

Auxiliary Enterprise Balances as of June 30, 2011
LSU Health Sciences Center, New Orleans

1) Fund Balances

- a. The estimated June 30, 2011 cash balance is \$8.8 million.
- b. Estimated June 30, 2011 assets are \$11.6 million
- c. Estimated June 30, 2011 liabilities are \$8.5 million
- d. The estimated June 30, 2011 operating fund balance is \$3.1 million.
- e. Estimated expenses over revenues were \$.6 million. Of that total, \$.4 million was spent on equipment and other capital improvements. Please see below for corrective actions.
- f. As is the case with previous fiscal years, the revenues of all auxiliary enterprises are pledged to support the retirement of 2000 Series revenue bond indebtedness for the Charity Nursing dorm project. The grand total of remaining principal and interest due through FY 30-31 is \$23.5 million. Within annual operating revenues, LSUHSC-NO is continually modernizing and renovating student housing units.

2) Debt Service

- a. Principal and interest due in FY 2010-11 from the Student Housing Auxiliary is \$575,630.
- b. Principal and interest due in FY 2010-11 from the Parking Auxiliary is \$164,734.

3) Variations Between Reported and Actual Uses of Balances

- a. Our parking auxiliary manages parking areas that are utilized by employees at LSU Interim Hospital. Over \$223,000 was invested in repairs and improvements to surface lots used by those employees.

4) Correction Actions to Restore Profitability to Auxiliaries that lost money during FY 10-11.

- a. Expenses exceeded revenues in the Residence Hall auxiliary. However the loss was related to efforts to modernize and renovate the Residence Hall dorm building, which was constructed in 1966. Normal operating expenses were covered by normal recurring revenues.
- b. Corrective actions to limit losses in the Bookstore, Health Sciences Stores and Printing Services auxiliaries include:
 - i. Permanent reductions in staffing through attrition (\$164,000 in savings since the beginning of FY 11).
 - ii. Strict controls over operating costs.
 - iii. Operating performance will continue to be monitored closely. If necessary further consolidation of physical locations and staffing may be warranted.