

Auxiliary Enterprise Balances as of June 30, 2006
LSU Health Sciences Center, New Orleans

Based on preliminary numbers, Auxiliary Enterprises on the New Orleans Campus have an overall cash balance of \$5.2 million as of June 30, 2006 or about \$.4 million less than the prior fiscal year. As we recover, we anticipate restoring portions of the revenue stream for Auxiliary Enterprises and have reflected this in our 2006-07 budget.

- The decrease is due to the disruption caused to our operations from Hurricane Katrina. As a result of the damage from Hurricane Katrina, our faculty, staff and students were relocated, primarily to Baton Rouge. Five of our professional schools have been able to reopen their operations in New Orleans but the Dental School will be in Baton Rouge through the 2006-07 Academic Year. During most of the past fiscal year, parking facilities, student housing, core labs, duplicating and printing and network wiring were closed. Health science stores, campus office stores, Microsystems sales and services, and bookstore operations were relocated temporarily to Baton Rouge, but there was an impact on the bottom line in those operations as well. Measures were taken to control costs but the end result was a loss of \$1.8 million.
- Accounts receivable decreased by \$2.3 million. This decrease is largely a reflection of the closure of MCLANO, which is our largest outside customer.
- Liabilities decreased by \$.9 million.

Projected uses of cash balances include:

- Improved parking space for faculty, students and staff. Improvements include lighting, fencing and surface work.
- Modernization and Renovation of Student Housing.
- The revenues of all the auxiliary enterprises are pledged to support the retirement of revenue bond indebtedness for the Charity Nursing dorm project.