td>
<td>6,421,056</td>
<td>355,967</td>
<td>9,889,143</td>
</tr>
<tr>
<td>NET SOURCES/USES OF FUNDS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent of Total</td>
<td>12%</td>
<td>12%</td>
<td>5%</td>
<td>2%</td>
<td>65%</td>
<td>4%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Facilities & Admin includes - General Admin, Facilities, IT, Security, EHS
**Shared Services budget include funding for the BCL and Vivarium

Comprehensive Budget for FY17: Cancer Research: OCR #804-300411:CFMS #599470
### Exhibit B-16
LCRC Scientific Goals and Objectives
For Fiscal Year 2017

<table>
<thead>
<tr>
<th>Research Capacity:</th>
<th>Grant Totals</th>
<th>New Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>National grants</td>
<td>Maintain current grant funding level</td>
<td>6</td>
</tr>
<tr>
<td>NIH Qualifying</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other grants</td>
<td>Increase funding from other sources by $250,000</td>
<td>3</td>
</tr>
<tr>
<td>Programmatic Faculty Members</td>
<td>Increase Programmatic Faculty Members by 5%</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Research Productivity:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Publications</td>
<td>Increase cancer publications by 5%</td>
</tr>
<tr>
<td>Presentations</td>
<td>Encourage faculty to present at approximately 10% more meetings.</td>
</tr>
<tr>
<td>Honors and Awards</td>
<td>Have significant honors or awards for Programmatic Faculty to demonstrate faculty research recognition</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Clinical Trial Accrual:</th>
<th>Therapeutic:</th>
<th>Prevention:</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIH clinical trials</td>
<td>200</td>
<td>67</td>
</tr>
<tr>
<td>Pharmaceutical Clinical Trials</td>
<td>38</td>
<td>6</td>
</tr>
<tr>
<td>Investigator Initiated Trials</td>
<td>62</td>
<td>117</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Research Stimulation:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Seminars</td>
<td>Host 28 external visiting scientists to interact with faculty and give seminars.</td>
</tr>
<tr>
<td>Retreat</td>
<td>Hold a day-long scientific retreat for the entire LCRC faculty.</td>
</tr>
<tr>
<td>Program Meetings</td>
<td>Hold at least 25 smaller Programmatic faculty meetings</td>
</tr>
<tr>
<td>Leadership Meetings</td>
<td>Hold monthly leadership meetings to discuss cross-disciplinary research initiatives, synergies and collaborations.</td>
</tr>
<tr>
<td>Intramural Grants</td>
<td>Award minimum of 6 Start Up, Seed and/or Bridge grants to LCRC faculty</td>
</tr>
</tbody>
</table>

**LCRC-Supported Core Usage:**

- **Biospecimen**: At least 350 tumor samples added to biospecimen collection and 50 distributed for research projects.
- **FACS Core**: 250 hours of usage for approximately 24 faculty
- **Immunology Core**: 300 hours of usage for approximately 20 faculty
- **DNA Sequencing Core**: Process 500 samples for approximately 20 faculty
- **Major Instrumentation Core**: 2518 hours of usage for approximately 19 faculty during period.
- **Molecular Structure and Modeling Core**: 3843 hours of usage for approximately 8 faculty during period.
- **Cell and Molecular Biology Core**: 994 hours of usage for approximately 11 faculty during period

### Outreach:

- **Community Outreach & Education**: Provide a presence at community and public relations meetings of cancer support
- **Fundraising**: Facilitate the efforts of organizations raising funds for LCRC research

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Comprehensive Budget for FY17: Cancer Research: OCR #604-300411:CFMS #699470

1
Attachment 2
Office of State Procurement
PROACT Contract Certification of Approval

This certificate serves as confirmation that the Office of State Procurement has reviewed and approved the contract referenced below.

Reference Number: 440007436 (16)  
Vendor: Louisiana Cancer Research Consortium  
Description: FY16/17 appropriated funds for the tobacco research program for state  
Approved By: Pamela Rice  
Approval Date: 9/16/2016

Your amendment that was submitted to OSP has been approved.
SIXTEENTH AMENDMENT TO THE COOPERATIVE ENDEAVOR AGREEMENT

BETWEEN

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY
AND AGRICULTURE AND MECHANICAL COLLEGE,
LOUISIANA STATE UNIVERSITY HEALTH SCIENCES CENTER
IN NEW ORLEANS

AND THE

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

Change #1

On page 3, under Section IV Payments, add: The maximum amount payable, inception to date, for the research program is $152,456,778.

Change #2

On page 3, under Section IV Payments, add: The appropriated funds for fiscal year 2016-2017 are $9,889,143.

Change #3

Add Exhibit A-16 to show the amended comprehensive budget for the fiscal year 2016-2017.

Change #4

Add Exhibit B-16 to show the amended goals and objectives and performance indicators for the fiscal year 2016-2017.

All other terms and conditions shall remain the same.
IN WITNESS WHEREOF, the parties hereto have caused these present to be executed by their respective officers thereunto duly authorized as of July 1, 2016.

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY & AGRICULTURE AND MECHANICAL COLLEGE

By: F. King Alexander, Ph.D., President
Louisiana State University

LOUISIANA STATE UNIVERSITY HEALTH SCIENCES CENTER NEW ORLEANS

By: Larry H. Hollier, M.D., Chancellor

LOUISIANA CANCER RESEARCH CENTER OF LSUHSC IN NEW ORLEANS/TULANE HEALTH SCIENCES CENTER

By: L. Lee Hamm, MD
Chairman, LCRC
Senior Vice President & Dean, Tulane University School of Medicine

By: Larry H. Hollier, MD
Vice Chairman, LCRC

By: Mr. Sven Davissen
Chief Administrative Officer, LCRC
August 5, 2016

Ms. Pamela Barta Rice, Assistant Director
Office of State Procurement, Professional Contracts
Division of Administration
P.O. Box 94095
Baton Rouge, LA 70804-9095

Re: Amendment #16 to the Cooperative Endeavor between LSUHSC and the Louisiana Cancer Research Center of LSUHSC/Tulane Health Sciences Center. (Research Program)

Dear Ms. Rice:

The enclosed amendment to the cooperative endeavor is being submitted to your office for review and approval in accordance with R.S. 39:1551 et seq. The agreement is between LSUHSC and the Louisiana Cancer Research Center of LSUHSC in New Orleans/Tulane Health Sciences Center (Cancer Consortium). The amendment increases funding in the amount of $9,889,143 for the FY 2016-2017 appropriation; thereby, increasing the maximum amount payable to date to $152,456,778.00. The comprehensive annual budget is incorporated as Exhibit A-16 and the statement of goals, objectives and performance measures are specified in Exhibit B-16. The agreement will continue to provide funding in order to facilitate the operation, research support, and promotion of education in the diagnosis, detection and treatment of cancer in pursuit of obtaining a National Cancer Institute designation for the Cancer Consortium.

Pursuant to the guidelines set forth by OSP regarding Act 87, please see our justification for this cooperative endeavor amendment being of a “non-discretionary” purpose. There are no state general funds or over-collections funds being utilized; therefore, this contract will not require JLCB review and approval. This agreement falls under non-discretionary for the following reasons:

7. Contracts for services which are funded by an appropriation from the Legislature to a specific entity (HB1).

9. Contracts necessary to comply with constitutional, legislative or regulatory mandates:
   - La. R.S. 17:1921 et.seq – creation of the Cancer Center in accordance with 17:3390B as a private, non-public corporation, for the primary function of conducting medical research and promoting education in the diagnosis, detection and treatment of the disease of cancer;
- La. R.S. 47:841.1 - in order to provide funding for the Cancer Center, the Louisiana Legislature created the Tobacco Tax Health Care fund; an annual appropriation by the Legislature and pursuant to R.S. 47:841.1C shall be used solely for the purposes of funding the creation of smoking prevention mass media programs and evidence-based tobacco control programs, etc.

We have notated on the BA-22 sent that this contract is being funded via statutory dedication as certification of the funding source.

Pursuant to Executive Order BJ-2015-11, LSUHSC-NEW ORLEANS will continue to expend funds from Statutory Dedicated funds for the following reasons:
- These funds are for a specific purpose, and can be used for no other purpose.
- All essential budget activities which are expressly and directly mandated by the constitution, existing court orders, existing cooperative endeavor agreements, or existing bona fide obligations; and
- All budget activities associated with Schedule 19A Higher Education.

Please let us know if you find that this suffices the new requirements, require anything else or have any further questions.

Upon approval of said contract, please return it to the attention of: Mary Lapworth, Contract Management, 533 Bolivar Street, Room 323, New Orleans, LA 70112. Your cooperation in this regard is greatly appreciated.

Sincerely,

Larry Hollier, MD
Chancellor
STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
BA-22 (REV. 09/2005)

Date: 8/4/2016
Agency Name: LSU Health Sciences Center in New Orleans
Agency BA-22 #: 440007436

Fiscal Year for this BA-22: 2016-2017
BA-22 Start/End Dates: 07/01/16 - 06/30/17

Multi-year Contract (Yes/No): Yes
If "Yes", provide contract dates:
10/01/02 - 06/30/20

LSUHSC/Tulane Health Sciences Center (Cancer Consortium)
(Contractor/Vendor Name)
(Contractor/Vendor No.)

To provide funding in order to facilitate the operation, research support, and promotion of education in the diagnosis, detection, and treatment of cancer in pursuit of obtaining a National Cancer Institute designation for the Cancer Consortium.

Contract Amendment (Yes/No): YES
Amendment Start/End Dates: 07/01/16 - 06/30/17

Contract Cancellation (Yes/No): No
Date of Cancellation:

Amendment for the legislative approved reduction to FY15.16 LCRC funds
(Provide rationale for amendment or cancellation)

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MEANS OF FINANCING

<table>
<thead>
<tr>
<th>MEANS OF FINANCING</th>
<th>CURRENT YEAR</th>
<th>%</th>
<th>TOTAL CONTRACT</th>
<th>%</th>
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</thead>
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<td>0.0%</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Interagency Transfers</td>
<td>$0</td>
<td>0.0%</td>
<td>$0</td>
<td>0.0%</td>
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<tr>
<td>Fees and Self Gen.</td>
<td>$0</td>
<td>0.0%</td>
<td>$0</td>
<td>0.0%</td>
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<tr>
<td>Statutory Dedication</td>
<td>$9,889,143</td>
<td>100.0%</td>
<td>$152,456,778</td>
<td>100.0%</td>
</tr>
<tr>
<td>Federal</td>
<td>$0</td>
<td>0.0%</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>$9,889,143</td>
<td>100.0%</td>
<td>$152,456,778</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Specific Source Identification (i.e. grant name, fund name, JAT funding, agency and program source, income type and source, etc.)
Are revenue collections for funds utilized above in line with budgeted amounts? (Yes/No)
Yes

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This information is to be provided at the Agency Level

Name of Object Code/Category: Medical and Dental
Object Code/Category Number: 3440
Amount Budgeted: $152,456,778
Amount Previously Obligated: $142,567,635
Amount this BA-22: $9,889,143
Balance: $0

The approval of the aforementioned contract will not cause this agency to be placed in an Object Category deficit.

Agency Contact: LSU Health Sciences Center
Name: Mary Lepworth
Title: Contracts Admin.
Phone: 504-566-2763

Reviewed/Approved By:
Name: Wendy Simonet
Title: Vice Chancellor for Administration & Finance
Phone: 504-566-5135

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FOR AGENCY USE ONLY

AGENCY PROGRAM ACTIVITY ORGANIZ. OBJECT REPT CAT AMOUNT
Attachment 3
Louisiana Cancer Research Center

Cancer Research
OCR 604-300411: CFMS 599470

Semiannual Report
July 1, 2016 – December 30, 2016

A partnership of LSU Health Sciences Center in New Orleans, Tulane Health Sciences Center, Xavier University of Louisiana, and Ochsner Health Systems
Semi-Annual Progress Report Narrative
July 1, 2016 – December 31, 2016

The Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center (LCRC) was legislatively created in 2002, with the primary purpose of conducting research and promoting education in the diagnosis, detection, and treatment of cancer, in its pursuit of obtaining a National Cancer Institute (NCI) designation. The two components of LCRC are the Cancer Research Component and the Cessation Component. As required by statute and pursuant to the Cancer Research CEA, OCR #604-300411, CFMS #599470 as amended, LCRC is required to submit semiannual progress reports which summarize its activities and outline the objectives achieved during a prescribed period. This report is designed to fulfill this requirement for the period ended December 31, 2016.

Cancer Research Programs

- Despite unprecedented competition, LCRC faculty across the member institutions was awarded 8 new qualifying grants during this reporting period.
- Additionally, the LCRC recruited 4 new cancer research faculty members during this period. These scientists, some of whom will be relocating to our area, bring with them additional grant support and laboratory personnel, who will become active wage earners and contributors to the area economy.
- Scientific publications and presentations at national and international meetings are indicators of academic esteem, productivity and progress. During this reporting period, LCRC faculty published a total of 176 scientific publications in peer-reviewed academic journals, 16 of which were inter-institutional joint publications (those including authors from multiple LCRC partner institutions), an indicator of increased collaboration among LCRC faculty.
- Additionally, our faculty members were invited to give 80 poster or podium presentations at prestigious scientific meetings of their peers across the globe over the past six months.
- Many granting agencies utilize Study Sections to help direct where all important and much sought after grant dollars will be invested. When our faculty members are invited to participate in Study Sections, they are helping to steer financial research support to those projects that appear most capable of bringing us all closer to new discoveries and new cures. They are helping to influence the direction of our collective scientific progress a prestigious honor. During this reporting period, LCRC faculty members participated in 9 Study Sections, both at the federal level and for other non-governmental granting agencies.
- A robust, responsive clinical research program that serves the needs of our catchment area will be one of the criteria the National Cancer Institute will utilize
when considering the LCRC for comprehensive cancer center designation. Therefore, continued development and growth of our clinical research enterprise is the goal. The LCRC partner institutions involved in clinical research enrolled a total of **153 patients in therapeutic cancer trials** and **114 in cancer prevention trials** during this reporting period. Of the therapeutic trial accruals, 133 were in NIH trials, 14 were in pharmaceutical trials, and 6 were in investigator-initiated trials conceived by LCRC clinical faculty members. Additionally, **24 patients were enrolled into observational NIH trials**.

- In an effort to fulfill the goal of fostering and maximizing opportunities for scientific collaboration, the LCRC supports a number of initiatives. Through our invited speaker series, **13 seminars** featuring prominent cancer scientists from all over the world were held during this reporting period. LCRC faculty from all partner institutions and others attend these seminars, where they can discuss the presentations not only with the invited speakers, but also among themselves, perhaps initiating new collaborations.

- Another major collaborative initiative is the Annual LCRC Scientific Retreat, during which scientists from each of the partner institutions gather to present their data and discuss their projects. Planning is well underway for the **2017 retreat, scheduled to take place on Friday, March 10, 2017**.

- One of the major services a cancer center provides its researchers is access to state-of-the-art Core facilities stocked with the latest scientific equipment that they can utilize to gather the data they need to write successful manuscripts, compete for grants, etc. Cores allow researcher's access to expensive machinery that few if any individual labs could afford on their own. The LCRC partner institutions support several Core facilities that are utilized by faculty members across the partnership. During this reporting period, **132 researchers utilized Cores facilities for approximately 9,155 total hours**.

- The LCRC's Tissue Procurement and Biospecimen Core Facility collects high-quality samples of normal and diseased human material (e.g., whole blood, cellular blood components, plasma, urine, body fluids, DNA, and tumor tissue and cells) with appropriate clinical data and makes this material available to qualified LCRC researchers while ensuring informed consent, safety, donor anonymity, and that all regulatory safeguards are in place. Over the last six months, 255 tissue samples were added to the Biospecimen Core collection and 489 were distributed for research projects. LCRC's Biospecimen Core was also featured in 6 LCRC supported research project presentations and credited in 9 LCRC supported publications.
Administrative & Governance

This reporting period continues a period of change and growth for LCRC and its leadership in pursuit of a new refined direction.

- In August, 2016 Ms. Carroll Suggs and Ms. Pam Ryan were reelected and will serve additional terms as Board Members of the LCRC.
- In December, 2016 Mr. Walter Leger, Jr. was elected to the Board of the LCRC. He was nominated by Chairman Lee Hamm, M.D. to replace former community member Ashton Ryan who retired from the board last year.
- Efforts began during this reporting period to complete a major "rebranding" of the LCRC. Rebranding activities include the creation of a new logo, a new branding identity system and a complete restructuring of LCRC's website. Although the new logo has already been favorably received by the LCRC Board, and the logo has been used in print, the comprehensive branding initiative is expected to be rolled out by the end of the fiscal year.
- Construction of the two new floors (Phase II) was completed during this fiscal year. Unfortunately LCRC experienced a temporary setback which delayed move-in. LCRC anticipates move-in and operations of the two floors will take place prior to the end of the fiscal year ending June 30, 2017.
- One of the major infrastructure projects completed during this period as a part of the Phase II construction project was the relocation of the Main Telecom Room (MTR), which also included the upgrading of the equipment. The new MTR is located on the newly constructed 5th floor in a larger more efficient space with conditions that are now significantly more physically secure and environmentally safe; free from variant temperature and humidity issues. The equipment was upgraded to include Dell hardware and Cisco (as opposed to HP) networking equipment. The upgrade was necessary for expansion purposes as well as for the stabilization and future support of the IT infrastructure. Since the existing equipment was at end-of-sale, the availability of components and parts are already scarce. Given the critical and sensitive nature of LCRC activity, it was imperative to invest in more efficient, state-of-the-art IT equipment and space.
- Another important initiative related to the build-out was the assessment of the original security equipment and overall security system. This assessment resulted in the selection of a new security system (S2), the addition and/or relocation of security cameras and the installation of a fence around the perimeter of LCRC's surface lot. The implementation of the new system was completed during this reporting period. As a next step, LCRC has begun looking into enhancing its security staffing and have engaged the partner institutions to provide assistance, not limited to additional back-up security measures. LCRC's review of its security program is ongoing.
Financial Summary

- The fiscal year ending June 30, 2016 officially closed with the completion of the State required financial audit and comprehensive annual financial report (CAFR) which were submitted to the State of Louisiana by the contractual due date of August 30, 2016. This year, the LCRC received yet another clean unmodified opinion on its financial statements; with no management letter, questioned costs or findings. LCRC has received clean financial audits every year since its commenced business in fiscal year 2003. LCRC ended fiscal year 2016 with $123M in net assets compared to $115M last year; representing an approximate $8M or (7%) increase in net assets. This increase is due to the construction-in-progress and equipment assets; a slight decrease in expenses, with an overall offset by depreciation of the building and previously purchased equipment. The audit was formerly presented to the Board and adopted at its September, 2016 meeting.

- At the end of fiscal year, 2016 LCRC collected (realized) only 85% of its state appropriated budget, a shortfall totaling $2.4M ($1.4M Research; $1M Cessation) of its total $16.4M budget. Although LCRC still maintains a healthy overall financial position, the unexpected shortfall did impact LCRC, resulting in delayed and/or suspended execution of facility related contracts and a setback for fully funding its Maintenance Reserve Account (MRA). Fortunately, as in previous years, LCRC avoided a direct negative impact to its scientific programs. LCRC continues its sound finance and business practices which are critical in safeguarding against these unforeseen events.

- Phase II of the LCRC construction project reached substantial completion during this reporting period. This phase includes the build out of two additional floors, including one floor dedicated to clinical research activities and an additional lab floor dedicated to cancer research. A total of $288K was invested this period toward the build-out of the two floors, bringing the total invested to date in the LCRC facility to approximately $99M. A generous state capital outlay grant largely funded the construction project.

- Spending on "state of the art" research equipment for this reporting period totaled $1.2M, resulting in an investment to date total of $9.1M. Specialized research equipment procured this period includes an IScan Illumina System and a Liquid Chromatography for use by LCRC researchers.

- Spending for this period, on cancer research program activities, including program development and shared resources $1.6M or 33% of the total spent this period. Although, investment in programs has increased over the same period last year, the proportion of operations to program spending is still significantly higher than in previous years due to the high cost of operating the LCRC building. However, it is important to note that major activities classified as operations, directly support the research activity at LCRC. This includes EHS and some IT activities. The total amount spent this period was $4.4M with $500K reserved for major maintenance.

- LCRC continues to show its commitment to its core mission, which is supporting cancer research, education, and patient care in pursuit of an NCI designation. The operation of the state-of-the-art research facility and the investment in equipment are
crucial to fostering program integration and collaboration amongst the LCRC partners, and are also key elements in facilitating ongoing recruitment activities in pursuit of NCI designation.
Louisiana Cancer Research Center
Board of Directors

Dr. L. Lee Hamm, III, Chairman
Senior Vice President and Dean
Tulane University School of Medicine

Dr. Larry Hollier, Vice Chairman
Chancellor
LSU Health Sciences Center-New Orleans

Ms. Barbara Goodson, Secretary/Treasurer
Deputy Commissioner of Administration
State of Louisiana

Dr. Gene D’Amour
Special Assistant to the President
Xavier University of Louisiana

Mr. Terrance Ginn
Associate Commissioner for Finance & Administration
Louisiana Board of Regents

Mr. Walter Leger, Jr.
Senior Partner
Leger & Shaw

Dr. Steve Nelson
Dean, School of Medicine
LSU Health Sciences Center–New Orleans

Ms. Pamela Ryan

Dr. Oliver Sartor
Medical Director & Associate Director for Clinical Programs
Tulane Cancer Center, Tulane University School of Medicine

Ms. Carroll Suggs

Mr. Paige Sensenbrenner
Board Counsel
Adams and Reese, LLP
Scientific Leadership

Dr. Augusto Ochoa, Co-Director, LCRC
Director, Stanley S. Scott Cancer Center
LSU Health Sciences Center-New Orleans

Dr. Prescott Deininger, Co-Director LCRC
Director, Tulane Cancer Center
Tulane University, School of Medicine

Dr. Thomas Wiese, Associate Director, LCRC
Associate Professor
Xavier University of Louisiana

Dr. John Cole, Associate Director, LCRC
Chairman, Hematology & Oncology
Ochsner Health System

Administrative Leadership

Mr. Sven Davisson, CRA
Chief Administrative Officer/Interim Chief Executive Officer

Ms. Deborah Reeder
Chief Financial Officer

Ms. Vanessa Pittman
Executive Assistant
**LCRC Scientific Goals and Objectives**  
**Semi-Annual Report Statistics**  
July 1, 2016 - December 31, 2016

<table>
<thead>
<tr>
<th>Research Capacity:</th>
<th>New Grants</th>
</tr>
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<tbody>
<tr>
<td>New NIH Qualifying grants awarded in period</td>
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<tr>
<td>Faculty Members Recruited</td>
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<table>
<thead>
<tr>
<th>Research Productivity:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Publications</td>
<td>176</td>
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<tr>
<td>Presentations</td>
<td>90</td>
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<tr>
<td>Honors and Awards</td>
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<tr>
<td>Study Sections</td>
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</table>

<table>
<thead>
<tr>
<th>Clinical Trial Accrual:</th>
<th>Therapeutic:</th>
<th>Prevention:</th>
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</thead>
<tbody>
<tr>
<td>NIH clinical trials</td>
<td>133</td>
<td>24</td>
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<tr>
<td>Pharmaceutical Clinical Trials</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Investigator Initiated Trials</td>
<td>6</td>
<td>88</td>
</tr>
</tbody>
</table>

**Research Stimulation:**  
Research Seminars: 13

**Scientific Retreat**  
LCRC hosts one annual research retreat which is held in the spring of every year. The retreat is scheduled for March 10, 2017.

**Program Meetings**  
84

**LCRC-Supported Core Usage:**  
Cellular Immunology and Immune Metabolism Core: 550 Hours, 27 Researchers
Molecular Histopathology and Analytical Microscopy Core: 713 Hours, 14 Researchers
Translational Genomics Core: 1450 Hours, 30 Researchers
FACS Core: 112 Hours, 21 Researchers
Major Instrumentation Core: 5200 Hours, 20 Researchers
Molecular Structure & Modeling Core: 530 Hours, 5 Researchers
Cell & Molecular Biology Core: 600 Hours, 15 Researchers
Biospecimen Core Lab: 165 new patients processed, 10 studies supported
<table>
<thead>
<tr>
<th>Program</th>
<th>PI</th>
<th>Specific Funding Source</th>
<th>Project Number</th>
<th>Project Start Date</th>
<th>Project End Date</th>
<th>Project Title</th>
<th>Annual Project Direct Costs</th>
<th>Annual Project Total Costs</th>
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<tbody>
<tr>
<td>LSUHSC</td>
<td>Rakesh Srivastava</td>
<td>NIH</td>
<td>1RO1AA02698-01</td>
<td>9/5/2016</td>
<td>6/30/2021</td>
<td>Alcohol Carcinogenesis</td>
<td>225,000</td>
<td>328,500</td>
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<tr>
<td>LSUHSC</td>
<td>Zhiqiang Qin</td>
<td>Lukemia Research Foundation</td>
<td></td>
<td>7/1/2016</td>
<td>6/30/2017</td>
<td>The role of amino acid transporter, xCT, in HIV-associated lymphoma pathogenesis</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>TUHSC</td>
<td>Lu, Hua</td>
<td>National Institutes of Health</td>
<td>1R21CA201889-01A1</td>
<td>9/1/2016</td>
<td>8/31/2018</td>
<td>Role of TFIIS,h in regulation of p53 responsive apoptosis and tumor suppression</td>
<td>130,500</td>
<td>196,403</td>
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<td>TUHSC</td>
<td>Machado, Heather</td>
<td>Susan Komen Foundation</td>
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<td>6/30/2017</td>
<td>Targeting Axl in ductal carcinoma in situ</td>
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<td>120,000</td>
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<tr>
<td>TUHSC</td>
<td>Gragert, Loren</td>
<td>Office of Naval Research</td>
<td>554901</td>
<td>10/1/2016</td>
<td>9/30/2017</td>
<td>HLA Bioinformatics Project</td>
<td>30,578</td>
<td>46,020</td>
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<tr>
<td>TUHSC</td>
<td>Persepelitsa, Victoria</td>
<td>Board of Regents Support Fund</td>
<td>553421</td>
<td>7/1/2016</td>
<td>6/30/2017</td>
<td>Transposons as a driving force of genomic instability induced by light exposure at night</td>
<td>40,806</td>
<td>47,258</td>
</tr>
<tr>
<td>TUHSC</td>
<td>Persepelitsa, Victoria</td>
<td>Edward G. Schlieder Educational Foundation</td>
<td>554947</td>
<td>11/1/2016</td>
<td>10/31/2017</td>
<td>The Effect of Tumor Suppressors on L1 Retrotransposition Invivo</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Xavier</td>
<td>Anup Kundu</td>
<td>National Institute of General Medical Sciences (NIGMS)</td>
<td>8P20GM103424</td>
<td>9/1/2016</td>
<td>4/30/2017</td>
<td>'Formulation of a targeted nanoparticle system for the treatment of breast cancer</td>
<td>50,000</td>
<td>72,794</td>
</tr>
</tbody>
</table>

**Total:** 746,884 960,975
LCRC Faculty Recruits for Reporting Period Ending 12/31/16

Dr. Rakesh Srivastava-Professor
Dr. Srivastava earned his Ph.D. from the University of Guelph, Ontario, Canada in 1991, in the field of Endocrinology. He has a broad background in carcinogenesis, cell signaling, cancer prevention and therapy, drug discovery and development and applied to the areas of pharmacology, cancer treatment and cancer prevention.

Dr. Sharmila Shankar – Associate Professor
Dr. Shankar earned her Ph.D. from the University of Mumbai, India in 1999 in the field of Chemistry. She has extensive experience in pancreatic cancer and research utilizing KrasG12D mice models and has examined the efficacy of various anticancer drugs and chemopreventive agents in vitro and in vivo.

Drs. Srivastava and Shankar are part of a faculty team recruited to the LSU Cancer Center. LCRC through its LSU Cancer Center program, contributed $1,532,700 to the package.

Dr. Yaguang Xi, M.D. Ph.D. - Professor
Dr. Xi received his M.D. at the Inner Mongolia Medical University, Department of Surgery, China in 1996. He practiced as a surgeon prior to earning his Ph.D. from Peking University School of Oncology, China, in 2003, where he received the Outstanding Doctoral Dissertation Award, and trained as a postdoctoral fellow in the areas of cancer biology, genetics, genomics, and translational research. A total of $800,000 was allocated to the package for Dr. Yaguang Xi.

Dr. Samrat Dutta - Assistant Professor Chemistry
Dr. Samrat Dutta is a new faculty who joined the Department of Chemistry at Xavier University as an Assistant Professor fall 2016. Previously, he served as an Ellen Williams Distinguished Postdoctoral Fellow at University of Maryland and as a Co-Principal Investigator at the University of Pittsburgh. He obtained a doctoral degree in Physical Chemistry from the University of Iowa and has a dual master’s degree in Physical Chemistry and Polymer Sciences. Dr. Dutta has a Startup package from LCRC for $50,000 per year. Pending satisfactory progress, his start up package will be renewed for up to 3 years, for a total of $150,000.
Cancer Related Publications for LCRC Members
Period: 7/1/16 – 12/31/16

LSU Cancer Center - Faculty Member Publications


* Bonsignore L, Passelli K, Pelzer C, Perroud M, Konrad A, Thurau M, Sturzl M, Dai L, Trillo-Tinoco J, Del Valle L, Qin Z, Thome M. A Role For MALT1 Activity In Kapoili’s Sarcoma-Associated Herpesvirus Latency And Growth Of Primary Effusion Lymphoma. Leukemia. 2016 Aug 19 CS = 6.43


Milosavljevic T, Hall MA, Del Valle L. Angiogenic Gene Expression In Primary Neuroendocrine Tumors And Their Metastases. J Clin Oncol. 34; 2016. CS = 9.81


Lam BQ, Dai L, Qin Z. The Role Of HGF/c-MET Signaling Pathway In Lymphoma. J Hematol Oncol. 2016 Dec 7;9(1):135. CS = 5.66


Chu QD, Medeiros KL, Zhou M, Peddi P, Wu XC. Impact Of Cooperative Trial And Sociodemographic Variation On Adjuvant Radiation Therapy Usage In Elderly Women (>=70 years) With Stage I


(* Denotes joint publication involving non-LCRC members)
(** Denotes inter-programmatic publication)
(*** Denotes inter-institutional publication involving members from another LCRC institution)
Tulane Cancer Center - Faculty Member Publications


18


December 31, 2016


Summary:
A. Total Tulane Cancer Center Member Publications - 115
B. Total Joint Publications - 8
Xavier University - Faculty Member Publications


Fengkun Du1; Yan Li1,2; Wensheng Zhang1; Shubha P. Kale1; Harris McFerrin1; Lan Davenport1; Guangdi Wang3; Elena Skripnikova1; Xiao-Lin Li1; Nathan J. Bowen4; Leticia B McDaniels1; Yuan-Xiang Meng5; Yong-Yu Liu6; and Qian-Jin Zhang1* Highly and Moderately Aggressive Mouse Ovarian Cancer Cell Lines Exhibit Differential Gene Expression Tumour biology : the journal of the International Society for Oncodevelopmental Biology and Medicine, (2016). *Correspondence: Zhang, Qian-Jin


## Louisiana Cancer Research Center - Cancer Research
### Semi-annual Report Expenditure Summary
#### Fiscal Year 2016-2017

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Operating Budget/Appropriated</th>
<th>Period 7/1/16-12/31/16 (Qtrs. 1 &amp; 2) Current Period</th>
<th>Period 1/1/17-6/30/17 (Qtrs. 3 &amp; 4)</th>
<th>Fiscal Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Statutory Dedications</td>
<td>9,889,142</td>
<td>4,944,571</td>
<td>4,944,571</td>
<td>4,944,571</td>
</tr>
<tr>
<td><strong>Total Sources of Funds</strong></td>
<td><strong>9,889,142</strong></td>
<td><strong>4,944,571</strong></td>
<td></td>
<td><strong>4,944,571</strong></td>
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### Uses of Funds by Object (Account):

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>Operating Budget/Appropriated</th>
<th>Period 7/1/16-12/31/16 (Qtrs. 1 &amp; 2) Current Period</th>
<th>Period 1/1/17-6/30/17 (Qtrs. 3 &amp; 4)</th>
<th>Fiscal Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Related</td>
<td>1,712,923</td>
<td>-</td>
<td>1,712,923</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>22,118</td>
<td>-</td>
<td>22,118</td>
<td></td>
</tr>
<tr>
<td>Operating Services</td>
<td>2,029,059</td>
<td>-</td>
<td>2,029,059</td>
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<tr>
<td>Supplies</td>
<td>148,950</td>
<td>-</td>
<td>148,950</td>
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<tr>
<td>Professional Services</td>
<td>383,505</td>
<td>-</td>
<td>383,505</td>
<td></td>
</tr>
<tr>
<td>Other Charges</td>
<td>90,582</td>
<td>-</td>
<td>90,582</td>
<td></td>
</tr>
<tr>
<td>Major Repairs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Acquisitions*</td>
<td>26,268</td>
<td>-</td>
<td>26,268</td>
<td></td>
</tr>
<tr>
<td>Maintenance Reserve Fund (MRA)</td>
<td>546,307</td>
<td>-</td>
<td>546,307</td>
<td></td>
</tr>
<tr>
<td><strong>Total Uses of Funds</strong></td>
<td><strong>4,959,712</strong></td>
<td>-</td>
<td><strong>4,959,712</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Uses of Funds by Component

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>Operating Budget/Appropriated</th>
<th>Period 7/1/16-12/31/16 (Qtrs. 1 &amp; 2) Current Period</th>
<th>Period 1/1/17-6/30/17 (Qtrs. 3 &amp; 4)</th>
<th>Fiscal Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSUHSC</td>
<td>691,514</td>
<td>-</td>
<td>691,514</td>
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<tr>
<td>TUHSC</td>
<td>600,516</td>
<td>-</td>
<td>600,516</td>
<td></td>
</tr>
<tr>
<td>XULA</td>
<td>191,641</td>
<td>-</td>
<td>191,641</td>
<td></td>
</tr>
<tr>
<td>Programs Other (Shared Resources)</td>
<td>139,595</td>
<td>-</td>
<td>139,595</td>
<td></td>
</tr>
<tr>
<td>Facilities &amp; Administrative</td>
<td>2,790,139</td>
<td>-</td>
<td>2,790,139</td>
<td></td>
</tr>
<tr>
<td>R&amp;R Reserve (MRA)</td>
<td>546,307</td>
<td>-</td>
<td>546,307</td>
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<tr>
<td>Property, Plant, &amp; Equipment (General)*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td><strong>Total Uses of Funds</strong></td>
<td><strong>4,959,712</strong></td>
<td>-</td>
<td><strong>4,959,712</strong></td>
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### Net Sources/Uses

<table>
<thead>
<tr>
<th>Net Sources/Uses</th>
<th>Operating Budget/Appropriated</th>
<th>Period 7/1/16-12/31/16 (Qtrs. 1 &amp; 2) Current Period</th>
<th>Period 1/1/17-6/30/17 (Qtrs. 3 &amp; 4)</th>
<th>Fiscal Year Total</th>
</tr>
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<tbody>
<tr>
<td>(15,141)</td>
<td>-</td>
<td>-</td>
<td>-</td>
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*not included is an additional $1.1M were invested in plant this period, payable from a capital outlay grant.
Attachment 4
### Audit Reports by Agency

<table>
<thead>
<tr>
<th>Agency</th>
<th>Period</th>
<th>Issue Date</th>
<th>Audit Type</th>
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</thead>
<tbody>
<tr>
<td>Louisiana Cancer Research Center</td>
<td>7/1/2015</td>
<td>10/22/2015</td>
<td>Concluded</td>
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<tr>
<td>(Contract #71199073)</td>
<td>4/20/2016</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>7/1/2014</td>
<td>09/14/2015</td>
<td>Concluded</td>
</tr>
<tr>
<td>(Contract #71513188)</td>
<td>4/20/2015</td>
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<td></td>
<td>7/1/2013</td>
<td>09/10/2014</td>
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<tr>
<td>(Contract #7144353)</td>
<td>4/20/2014</td>
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<td></td>
<td>7/1/2012</td>
<td>10/22/2013</td>
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<td>(Contract #71200799)</td>
<td>6/30/2013</td>
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<tr>
<td></td>
<td>7/1/2011</td>
<td>10/10/2012</td>
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<tr>
<td>(Contract #7120228)</td>
<td>6/30/2012</td>
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<td></td>
<td>7/1/2010</td>
<td>10/06/2011</td>
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<tr>
<td>(Contract #71211304)</td>
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<td>Louisiana Cancer Research Center</td>
<td>7/1/2009</td>
<td>09/26/2009</td>
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<td>(Contract #71290944)</td>
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<td>Louisiana Cancer Research Center</td>
<td>7/1/2008</td>
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<tr>
<td>(Contract #72090131)</td>
<td>6/30/2009</td>
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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, 2016

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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<td>Statement of Financial Position</td>
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<td>Statement of Activities</td>
<td>5</td>
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<td>Statement of Cash Flows</td>
<td>6 - 7</td>
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<td>Notes to Financial Statements</td>
<td>8 - 19</td>
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<td>SUPPLEMENTAL INFORMATION</td>
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<td>21</td>
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<td>22</td>
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<td>REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS</td>
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<td>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</td>
<td>24 - 25</td>
</tr>
<tr>
<td>Schedule of Findings and Responses</td>
<td>26</td>
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<tr>
<td>ANNUAL FINANCIAL REPORT REQUIRED BY THE STATE OF LOUISIANA</td>
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<tr>
<td>Annual Financial Report</td>
<td>28 - 32</td>
</tr>
</tbody>
</table>
FINANCIAL
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 corporation), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities 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...
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, 2016, 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.

Report on Summarized Comparative Information

We have previously audited Louisiana Cancer Research Center of L.S.U. Health Sciences Center in New Orleans/Tulane Health Sciences Center’s 2015 financial statements, and our report dated August 24, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters
Other Information

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 21, the schedule of compensation, benefits and other payments to agency head on page 22, and the accompanying supplementary Annual Financial Report required by the State of Louisiana on pages 28 through 32, for the year ended June 30, 2016, are 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 taken as a whole.
Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 24, 2016, 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 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 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.

Cassie v. Schmidt, P.E.

Metairie, Louisiana
August 24, 2016
ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash (Note B)</td>
<td>$18,505,915</td>
<td>$15,443,649</td>
</tr>
<tr>
<td>Investments (Notes A7, C and I)</td>
<td>10,193,793</td>
<td>11,202,216</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants (Note D)</td>
<td>3,340,115</td>
<td>7,728,380</td>
</tr>
<tr>
<td>Other</td>
<td>437,540</td>
<td>379,730</td>
</tr>
<tr>
<td>Property and Equipment (Notes A-10 and E)</td>
<td>94,066,014</td>
<td>85,994,689</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>73,974</td>
<td>151,000</td>
</tr>
<tr>
<td>Deposits</td>
<td>52,400</td>
<td>52,400</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$126,669,751</strong></td>
<td><strong>$120,952,064</strong></td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$3,317,775</td>
<td>$6,028,917</td>
</tr>
<tr>
<td>Retainage payable</td>
<td>644,852</td>
<td>-</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>90,916</td>
<td>89,741</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>4,053,543</strong></td>
<td><strong>6,118,658</strong></td>
</tr>
</tbody>
</table>

COMMITMENTS (Note J)

| NET ASSETS (Note A-2)                             |               |               |
| Unrestricted                                       | 888,174       | 790,567       |
| Temporarily restricted                             | 121,728,034   | 114,042,839   |
| **Total Net Assets**                               | **122,616,208** | **114,833,406** |

Total liabilities and net assets

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities and net assets</td>
<td><strong>$126,669,751</strong></td>
<td><strong>$120,952,064</strong></td>
</tr>
</tbody>
</table>

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, 2016

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>TOTAL</th>
<th>Summarized Comparative Information June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants (Note D)</td>
<td>$</td>
<td>$ 24,518,840</td>
<td>$ 24,518,840</td>
<td>$ 19,427,501</td>
</tr>
<tr>
<td>Lease income</td>
<td>1,182,878</td>
<td>-</td>
<td>1,182,878</td>
<td>1,522,067</td>
</tr>
<tr>
<td>Investment income/interest</td>
<td></td>
<td>- 112,866</td>
<td>112,866</td>
<td>-</td>
</tr>
<tr>
<td>(Note C)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>116,365</td>
<td>-</td>
<td>116,365</td>
<td>78,864</td>
</tr>
<tr>
<td>Fund-raising</td>
<td>211,994</td>
<td>-</td>
<td>211,994</td>
<td>202,227</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>16,946,511</td>
<td>(16,946,511)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>18,457,748</td>
<td>7,685,195</td>
<td>26,142,943</td>
<td>21,230,659</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>TOTAL</th>
<th>Summarized Comparative Information June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research expenses</td>
<td>5,463,935</td>
<td>-</td>
<td>5,463,935</td>
<td>5,955,257</td>
</tr>
<tr>
<td>Cessation expenses</td>
<td>5,842,883</td>
<td>-</td>
<td>5,842,883</td>
<td>5,970,124</td>
</tr>
<tr>
<td>Salaries and related benefits</td>
<td>1,038,489</td>
<td>-</td>
<td>1,038,489</td>
<td>911,431</td>
</tr>
<tr>
<td>Operating services</td>
<td>2,516,907</td>
<td>-</td>
<td>2,516,907</td>
<td>2,394,624</td>
</tr>
<tr>
<td>Supplies</td>
<td>32,165</td>
<td>-</td>
<td>32,165</td>
<td>25,922</td>
</tr>
<tr>
<td>Professional services</td>
<td>496,178</td>
<td>-</td>
<td>496,178</td>
<td>651,659</td>
</tr>
<tr>
<td>Travel &amp; meeting expenses</td>
<td>12,672</td>
<td>-</td>
<td>12,672</td>
<td>5,279</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,802,027</td>
<td>-</td>
<td>2,802,027</td>
<td>2,830,202</td>
</tr>
<tr>
<td>Fund-raising</td>
<td>80,208</td>
<td>-</td>
<td>80,208</td>
<td>130,912</td>
</tr>
<tr>
<td>Fund-raising distributions</td>
<td>54,472</td>
<td>-</td>
<td>54,472</td>
<td>114,860</td>
</tr>
<tr>
<td>Other</td>
<td>20,205</td>
<td>-</td>
<td>20,205</td>
<td>13,744</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>18,360,141</td>
<td>-</td>
<td>18,360,141</td>
<td>19,004,014</td>
</tr>
</tbody>
</table>

INCREASE (DECREASE) IN NET ASSETS

NET ASSETS, BEGINNING OF YEAR

<table>
<thead>
<tr>
<th>SUMMARIZED COMPARATIVE INFORMATION JUNE 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>790,567</td>
</tr>
<tr>
<td>114,042,839</td>
</tr>
<tr>
<td>114,833,406</td>
</tr>
<tr>
<td>112,606,761</td>
</tr>
</tbody>
</table>

NET ASSETS, END OF YEAR

<table>
<thead>
<tr>
<th>SUMMARIZED COMPARATIVE INFORMATION JUNE 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>888,174</td>
</tr>
<tr>
<td>121,728,034</td>
</tr>
<tr>
<td>122,616,208</td>
</tr>
<tr>
<td>114,883,406</td>
</tr>
</tbody>
</table>

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, 2016

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES</th>
<th>Summarized Comparative Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2015</td>
</tr>
<tr>
<td>Grant revenue</td>
<td>$28,907,105</td>
</tr>
<tr>
<td>Interest income</td>
<td>$15,301,086</td>
</tr>
<tr>
<td>Other</td>
<td>$127,295</td>
</tr>
<tr>
<td></td>
<td>$24,391</td>
</tr>
<tr>
<td></td>
<td>$1,453,427</td>
</tr>
<tr>
<td></td>
<td>$1,669,973</td>
</tr>
<tr>
<td></td>
<td>30,487,827</td>
</tr>
<tr>
<td></td>
<td>16,995,450</td>
</tr>
<tr>
<td>Payments to employees and suppliers</td>
<td>(17,546,203)</td>
</tr>
<tr>
<td></td>
<td>(16,981,994)</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>12,941,624</td>
</tr>
<tr>
<td></td>
<td>13,456</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES</th>
<th>Summarized Comparative Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2015</td>
</tr>
<tr>
<td>Acquisition of property and equipment</td>
<td>(630,653)</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>(212,307)</td>
</tr>
<tr>
<td>Investment funds transferred</td>
<td>(10,242,699)</td>
</tr>
<tr>
<td></td>
<td>(3,575,450)</td>
</tr>
<tr>
<td></td>
<td>993,994</td>
</tr>
<tr>
<td>Net Cash Used in Investing Activities</td>
<td>(9,879,358)</td>
</tr>
<tr>
<td></td>
<td>(3,787,757)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM FINANCING ACTIVITIES</th>
<th>Summarized Comparative Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2015</td>
</tr>
<tr>
<td>Insurance financing payments</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Net Cash Provided (Used) by Financing Activities</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Net Increase (Decrease) in Cash and Cash Equivalents</td>
<td>3,062,266</td>
</tr>
<tr>
<td></td>
<td>(3,774,301)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at Beginning of Year</td>
<td>15,443,649</td>
</tr>
<tr>
<td></td>
<td>19,217,950</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at End of Year</td>
<td>$18,505,915</td>
</tr>
<tr>
<td></td>
<td>$15,443,649</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2015</th>
<th>Comparative Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in net assets</td>
<td>$ 7,782,802</td>
<td>$ 2,226,645</td>
</tr>
<tr>
<td>Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,802,027</td>
<td>2,830,202</td>
</tr>
<tr>
<td>(Increase) decrease in operating assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>4,330,455</td>
<td>(4,213,612)</td>
</tr>
<tr>
<td>Investments</td>
<td>14,429</td>
<td>(21,597)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>77,026</td>
<td>73,766</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable and accrued liabilities</td>
<td>(2,709,967)</td>
<td>(881,948)</td>
</tr>
<tr>
<td>Increase in retainage payable</td>
<td>644,852</td>
<td></td>
</tr>
<tr>
<td>Total adjustments</td>
<td>5,158,822</td>
<td>(2,213,189)</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>$ 12,941,624</td>
<td>$ 13,456</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
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 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 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. Financial Statement Presentation

The 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 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, 2016.

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 Center are prepared on the accrual basis of accounting.
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 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 Note G. 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 Center considers all investments with original maturities of three months or less to be cash equivalents.
NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

7. 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. For valuation purposes, fair value is measured using quoted prices in active markets.

8. 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.

9. 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.

10. 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 Center to capitalize property and equipment with an acquisition cost of $5,000 or greater.

11. Subsequent Events

Subsequent events have been evaluated through August 24, 2016, the date the financial statements were available to be issued.

12. Summarized Comparative Information

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 Center’s financial statements for the year ended June 30, 2015, from which the summarized information was derived.
NOTE B - CASH

At June 30, 2016, the Center’s cash on deposit with financial institutions were covered by federal depository insurance, and collateralized by securities in the Center’s name held by the Federal Reserve Bank.

NOTE C - INVESTMENTS

At June 30, 2016, investments, amounting to $10,193,793 consisted of Cash $454,028, and Government Bonds $9,739,765, classified as follows:

<table>
<thead>
<tr>
<th>Investments:</th>
<th>Fair Market Value</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>$1,998,691</td>
<td>$2,000,811</td>
</tr>
<tr>
<td>Cessation</td>
<td>2,997,194</td>
<td>3,001,217</td>
</tr>
<tr>
<td>Maintenance Reserve Account (Note J)</td>
<td>5,197,908</td>
<td>5,206,193</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>$10,193,793</strong></td>
<td><strong>$10,208,221</strong></td>
</tr>
</tbody>
</table>

The unrealized depreciation for the year ended June 30, 2016 totaled $14,428. The accumulated unrealized depreciation as of June 30, 2016 totaled $14,428.

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>$127,294</td>
</tr>
<tr>
<td>Unrealized depreciation</td>
<td>(14,428)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$112,866</strong></td>
</tr>
</tbody>
</table>

NOTE D - GRANTS RECEIVABLE AND REVENUE

Grants receivable and revenue consisted of the following at June 30, 2016:

<table>
<thead>
<tr>
<th>Grants Receivable and Revenue</th>
<th>Receivable</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisiana State University Health Sciences Center in New Orleans - Cancer Research</td>
<td>$984,689</td>
<td>$8,775,362</td>
</tr>
<tr>
<td>Louisiana State University Health Sciences Center in New Orleans - Cessation Program</td>
<td>668,113</td>
<td>5,654,719</td>
</tr>
<tr>
<td>Total Louisiana State Health Sciences Center</td>
<td>1,652,802</td>
<td>14,430,081</td>
</tr>
</tbody>
</table>
NOTE D - GRANTS RECEIVABLE AND REVENUE - Continued

Department of Economic Development and Office of Facility Planning and Control - Cooperative Endeavor Agreement

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,687,313</td>
<td>$10,088,759</td>
</tr>
<tr>
<td>Total</td>
<td>$3,340,115</td>
<td>$24,518,840</td>
</tr>
</tbody>
</table>

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$84,990,277</td>
<td>$84,990,277</td>
</tr>
<tr>
<td>Research equipment</td>
<td>7,901,964</td>
<td>7,807,338</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>1,651,326</td>
<td>1,115,299</td>
</tr>
<tr>
<td>Total</td>
<td>94,543,567</td>
<td>93,912,914</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(15,455,262)</td>
<td>(12,653,235)</td>
</tr>
<tr>
<td>Total property and equipment, net</td>
<td>79,088,305</td>
<td>81,259,679</td>
</tr>
<tr>
<td>Land</td>
<td>671,808</td>
<td>671,808</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>14,305,901</td>
<td>4,063,202</td>
</tr>
<tr>
<td>Total property and equipment</td>
<td>$94,066,014</td>
<td>$85,994,689</td>
</tr>
</tbody>
</table>

The construction in progress is for the build out of two additional floors. The total cost of the build out of the floors is estimated to be $18,000,000, funded by a State Capital Outlay Grant.

Depreciation expense for the year ended June 30, 2016 amounted to $2,802,027.

NOTE F - 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 $58,658 to the Plan for the year ended June 30, 2016.
NOTE G - SCHEDULE OF FUNCTIONAL EXPENSES

A Schedule of Function Expenses for the year ended June 30, 2016 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Program Expenses</th>
<th>Management and General</th>
<th>Fund Raising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and related expenses</td>
<td>$6,143,390</td>
<td>$1,038,849</td>
<td>$</td>
<td>$7,181,879</td>
</tr>
<tr>
<td>Professional services</td>
<td>3,664,163</td>
<td>496,178</td>
<td></td>
<td>4,160,341</td>
</tr>
<tr>
<td>Operating services</td>
<td>634,484</td>
<td>2,516,907</td>
<td></td>
<td>3,151,391</td>
</tr>
<tr>
<td>Fund-raising expenses</td>
<td>-</td>
<td>-</td>
<td>80,208</td>
<td>80,208</td>
</tr>
<tr>
<td>Supplies</td>
<td>455,706</td>
<td>32,165</td>
<td></td>
<td>487,871</td>
</tr>
<tr>
<td>Other expenses</td>
<td>264,597</td>
<td>20,203</td>
<td></td>
<td>284,800</td>
</tr>
<tr>
<td>Travel &amp; meeting expense</td>
<td>144,480</td>
<td>12,672</td>
<td></td>
<td>157,152</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>2,802,027</td>
<td>-</td>
<td></td>
<td>2,802,027</td>
</tr>
<tr>
<td>Fund-raising distributions</td>
<td>-</td>
<td>-</td>
<td>54,472</td>
<td>54,472</td>
</tr>
</tbody>
</table>

Total: $14,108,847 $4,116,614 $134,680 $18,360,141

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, 2016.
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.

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.

The following tables set forth, by level within the fair value hierarchy, the Center's financial instruments at fair value as of June 30, 2016.

<table>
<thead>
<tr>
<th>Financial Assets:</th>
<th>Fair value Measurement of Reporting Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quoted Prices in Active Markets for Identical Assets (Level 1)</td>
</tr>
<tr>
<td>Investments</td>
<td>$454,028</td>
</tr>
<tr>
<td>Cash</td>
<td>9,739,765</td>
</tr>
<tr>
<td>Government Bonds</td>
<td>10,193,793</td>
</tr>
</tbody>
</table>
NOTE I - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The assumptions to fair values are as follows

1. Investment carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those instruments.

NOTE J - LEASES

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 of the, to the extent allowed by Applicable Law, title to the Building, it and all other 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:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$129,174</td>
</tr>
<tr>
<td>2018</td>
<td>129,174</td>
</tr>
<tr>
<td>2019</td>
<td>129,174</td>
</tr>
<tr>
<td>2020</td>
<td>129,174</td>
</tr>
<tr>
<td>2021</td>
<td>129,174</td>
</tr>
<tr>
<td>Thereafter</td>
<td>4,731,986</td>
</tr>
<tr>
<td><strong>Total minimum lease payments</strong></td>
<td><strong>$5,377,856</strong></td>
</tr>
</tbody>
</table>

The ground lease expense for the year ended June 30, 2016 amounted to $129,174.
NOTE J - LEASES - Continued

A Maintenance Reserve Account is required to fund major maintenance, repair and replacements by annual deposits into the Maintenance Reserve Account of one and a half percent (1.5%) of the original construction cost for the building. The total annual payments shall not exceed 10% of the 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 Maintenance Reserve Account 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 (MRA), transfers to LSU. The amount deposited in the Maintenance Reserve Account during the year ended June 30, 2016 was $819,462. The balance in the account at June 30, 2016 was $5,197,908.

NOTE K - INCOME TAXES

The corporation is exempt from corporate income taxes under section 501(c)(3) of the Internal Revenue Code.

The Center has adopted the provisions 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.

NOTE L - ECONOMIC DEPENDENCY

The Center received ninety (94) percent of its revenue from funds provided by the State of Louisiana during the year ended June 30, 2016. 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.
NOTE M - RELATED PARTIES

In the year ended, June 30, 2012 the Center completed the construction of the Louisiana Cancer Research Center ("Cancer Center") which was constructed to house cancer researchers from the member institutions in order to foster integration of the cancer research programs which support 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 User’s use the space as permitted within the agreements and pursuant to La. R.S. 17:1921 et seq, however, under certain conditions, the User shall make cash payments for all or a portion of its User Share. The Users’ Share for the year ending June 30, 2016 were LSUHSC - 27%, TUHSC - 26%, and XULA - 2%.

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 LSUHSC in New Orleans served as the Chairman of the Board for the year ended June 30, 2016. The Chairman position rotates between the two Health Sciences Center’s (LSUHSC and TUHSC) leaders as dictated by statute. The Dean of LSU Health Sciences Center in New Orleans School of Medicine 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 to LSUHSC, 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, 2016 was $1,321,515.

17
NOTE M - RELATED PARTIES - Continued

LSUHSC through its stores and contract services conveniently and economically provides goods and services (including research equipment, office and computer supplies and I.T. related services) to the Center, which supports the mission of the Center. LSUHSC Auxiliary Stores also acts as agent for the procurement of research equipment on behalf of the Center as authorized by Facility Planning and Control (FPC). The total amount billed by LSUHSC during the fiscal year ended June 30, 2016 was $236,296.

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 and Dean for the School of Medicine served as Vice-Chairman of the Board for the fiscal year ended June 30, 2016. The other TUHSC position was held by the Medical Director for the Tulane Cancer 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 ended June 30, 2016 was $3,202,604.

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. XULA’s President served as Board member for the fiscal year ended June 30, 2016.
NOTE M - RELATED PARTIES - Continued

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 ended June 30, 2016 was $493,129.

Ochsner Health System

Ochsner Health System (OHS) is one of the four partner institutions that compromise the Center. 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 grantee, OHS is allocated Center funding support for program development (part of the mission of the Center). Transfer of funds to OHS for the program is governed by a fully executed operating agreement, which includes an annual budget submitted by OHS and approved by the Center’s Board. The total amount billed to the Center for services rendered during the fiscal year ended June 30, 2016 was $19,709.
SUPPLEMENTAL INFORMATION
**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM**

**For the Year Ended June 30, 2016**

<table>
<thead>
<tr>
<th>Revenue Description</th>
<th>Cancer Research</th>
<th>Cessation</th>
<th>Fund Raising</th>
<th>Property and Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>$18,864,121</td>
<td>$5,654,719</td>
<td>$</td>
<td>$</td>
<td>$24,518,840</td>
</tr>
<tr>
<td>Lease income</td>
<td>1,182,878</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,182,878</td>
</tr>
<tr>
<td>Investments income/interest</td>
<td>79,159</td>
<td>28,332</td>
<td>5,375</td>
<td>-</td>
<td>112,866</td>
</tr>
<tr>
<td>Other</td>
<td>116,365</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>116,365</td>
</tr>
<tr>
<td>Fund-raising</td>
<td>-</td>
<td>-</td>
<td>211,994</td>
<td>-</td>
<td>211,994</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>20,242,523</td>
<td>5,683,051</td>
<td>217,369</td>
<td>-</td>
<td>26,142,943</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses Description</th>
<th>Cancer Research</th>
<th>Cessation</th>
<th>Fund Raising</th>
<th>Property and Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research expenses</td>
<td>5,463,935</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,463,935</td>
</tr>
<tr>
<td>Cessation expenses</td>
<td>-</td>
<td>5,842,883</td>
<td>-</td>
<td>-</td>
<td>5,842,883</td>
</tr>
<tr>
<td>Salaries and related expenses</td>
<td>855,055</td>
<td>183,404</td>
<td>-</td>
<td>-</td>
<td>1,038,489</td>
</tr>
<tr>
<td>Fund-raising expenses</td>
<td>-</td>
<td>-</td>
<td>80,208</td>
<td>-</td>
<td>80,208</td>
</tr>
<tr>
<td>Professional services</td>
<td>494,813</td>
<td>1,365</td>
<td>-</td>
<td>-</td>
<td>496,178</td>
</tr>
<tr>
<td>Operating services</td>
<td>2,478,993</td>
<td>37,914</td>
<td>-</td>
<td>-</td>
<td>2,516,907</td>
</tr>
<tr>
<td>Supplies</td>
<td>32,165</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32,165</td>
</tr>
<tr>
<td>Travel &amp; meeting expenses</td>
<td>12,672</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,672</td>
</tr>
<tr>
<td>Other expenses</td>
<td>19,194</td>
<td>1,011</td>
<td>-</td>
<td>-</td>
<td>20,205</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>-</td>
<td>2,802,027</td>
<td>-</td>
<td>2,802,027</td>
</tr>
<tr>
<td>Fund-raising distributions</td>
<td>-</td>
<td>-</td>
<td>54,472</td>
<td>-</td>
<td>54,472</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>9,356,857</td>
<td>6,066,577</td>
<td>134,680</td>
<td>2,802,027</td>
<td>18,360,141</td>
</tr>
</tbody>
</table>

**INCREASE (DECREASE) IN NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>10,885,666 ( 383,526)</th>
<th>82,689 (2,802,027)</th>
<th>7,782,802</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property and Equipment Capitalized</td>
<td>(10,873,352)</td>
<td>-</td>
<td>10,873,352</td>
</tr>
<tr>
<td><strong>Net assets, beginning of year</strong></td>
<td>20,619,564</td>
<td>7,625,288</td>
<td>593,865</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$20,631,878</td>
<td>$7,241,762</td>
<td>$676,554</td>
</tr>
</tbody>
</table>
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, 2016

Agency Head Name: - Aaron Miscenich, Executive Director (1 month 7/1/15 - 7/31/15)

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$ 8,333</td>
</tr>
</tbody>
</table>

Agency Head Name: - Sven Davisson, Executive Director (11 months 8/1/15 - 6/30/16)

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$183,333</td>
</tr>
<tr>
<td>Benefits - insurance (health, life, dental, disability)</td>
<td>$7,520</td>
</tr>
<tr>
<td>Benefits - retirement</td>
<td>$10,000</td>
</tr>
<tr>
<td>Reimbursements (relocation)</td>
<td>$11,667</td>
</tr>
<tr>
<td>Housing (temporary)</td>
<td>$ 7,200</td>
</tr>
</tbody>
</table>
REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS
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, 2016 and the related statements of activities, and cash flows and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 24, 2016.

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.

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 the 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 Statue 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

_Cassie V. Schmidt, CPA_

Metairie, Louisiana
August 24, 2016
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.
OTHER SUPPLEMENTARY INFORMATION REQUIRED BY THE STATE OF LOUISIANA
# Annual Fiscal Report (AFR)

**For 2016**

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

**Prepared By:** --

**Phone Number:** --

**Email Address:** --

**Submit Date:** --

## Statement of Net Position

### Assets

**Current Assets:**

- Cash and Cash Equivalents: \(18,505,915.00\)
- Restricted Cash and Cash Equivalents: \(0.00\)
- Investments: \(456,028.00\)
- Restricted Investments: \(0.00\)
- Derivative Instruments: \(0.00\)
- Receivables (Net): \(3,777,655.00\)
- Pledges Receivable (Net): \(0.00\)
- Leases Receivable (Net): \(0.00\)
- Amounts Due From Primary Government: \(0.00\)
- Due From Federal Government: \(0.00\)
- Inventories: \(0.00\)
- Prepayments: \(73,974.00\)
- Notes Receivable: \(0.00\)
- Other Current Assets: \(0.00\)

**Total Current Assets:** \($22,811,572.00\)

### Noncurrent Assets:

**Restricted Assets:**

- Cash: \(0.00\)
- Investments: \(5,197,908.00\)
- Receivables (Net): \(0.00\)
- Notes Receivable: \(0.00\)
- Other: \(0.00\)

**Investments:** \(4,541,857.00\)

**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: \(76,491,249.00\)
- Machinery and Equipment: \(2,597,056.00\)
- Infrastructure: \(0.00\)
- Intangible Assets: \(0.00\)
- Construction in Progress: \(14,305,901.00\)

**Other Noncurrent Assets:** \(52,400.00\)

**Total Noncurrent Assets:** \($103,858,179.00\)

**Total Assets:** \($126,669,751.00\)

### 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: \(0.00\)
- Fees Paid to Permanent Investors Prior to Sale of Mortgage Loans: \(0.00\)
- Pension-Related Deferred Outflows of Resources: \(0.00\)
TOTAL DEFERRED OUTFLOWS OF RESOURCES $0.00

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES $126,669,751.00

LIABILITIES

CURRENT LIABILITIES:
ACCOUNTS PAYABLE AND ACCRUALS 4,053,541.00
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 0.00

CURRENT PORTION OF LONG-TERM LIABILITIES:
CONTRACTS PAYABLE 0.00
COMPENSATED ABSENCES PAYABLE 0.00
CAPITAL LEASE OBLIGATIONS 0.00
ESTIMATED LIABILITY FOR CLAIMS 0.00
NOTES PAYABLE 0.00
BONDS PAYABLE 0.00
POLLUTION REMEDIATION OBLIGATIONS 0.00
OTHER LONG-TERM LIABILITIES 0.00
TOTAL CURRENT LIABILITIES $4,053,543.00

NONCURRENT PORTION OF LONG-TERM LIABILITIES:
CONTRACTS PAYABLE 0.00
COMPENSATED ABSENCES PAYABLE 0.00
CAPITAL LEASE OBLIGATIONS 0.00
ESTIMATED LIABILITY FOR CLAIMS 0.00
NOTES PAYABLE 0.00
BONDS PAYABLE 0.00
NET OPPH OBLIGATION 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 $0.00
TOTAL LIABILITIES $4,053,543.00

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
POINTS RECEIVED ON LOAN ORIGINATION 0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE 0.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES 0.00
TOTAL DEFERRED INFLOWS OF RESOURCES 0.00

NET POSITION:
NET INVESTMENT IN CAPITAL ASSETS 94,066,014.00
RESTRICTED FOR:
CAPITAL PROJECTS 0.00
DEBT SERVICE 0.00
NONEXPENDABLE 0.00
EXPENDABLE 0.00
OTHER PURPOSES 27,662,020.00
UNRESTRICTED $988,174.00
TOTAL NET POSITION $122,616,308.00

29
## STATEMENT OF ACTIVITIES

### PROGRAM REVENUES

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<tr>
<th>EXPENSES</th>
<th>CHARGES FOR SERVICES</th>
<th>OPERATING GRANTS AND CONTRIBUTIONS</th>
<th>CAPITAL GRANTS AND CONTRIBUTIONS</th>
<th>NET (EXPENSE) REVENUE</th>
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<tbody>
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### GENERAL REVENUES

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<td>ADDITIONS TO PERMANENT ENDOWMENTS</td>
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<td>NET POSITION - RESTATEMENT</td>
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<td>------------------------------</td>
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<tr>
<td>Amounts due from Primary</td>
<td>Total</td>
</tr>
<tr>
<td>Government</td>
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<thead>
<tr>
<th>Account Type</th>
<th>Intercompany (Fund)</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Amounts due to Primary</td>
<td>Total</td>
<td>$0.00</td>
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<tr>
<td>Government</td>
<td></td>
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<tr>
<td>Account Name/Description</td>
<td>Restatement Amount</td>
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<tr>
<td>--------------------------</td>
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<tr>
<td></td>
<td>Total $0.00</td>
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Attachment 5
Exhibit A-15

Louisiana Cancer Research Center
Tobacco Cessation/Tobacco Free Living (TFL)
Comprehensive Budget Summary
Fiscal Year 16-17

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>G&amp;A</th>
<th>State &amp; Community Programs</th>
<th>Media Coordination</th>
<th>Evaluation</th>
<th>Cessation Coordination</th>
<th>Total Cessation/TFL</th>
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<tr>
<td>State Grant Revenue</td>
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<td>2,611,889</td>
<td>1,644,666</td>
<td>690,434</td>
<td>1,151,000</td>
<td>6,746,798</td>
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<tr>
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<td>648,809</td>
<td>2,611,889</td>
<td>1,644,666</td>
<td>690,434</td>
<td>1,151,000</td>
<td>6,746,798</td>
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</tbody>
</table>

Uses of Funds

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>G&amp;A</th>
<th>State &amp; Community Programs</th>
<th>Media Coordination</th>
<th>Evaluation</th>
<th>Cessation Coordination</th>
<th>Total Uses of Funds</th>
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<tbody>
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<td>Salaries &amp; Related Expenses</td>
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<td>7,000</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>Reserved LCRC Admin/Oversight</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>250,000</td>
</tr>
<tr>
<td>TOTAL USES OF FUNDS</td>
<td>648,810</td>
<td>2,665,432</td>
<td>1,644,666</td>
<td>690,434</td>
<td>1,197,456</td>
<td>6,746,798</td>
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</table>

Net Sources/Uses of Funds

<table>
<thead>
<tr>
<th>Net Sources/Uses of Funds</th>
<th>G&amp;A</th>
<th>State &amp; Community Programs</th>
<th>Media Coordination</th>
<th>Evaluation</th>
<th>Cessation Coordination</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>10%</td>
<td>35%</td>
<td>24%</td>
<td>10%</td>
<td>18%</td>
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Exhibit B-15

TFL 2016-17 Goals

TFL Mission
Preventing and reducing use of and exposure to tobacco by creating tobacco-free environments, engaging health systems, advancing policy, and changing social norms.

Goal 1: Prevent initiation of tobacco use among young people.

1. By June 2017, establish a refreshed, evidence-based statewide youth engagement program with at least one Defy team in all nine regions.

2. By June 2017, increase the number of Defy participants trained in advocacy to reduce youth tobacco use through policy-based strategies.

3. By June 2017, develop a revised, evidence-based strategy and plan for young adult (ages 18-24) tobacco control.

4. By June 2017, develop and launch a youth-focused social branding counter marketing campaign.

5. By June 2017, administer the Youth Tobacco Survey (YTS) in at least 30 middle schools and 30 high schools in Louisiana.

Goal 2: Eliminate nonsmokers’ exposure to secondhand smoke.

1. By June 2017, increase the number of municipalities with public policies for smoke-free workplaces and other indoor and outdoor public places that include bars and gaming facilities from 9 to 12.

2. By June 2017, increase the number of bars with voluntary smoke-free policies by 10%.

3. By June 2017, increase the number of healthcare facilities with voluntary tobacco-free policies by 20%.

4. By June 2017, for up to 2 major municipalities, conduct pre and post ordinance Air Quality (AQ) monitoring studies.

5. By June 2017, increase the number of African American churches that have a tobacco-free policy by 10%.

6. By June 2017, increase the number of Louisiana musician advocates trained to support smoke-free environments from 75 to 100.

Goal 3: Promote quitting among adults and young people (including clinical interventions).

1. By June 2017, increase adult call volume to Quitline by 20%.
2. By June 2017, increase adult rate of Quitline users receiving counseling and/or medication by 10%.

3. By June 2017, increase the number of eligible Louisiana residents enrolled through TFL channels in the Smoking Cessation Trust program by 20%.

4. By June 2017, increase the number African American males who call the Quitline by 10%.

5. By June 2017, increase the number of referrals from the Communities of Color (CoC) to the SCT from by 20%.

6. Increase the number of providers referring routinely to the quitline/SCT by 20%.

7. By June 2017, increase the number of referrals from TCI to the SCT by 10%.

8. Increase the % of SCT enrolled smokers who receive treatment by 10%

Goal 4: Eliminate disparities related to tobacco use.

1. By June 2017, working in collaboration with the Healthy Portfolio, TFL staff and partners will participate in at least one TFL created, sponsored or promoted disparities and/or health equity professional development opportunity.

2. From June 2016 to June 2017, provide leadership to the developing DHH Tobacco Strategy’s Disparities Taskforce.

3. Engage with DHH’s STD/HIV Program (SHP) Administrators to establish an agreement (i.e. MOU), for SHP to collect and share tobacco use data from their Gay Wellness Centers.

4. By June 2017, CoC will enroll 20% more African Americans into the Trust.

5. By June 2017, in collaboration with the Clinical Transformation Portfolio, the Disparities Cessation and Clinical Integration Workshop (DCCIW) will be an available professional develop/capacity building opportunity for FQHCs and their respective providers/staff.

6. By June 2017, if funded, year 1 deliverables of the HUD Residence Education Initiative (HUDREI) will be completed.

Goal 5: Statewide Coordination

1. By June 30, 2016, successfully achieve all relevant 2015-16 milestones in the Louisiana Comprehensive Tobacco Control Initiative Strategic and Sustainability Plan.

2. Successful engagement of regional and local community leaders and partners in aligned efforts around tobacco control, as relates to all goal areas, especially for cessation.
Exhibit B-16

Goal 6: Assume a leading edge and evidence-based approach to tobacco control and our TFL mission through data/information sharing and feedback from our Scientific Advisory Board (SAB) at our annual meeting.

1. Successful engagement in the TFL-LCRC integration development and implementation

2. By December 31, 2016, conduct annual Scientific Advisory Board convening to provide expert guidance to TFL/LPHI and provide response to the SAB by February, 2017.
Office of State Procurement
PROACT Contract Certification of Approval

This certificate serves as confirmation that the Office of State Procurement has reviewed and approved the contract referenced below.

Reference Number: 440007437 (15)
Vendor: Louisiana Cancer Research Consortium
Description: FY16/17 appropriated funds for the tobacco cessation program for state
Approved By: Dorothy LeDoux
Approval Date: 8/26/2016

Your amendment that was submitted to OSP has been approved.
FIFTEENTH AMENDMENT TO THE COOPERATIVE ENDEAVOR AGREEMENT
BETWEEN
BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY
AND AGRICULTURE AND MECHANICAL COLLEGE
LOUISIANA STATE UNIVERSITY HEALTH SCIENCES CENTER
IN NEW ORLEANS
AND THE
LOUISIANA CANCER RESEARCH CENTER OF L.S.U. HEALTH SCIENCES CENTER IN NEW ORLEANS/TULANE HEALTH SCIENCES CENTER
(CESSATION PROGRAM)

Change #1

On page 3, under Section IV Payments, add: The maximum amount payable, inception to date, for the cessation program is $103,688,161.

Change #2

On page 3, under Section IV Payments, add: The appropriated funds for fiscal year 2016-2017 are $6,746,798.

Change #3

Add Exhibit A-15 to show the comprehensive budget for fiscal year 2016-2017.

Change #4

Add Exhibit B-15 to show the goals and objectives and performance indicators for the fiscal year 2016-2017.

All other terms and conditions shall remain the same.
IN WITNESS WHEREOF, the parties hereto have caused these present to be executed by their respective officers thereunto duly authorized as of July 1, 2016.

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY & AGRICULTURE AND MECHANICAL COLLEGE

By:  
F. King Alexander, Ph.D., President  
Louisiana State University

LOUISIANA STATE UNIVERSITY HEALTH SCIENCES CENTER NEW ORLEANS

By:  
Larry H. Hollier, M.D., Chancellor

LOUISIANA CANCER RESEARCH CENTER OF LSUEHSC IN NEW ORLEANS/TULANE HEALTH SCIENCES CENTER

By:  
L. Lee Hamm, MD  
Chairman, LCRC  
Senior Vice President & Dean, Tulane University School of Medicine

By:  
Larry H. Hollier, MD  
Vice Chairman, LCRC

By:  
Mr. Sven Davison  
Chief Administrative Officer, LCRC
August 5, 2016

Ms. Pamela Bartfay Rice, Assistant Director
Office of State Procurement, Professional Contracts
Division of Administration
P.O. Box 94095
Baton Rouge, LA 70804-9095

Re: Amendment #15 to the Cooperative Endeavor between LSUHSC and the Louisiana Cancer Research Center of LSUHSC/Tulane Health Sciences Center, (Cessation Program)

Dear Ms. Rice:

The enclosed amendment to the cooperative endeavor is being submitted to your office for review and approval in accordance with R.S. 39:1551 et seq. The agreement is between LSUHSC and the Louisiana Cancer Research Center of LSUHSC in New Orleans/Tulane Health Sciences Center (Cancer Consortium). The amendment increases funding in the amount of $6,746,798 for the FY 2016-2017 appropriation; thereby, increasing the maximum amount payable to date to $103,688,161. The comprehensive annual budget is incorporated as Exhibit A-15 and the statement of goals, objectives and performance measures are specified in Exhibit B-15. The agreement will continue creating smoking prevention programs within the public hospital system, public school system, and community development programs.

Pursuant to the guidelines set forth by OSP regarding Act 87, please see our justification for this cooperative endeavor amendment being of a “non-discretionary” purpose. There are no state general funds or over-collections funds being utilized; therefore, this contract will not require JLCB review and approval. This agreement falls under non-discretionary for the following reasons:

7. Contracts for services which are funded by an appropriation from the Legislature to a specific entity (HB1).

9. Contracts necessary to comply with constitutional, legislative or regulatory mandates:
   - La. R.S. 17:1921 et. seq – creation of the Cancer Center in accordance with 17:3390B as a private, non-public corporation, for the primary function of conducting medical research and promoting education in the diagnosis, detection and treatment of the disease of cancer;
- La. R.S. 47:841.1 - in order to provide funding for the Cancer Center, the Louisiana Legislature created the Tobacco Tax Health Care fund; an annual appropriation by the Legislature and pursuant to R.S. 47:841.1C shall be used solely for the purposes of funding the creation of smoking prevention mass media programs and evidence-based tobacco control programs, etc.

We have noted on the BA-22 sent that this contract is being funded via **statutory dedication** as certification of the funding source.

Pursuant to **Executive Order BJ-2015-11**, LSUHSC-NEW ORLEANS will continue to expend funds from Statutory Dedicated funds for the following reasons:
- These funds are for a specific purpose, and can be used for no other purpose.
- All essential budget activities which are expressly and directly mandated by the constitution, existing court orders, existing cooperative endeavor agreements, or existing bona fide obligations; and
- All budget activities associated with Schedule 19A Higher Education.

Please let us know if you find that this suffices the new requirements, require anything else or have any further questions.

**Upon approval of said contract, please return it to the attention of:** Mary Lapworth, **Contract Management**, 533 Bolivar Street, Room 323, New Orleans, LA 70112. Your cooperation in this regard is greatly appreciated.

Sincerely,

Larry Hollier, MD
Chancellor
STATE OF LOUISIANA  
DIVISION OF ADMINISTRATION  
BA-22 (REV. 09/2008)  

Date: 04/2016  
Agency Name: LSU Health Sciences Center in New Orleans  
Agency BA-22 #: 440007437-A  
Dept/Budget Unit: 604  
OCR/CFMS Contract #: 440007437-A  
Agency Contract #: 16-128-008-A16

Fiscal Year for this BA-22: 2016-2017  
BA-22 Start/End Dates: 07/01/16 08/30/17

Multi-year Contract (Yes/No): Yes  
If "Yes", provide contract dates: 10/01/02 6/30/20

LSUHS/C/Tulane Health Sciences Center (Cancer Consortium)  
(Construction/Project Name)

To provide funding for the Cancer Consortium to continue creating smoking prevention programs within the public hospital system, public school system, and community development programs.

Contract Amendment (Yes/No): YES  
Amendment Start/End Dates: 07/01/16 06/30/17  
Contract Cancellation (Yes/No): No  
Date of Cancellation:

To amend the budgeted amount for the appropriated budget year FY16/17

This information is to be provided at the Agency Level

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<thead>
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<th>MEANS OF FINANCING</th>
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<td>Fees and Self Gen.</td>
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<tr>
<td>Statutory Dedication</td>
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<td>Federal</td>
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<td>TOTALS</td>
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Specify Source (i.e., grant name, fund name, FA/FR funding agency and project name, fee type and source, etc.):  
Are revenue collections for funds utilized above in line with budgeted amounts? (Yes/No) Yes

This information is to be provided at the Agency Level  

| Name of Object Code/Category: | Medical and Dental | 3440 |

| Amount Budgeted: | $103,688,161 |
| Amount Previously Obligated: | $96,941,363 |
| Amount this BA-22: | $6,746,798 |
| Balance: | $0 |

The approval of the aforementioned contract will not cause this agency to be placed in an Object Category deficit.

Agency Contact: LSU Health Sciences Center  
Name: Mary Layworth  
Title: Contracts Admin. Officer  
Phone: 504-686-2763  
Reviewed/Approved By:  
Name: Wendy Simoneaux  
Title: Vice Chancellor for Administration & Finance  
Phone: 504-686-6136

FOR AGENCY USE ONLY

| AGENCY | PROGRAM | ACTIVITY | ORGANIZ. | OBJECT | REPT CAT | AMOUNT |
Attachment 7
LCRC Narrative Summary Progress Report

FY 2016-2017: 6-Month Report

Performance Period: July 30 – December 31, 2016

Prepared by:

The Louisiana Campaign for Tobacco-Free Living (TFL)

Prepared for:

Louisiana Cancer Research Center

January 2017
OVERVIEW

This narrative progress report highlights the last six months of programmatic activities for the performance period of July 1, 2016 – December 31, 2016. Programmatic activities are based on (1) Centers for Disease Control and Prevention (CDC) evidence-based practices; (2) the most current TFL Strategic Plan; and (3) advice provided by the TFL Scientific Advisory Board and Steering Committee. Programmatic progress to date within each of the 5 goal areas of TFL is provided along with relevant outcome trend data.

Contributing to the 6-month report includes the following TFL staff and partners:
TFL Director, Tonia Moore
TFL Associate Director, Shawna Shields
TFL Program Manager, Earl Nuplius Benjamin-Robinson
TFL Youth & Young Adult Manager, Kelley McDonough
TFL Communications Manager, Lauren Conrad
TFL Regional Managers
TFL Program Assistant, Kenyatta Royal
TFL Evaluation Manager, Dodie Arnold
TFL Evaluation Coordinator, Kris Gerig
LPHI Communications Director, Candice Marti
LPHI Public Relations Manager, Mary Fein
LPHI Evaluation Director, Lisanne Brown
TCI Director, Sarah Moody-Thomas
TCI Associate Director, Michael Celestin
LCP Program Manager, Mikal Giancola
GOAL 1: PREVENTING INITIATION OF TOBACCO USE AMONG YOUNG PEOPLE

Best Practices: The theory of change associated with preventing young people from starting to use tobacco begins with increasing their knowledge of the dangers of tobacco use, changing their attitudes toward tobacco use, and increasing public support for policies that reduce the likelihood that young people will use tobacco. Such policies include increasing tobacco excise taxes, passing and enforcing strong laws that decrease young people’s access to tobacco, and implementing tobacco-free school policies. Policies such as these eventually create an environment that supports a tobacco-free lifestyle among young people.

In the first six months of the 2016-2017 fiscal year, TFL maintained statewide youth advocacy efforts through the Defy initiative and laid the foundation for the future implementation of modernized and targeted strategies around youth engagement and youth-focused behavior change campaigns.

Defy - Community Advocacy Grantees

In September 2016, TFL awarded 10 community advocacy grants to schools and community-based organizations across the state of Louisiana in an effort to prevent initiation of tobacco use among youth by engaging youth as leaders of change through its Defy initiative. TFL now has grantees engaged in the Defy Initiative in all nine regions of the state. A training was held for Defy community advocacy grantees on October 4, 2016 in Alexandria, LA. All 10 Adult Coordinators were in attendance in addition to 10 TFL staff.

TFL Youth Engagement Program and Campaign, Research, Development & Implementation

TFL released a request for bids (RFB) in July 2016 aimed at obtaining bids from qualified agencies interested in working with TFL to develop a youth engagement program and youth-focused tobacco control campaign. TFL staff conducted a thorough review of the bids and it was determined that Rescue: The Behavior Change Agency would be recommended for selection. Rescue has an innovative and proven approach to youth engagement and developing and implementing youth-focused behavior change campaigns. This is a commitment to modernizing, targeting and strengthening our youth tobacco control strategies to reduce youth tobacco use in the state of Louisiana.

A new brand name and logo have been selected, which will serve as the creative foundation for the youth engagement program. Next steps will include website design, policy consulting and strategic planning, school recruitment, and campaign launch.
Outcome: Defy Team Accepts Great American Smokeout Proclamation at the Calcasieu Parish Police Jury Meeting

On November 17, 2016 the Defy Team from Lake Charles, LA—Girlie Girls Mentoring Program—attended the Calcasieu Parish Police Jury (CPPJ) meeting and presented on Defy Team tobacco control efforts and accepted a “Proclamation in Recognition” of the Great American Smokeout. The Great American Smokeout is an annual event when smokers across the nation make a plan to quit or plan in advance and then quit smoking that day. The Defy Team also voiced support for the proposed Calcasieu Parish Smoking Ordinance that was on the agenda and passed unanimously! The ordinance banned smoking in all parish buildings and parks.

Outcome: Defy Team Presented to Bogalusa City Council; Comprehensive Smoke-free Ordinance Approved

On December 20, 2016 the Defy Team from Washington Parish—ADAPT, Inc.—attended the Bogalusa City Council meeting. The Defy team shared with the councilmembers the results of their tobacco retail store assessments and presented to the council before the vote about how a comprehensive smoke-free ordinance would improve the overall health of the community. The comprehensive smoke-free ordinance passed unanimously making Bogalusa the 10th Louisiana city to go smoke-free! One of the councilmembers specifically mentioned the Defy youth as having influenced his “yes” vote.
GOAL 2: ELIMINATING EXPOSURE TO SECONDHAND SMOKE

Best Practices: The theory of change associated with eliminating nonsmokers’ and smokers exposure to secondhand smoke starts with increasing people's knowledge of the dangers of secondhand smoke, and increasing their support for passing, implementing, and enforcing comprehensive tobacco-free policies. This work is enhanced via tracking of state gaming trends, tobacco tax collections, and collection of smoking behaviors via the Adult Tobacco Survey (ATS).

Smoking Prevalence in Louisiana Declines

Tobacco Tax Tracking in Louisiana

Background: During the 2016 special session of the Louisiana legislature, a 22 cents increase in the cigarette tax was approved in March (effective April 1, 2016) following a 50 cent tax increase (effective July, 2015).
Numbers in red indicate an increase in cigarette excise tax: a 50 cent increase went into effect on July 1, 2015 and a 22 cent increase went into effect on April 1, 2016.

The chart above tracks the number of cigarette packs sold in the state from January 2015 through September 2016. March 2016 had the highest reported number of cigarette packs sold. This was likely due to stockpiling as the legislature and the governor approved a 22 cent increase in cigarette taxes in March that was to take effect on April 1, 2016. There was a similar pattern of stockpiling leading up the July 1, 2015, 50 cent tax increase.

![Monthly Tobacco Tax Collections in Louisiana January 2015 - November 2016](image)

Source: Louisiana Department of Revenue, Monthly Tobacco Tax Reports

Numbers in red indicate an increase in cigarette excise tax: a 50 cent increase went into effect on July 1, 2015 and a 22 cent increase went into effect on April 1, 2016.

The chart above shows the monthly tax collection by product type (cigarettes in blue and cigars and other tobacco products in red). Cigars and other tax products has remained fairly stable (just under $3 million dollars a month). Cigarette tax collections very closely model the previous chart (increased tax collections just before the July 1, 2015 and April 1, 2016 tax increases).

**Vape Tax Tracking in Louisiana**

Background: As of August 1, 2015, a 5 cent per ml tax was levied on vape liquids in the state. Louisiana's vape tax effectively consist of 2 parts: a wholesale tax and a retailer tax. Most vape shops in Louisiana order their vape products online or mix their own liquid (e-juice), rather than use wholesalers.
LCRC NARRATIVE SUMMARY PROGRESS REPORT  
FY 2016-2017 Six-Month Report  
Performance Period: July 1 – December 31, 2016

Louisiana Retail Vape Tax Collections  
August 2015 - November 2016

Source: Louisiana Department of Revenue, Monthly Tobacco Tax Reports
- A 50 cent per/ml tax on vape liquid was implemented on August 1, 2015
- Number in red indicate an increase in cigarette excise tax: a 22 cent increase that went into effect on April 1, 2016.

Wholesale Monthly Louisiana Vaping Tax  
August 2015 - September 2016

Source: Louisiana Department of Revenue, Monthly Tobacco Tax Reports
- A 50 cent per/ml tax on vape liquid was implemented on August 1, 2015
- Number in red indicate an increase in cigarette excise tax: a 22 cent increase that went into effect on April 1, 2016.

Monthly wholesale tax collections remain low (compared to cigarettes and cigars and other tobacco products). It has not exceeded $31,000 in a single month (September 2015). Of note, when the 22 cent cigarette excise tax increase went into effect there was an increase in vape liquid sales. Specifically, April collections were $9,894 higher than March collections ($19,652 vs. $9,758), but only $667 more than February collections ($19,652 vs. $18,985). In contrast, cigarette tax revenue decreases during the month in which a cigarette tax increase is implemented.

Monthly retail tax collections surpassed wholesale tax collections in October 2015, and has been consistently higher. In June 2016, Louisiana collected $100,051 in retail vape tax, the highest monthly collection to date.
Additional Goal 2 Outcomes

Bogalusa becomes the 10th City to go Smoke-Free
On December 20th, 2016, the Bogalusa City Council unanimously passed a comprehensive smoke-free ordinance that would prohibit smoking and vaping in all indoor workplaces, including bars and gaming facilities.

In addition, the following hospitals adopted tobacco-free healthcare campuses during this reporting period:
- Byrd Regional Hospital in Leesville, LA (September 2016)
- Riverside Medical Center in Franklinton, LA (August 16, 2016)
- Hood Memorial Hospital in Amite, LA (October 1, 2016)

Tobacco Prevention and Control Media and Communications

Earned Media Values:
Earned media is the result of our public relations efforts and includes media coverage, blog mentions, social media posts or tweets. These numbers show (as closely as possible) the added value or free publicity we have been able to achieve around the categories below.
- Healthier Air For All/Secondhand Smoke Earned Media Value totaled $1.3 million
- Louisiana Campaign for Tobacco-Free Living Earned Media Value totaled $80,000
- Cessation Earned Media Value totaled $2.9 million

Social Media:

Facebook:
- Total Impressions: 335,552
- Key demographics of the HAFA Facebook page followers: 74% Female, 25% Male, Plurality in New Orleans
- Total Number of Page Likes on 12/31/16: 32,950
- Increase in Page Likes from July 1 - December 31, 2016: 7,785
- The highest percentage of female fans of the HAFA Facebook page are 65+ years old, while the highest percentage of male fans are 25-44 years of age.
- The majority of HAFA Facebook followers live in New Orleans, Baton Rouge, Lafayette, Caddo – this is the second time Caddo Parish has shown up on the FB page, this could be because of the AA Cessation campaign, even though we are promoting the Quitline, the programs are still aligned, and Metairie respectively.

Twitter:

Impressions (how many people viewed our tweets and other posted material): 33,242
Followers: 1,684 (+23 followers from June 30, 2016)
GOAL 3: PROMOTING CESSATION AMONG YOUTH AND YOUNG ADULTS

Best Practices: Tobacco is highly addictive. Although it is possible to quit without help, evidence demonstrates an increased quit rates are much higher with the use of support services. State-supported telephone evidence based Quitlines overcome many of the barriers to smoking cessation classes because they are free and available at smokers' convenience. Evidence based quitlines also bring services to smokers in areas that have few resources. Group cessation programs and workplace cessation programs also improve the likelihood of success. Integrated services – which link Quitlines, provider services, workplace cessation initiatives, and approved pharmacotherapies – offer smokers several help options and lead to greater cessation services and more success. Tobacco users quit rates are higher when users combine evidences based cessation with pharmaco-therapies and comprehensive tobacco control policies.

TFL/TCI Highlighted Activities/Outcomes:

Overall Counts of Registered Callers (Louisiana Tobacco Quitline and Smoking Cessation Trust)

In total, 1999 tobacco users registered for Quitline services from July through December 2016. Just over half of them, 1003, were also found to be eligible for coverage by the Smoking Cessation Trust and were referred to the Trust for services as well. While call volume dropped over the six month period, the number of registrations never fell below 270 per month and well over 100 callers per month were also referred to the Trust.
How Callers Heard About the Quitline

The chart below shows the distribution of various sources of information that callers said informed them of Quitline services. For each month, Health Professionals remained the largest source of Quitline information for callers, with Family/Friend often coming in second except for in November, when TV/Commercial was identified as the source of information by more callers.

Fax-to-Quit, E-Referrals, and Web-Only Callers

Fax-to-quit and e-referral have continued to be a significant source of Quitline registrants in the last six months. Even while overall call volume dropped from July to December, the number of fax/e-referral registrants remained fairly consistent between 100 and 120 per month. Overall, 670 tobacco users found their way to the Quitline via fax-to-quit or e-referrals during this timeframe. Additionally, the number of tobacco users receiving only web-based services from the Quitline has remained steady, except for a small drop in October and November. From July to December 2016, 432 received Quitline services only via online methods.
Tobacco Control Initiative (TCI)

Quitline Referrals Submitted
During this six-month reporting period, Optum received 670 total fax referrals, of which TCI staff sent 296 (44%) referrals. A total of 166 (56%) TCI faxed referred patients received counseling.

SCT Referrals Submitted
TCI staff submitted 642 membership applications to the Smoking Cessation Trust (SCT) during this six-month reporting period.

Great American Smoke Out Events (TCI & TFL)

TFL:
Jefferson Parish Councilmember Mark Spears, Jr. (District 3) recognized TFL, the Smoking Cessation Trust and its partners Ochsner Health System, West Jefferson Medical Center and East Jefferson Medical Center as part of the Great American Smokeout during the November 2, 2016 parish council meeting for making Jefferson the leading parish in Louisiana for approved applications to the Trust’s Cessation Program.

TCI staff held five Great American Smoke-out events at TCI partner health care facilities, including manning information tables and conducting group presentations for interested smokers. One such presentation was done in partnership with the East Baton Rouge Parish Head Start Program. Nakesha Auguster, CTTS, spoke to expectant mothers about the harms and costs associated with smoking during pregnancy, the harms of secondhand smoke for newborns and older children, and cessation resources available to pregnant smokers ready to quit.

GOAL 4: IDENTIFYING AND ELIMINATING TOBACCO-RELATED DISPARITIES

Best Practices: In an effort to identify and eliminate tobacco-related disparities, state programs should ensure that disparity issues are an integral part of state and local tobacco control strategic plans, provide funding to organizations that can effectively reach, involve, and mobilize identified specific populations, and provide culturally competent technical assistance and training to grantees and partners.

Several activities were continued and recently implemented focusing on eliminating tobacco-related disparities in Louisiana. Below are specific examples during this reporting period.
Tobacco Disparities Taskforce

TFL led the Louisiana Department of Health (LDH) Tobacco Disparities Taskforce as outlined in the state’s 2016 – 2021 Louisiana Tobacco Control Strategic and Sustainability Plan to prioritize the top five tobacco disparities populations. The populations consist of the following: (1) African-Americans, (2) low social economic status, (3) lesbian, gay, bisexual, transgender (LGBT), (4) persons with mental health issues, and (5) persons with chronic illnesses. This prioritization will be used to inform Louisiana’s tobacco stakeholders, work plans, and outreach efforts to address tobacco use.

Communities of Color Network

Communities of Color (CoC) Network’s 100% Tobacco-Free Church Initiative

CoC continued the implementation of the 100% Tobacco-Free Church Initiative. During this reporting period 7 new churches completed the tobacco-free church curriculum and are now 100% tobacco-free. This added to the 182 churches statewide that are participating in this initiative. The focus of this initiative is to incorporate policy changes within the African-American church. A series of activities are conducted with various segments within the church population including youth and women. Upon completion of the program, the churches adopt tobacco control into its health ministry as a systems change to educate and build awareness within the congregation about the dangers of tobacco use and exposure.

During this reporting period, the Communities of Color Network staff directly enrolled 307 African Americans into the Smoking Cessation Trust, bringing the total to over 1,500 enrolled since July 2015.

African American Male Cessation Initiative

On September 15, 2016, the African-American Male Cessation pilot media campaign kicked off in Shreveport. The focus of this campaign is to increase awareness of the Louisiana Tobacco Quitline (1-800-QUIT-NOW), the QuitWithUsLA.org website, and the Smoking Cessation Trust - the cessation services available to them. Campaign messaging will assure our target audience they will not only have the resources available to help them stop smoking/using tobacco, but that they will also have personal support, 24 hours/day, and 7 days/week. Currently, African-American males, in particular those with low-socioeconomic statuses, have the highest smoking rates and are the least likely to utilize the Louisiana Tobacco Quitline.

Between September 2016 and the end of the year, 34 locations were canvassed with the media messaging, over 1500 educational materials were distributed, over 3,300 radio spots ran in the local market, nearly 30,000 people heard or saw the campaign messages, and over 60% of the target audience were reached. Evaluation is currently underway to determine the campaign’s effectiveness and reach.

Smoke-Free Public Housing

On November 30, 2016, the U.S. Housing and Urban Development (HUD) Secretary Castro announced that public housing developments in the U.S. will now be required to provide a smoke-free environment for their residents. TFL has partnered with the Louisiana Department of Health (LDH) to educate HUD and public housing authorities on smoke-free residences as directed by a federal directive to have all public housing sites smoke-free by 2018. The CoC Network, TFL along with LDH has conducted three workshops this quarter to educate and train public housing authorities, and staff on the changes, and the dangers of tobacco use and secondhand smoke. Several educational pieces and toolkits have been developed to coincide with the trainings and education. Cessation promotion will coincide with these trainings, therefore educating residences on the Louisiana Tobacco Quitline – 1-800-QUIT-NOW and the Smoking Cessation Trust resources.
GOAL 5: FACILITATING STATEWIDE COORDINATION OF ALL TOBACCO CONTROL INITIATIVES

Best Practices: Comprehensive evidence based statewide programs provide skills, resources, and information needed for the coordinated, strategic implementation of effective community programs. Statewide experience has shown the importance of having all of the programs’ components working together both internally and externally. A key activity is creating an effective communication system externally across programs, coalitions and partners.

Statewide coordinated efforts during this past reporting period resulted in the following outcomes.

Tobacco Control Initiative Publications
During this six-month reporting period, TCL staff published an editorial and an original manuscript in the Journal of Translational Cancer Research, as well as presented two scientific posters at the Meharry Medical College Translational Research Center Conference.

- Author Dr. Sarah Moody-Thomas published an editorial titled “Addressing behavioral risk factors in Translational Cancer Research” re advances in genomics and related technologies have raised expectations of improved population-level benefits for cancer patients.
- Authors Michael D. Celestin Jr, Tung-Sung Tseng, Sarah Moody-Thomas, Yong Yi, Krysten Jones-Winn, Claire Hayes, and Danelle Guillory published a manuscript titled “Effectiveness of Group Behavioral Counseling on Long-Term Quit Rates in Primary Health Care” re smoking being a major cause of cancer and related death.

Meharry Medical College Translational Research Center Conference – Addressing Health Disparities: The Role of Translational Cancer Research
- Authors Michael D. Celestin Jr., Dr. Sarah Moody-Thomas, Dr. Qingzhao Yu, Dr. Tung-Sung Tseng, Debbie Durapau, Krysten Wynn, and Danelle Guillory presented a scientific poster titled “Reducing disparities in quit-line utilization through group desensitization counseling in a rural public hospital” re Louisiana having higher smoking rates, but lower utilization of quit-line services, compared to national averages. Less than one percent of eligible smokers in Louisiana receive quit-line services. The tobacco prevention movement has made momentous strides in translating research into practice, but new approaches are needed to increase quitline participation, scaling it up in other hospitals in Louisiana. The success of this strategy in group counseling classes will improve utilization of cessation services.
- Authors Danelle N. Guillory, Dr. Stephanie T. Broyles, and Dr. Sarah Moody-Thomas presented a scientific poster at the MMCTRC conference titled “Differences in the Neutrophil-Lymphocyte Ratio across Racial/Ethnic Groups” re African-Americans disproportionately suffering from chronic disease. More than 75% of our national healthcare spending is on people with chronic conditions. Subsequently, much of this financial burden is produced by African-Americans.
### Louisiana Cancer Research Center - Tobacco Cessation (TFL) Program

#### Semi-annual Report Expenditure Summary

**Fiscal Year 2016-2017**

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<th>Sources of Funds</th>
<th>Operating Budget/Appropriated</th>
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<th>Period 1/1/17-6/30/17 (Quarters 3 &amp; 4)*</th>
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#### Uses of Funds by Object (Account):

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#### Uses of Funds by Program Component:

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#### Net Sources/Uses

| Net Sources/Uses | 1,656,681 | 49% #DIV/0! | 1,656,681 | 49% |