HEALTH CARE SERVICES FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

P&N
Postlethwaite & Netterville
A Professional Accounting Corporation
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8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809
225-922-4600 Phone - 225-922-4611 Fax - pncpa.com

A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

Board of Directors
Health Care Services Foundation
Baton Rouge, Louisiana

We have audited the accompanying consolidated financial statements of the Health Care Services Foundation (the Organization) which comprises the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities and changes in net assets, functional expenses by nature and class, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

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

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

Postlethwaite & Netterville

Opinion

In our opinion, the consolidated financial statements referred to on the previous page present fairly, in all material respects, the consolidated financial position of the Health Care Services Foundation as of June 30, 2021, and the changes in its consolidated net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules, on pages 18 - 20, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, on our consideration of the Organization's internal control over financial reporting and on 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 the Organization's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana

September 30, 2021

HEALTH CARE SERVICES FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

CURRENT ASSETS:		
Cash and cash equivalents	$	2,916,157
Capital lease receivable, current portion		500,000
Other receivables		5,138
Prepaid expenses		38,897
Total current assets		3,460,192
NON-CURRENT ASSETS:		
Restricted cash and cash equivalents		888,176
Certificate of deposit		251,959
Capital lease receivable, net of current portion		10,455,000
Property, plant and equipment, net		2,504,547
Total non-current assets		14,099,682
TOTAL ASSETS	$	17,559,874

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

HEALTH CARE SERVICES FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	$	12,498
Due to affiliate		8,849
Other current liabilities		15,702
Bonds payable, current portion		500,000
Total current liabilities		537,049
LONG-TERM LIABILITIES:		
Bonds payable (including unamortized bond discount of $45,252 and unamortized issuance costs of $246,385), net of current portion		10,163,363
Total long-term liabilities		10,163,363
Total liabilities		10,700,412
NET ASSETS		
Without donor restrictions		6,859,462
Total net assets		6,859,462
TOTAL LIABILITIES AND NET ASSETS	$	17,559,874

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

HEALTH CARE SERVICES FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions
REVENUES AND OTHER SUPPORT	
Interest income on capital leases	$ 380,819
Investment earnings	11,653
Rental income	502,791
Total revenues and other support	895,263
EXPENSES	
Program services:	
Division support and services	211,651
Medicial center operations	188,132
Total program services	399,783
Management and general	566,030
Total expenses	965,813
Changes in net assets	(70,550)
NET ASSETS - BEGINNING OF THE YEAR	6,930,012
NET ASSETS - END OF THE YEAR	$ 6,859,462

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

HEALTH CARE SERVICES FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES BY NATURE AND CLASS
YEAR ENDED JUNE 30, 2021

	Program Activities			Supporting Activities	
	Division Support and Services	Medical Center Operations	Total Program Activities	Management and General	Total Expenses
Accounting and professional fees	$ -	$ -	$ -	$ 151,700	$ 151,700
Depreciation	99,438	-	99,438	-	99,438
Insurance	20,375	149,432	169,807	14,066	183,873
Interest expense	-	-	-	399,385	399,385
Miscellaneous expense	-	-	-	879	879
Parking lot rent	-	38,700	38,700	-	38,700
Utilities	91,838	-	91,838	-	91,838
	$ 211,651	$ 188,132	$ 399,783	$ 566,030	$ 965,813

The accompanying notes are an integral part of this consolidated statements.

HEALTH CARE SERVICES FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets:	$	(70,550)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense		99,438
Amortization of loan costs		14,493
Amortization of bond discount/premium		4,482
Change in operating assets and liabilities:		
Decrease in lease receivables		490,000
Increase in other receivables		(3,150)
Increase in prepaid expense		(4,064)
Increase in accounts payable		10,830
Increase in due to affiliate		3,296
Decrease in other liabilities		(408)
Net cash provided by operating activities		544,367
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of certificates of deposit		(3,581)
Net cash used in investing activities		(3,581)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on debt		(490,000)
Net cash used in financing activities		(490,000)
Net change in cash and cash equivalents		50,786
Cash and cash equivalents at beginning of period		3,753,547
Cash and cash equivalents at end of period	$	3,804,333

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE THE STATEMENT OF FINANCIAL POSITION		
Cash and cash equivalents - unrestricted	$	2,916,157
Cash and cash equivalents - restricted		888,176
	$	3,804,333

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for Interest	$	382,410

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. The Foundation

Organization

The Health Care Services Foundation (the Organization) is a nonprofit organization, incorporated in the State of Louisiana, that provides support and appropriate services to the Health Care Services Division of the Louisiana State University Agricultural and Mechanical College (the Division or HCSD), including purchasing, leasing, owning, operating, managing, and selling property and services to maximize healthcare capabilities in Louisiana.

The Bogalusa Community Medical Center (BCMC) is a nonprofit organization, organized on a non-stock membership basis, incorporated in the State of Louisiana. On April 25, 2002, the Organization became the sole member of the BCMC. Prior to September 27, 2007, BCMC leased the hospital's facilities to HCSD. Effective September 27, 2007, the facilities were sold to the HCSD as part of a capital lease transaction. The Foundation and the BCMC are referred to collectively as the "Organization".

Consolidation

The consolidated financial statements include the accounts of the Health Care Services Foundation and the Bogalusa Community Medical Center. All significant intercompany accounts and transactions have been eliminated in these financial statements.

Operations

All of the Organization's operations consist of program and supporting service activities undertaken to promote and support the Division and all the hospitals, health care facilities, departments, and divisions comprising it.

Reporting Entity

The Organization is considered to be a component unit of the Division. The Division is a component unit of the Louisiana State University System, which is a component unit of the State of Louisiana.

The accompanying financial statements present information only on the activities and accounts maintained by the Organization and do not present information on the Division, the general governmental services provided by that governmental unit or the other governmental units that comprise the financial reporting entity for the State of Louisiana.

2. Summary of significant accounting policies

Basis of presentation

The accounting and reporting policies of the Organization conform to the accounting principles generally accepted in the United States of America and the prevailing practices within the non-profit industry. A summary of significant accounting policies is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued)

New accounting pronouncements adopted

During the year ended June 30, 2021, the Organization adopted Accounting Standards Update (ASU) 2014-09 and related amendments, *Revenue from Contracts with Customers* (Topic 606). This ASU was issued to update the revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statements users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognized revenue, and therefore no changes to the previously issued audited consolidated financial statements were required on a retrospective basis. The presentation and disclosures of revenue were enhanced in accordance with the standard.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Basis of accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and cash equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Certificate of deposit

The fair value of the Organization's financial instrument consisting of a certificate of deposit and held at local financial institutions at June 30, 2021, does not differ materially from the aggregate carrying value of this financial instruments recorded in the accompanying statement of financial position.

Lease receivable

Lease receivables are reported at their net realizable value, after deduction of allowances for estimated uncollectible accounts. The allowance for uncollectible accounts is based on an aging of current outstanding amounts and the current status of the individual accounts. Management believes that all receivables at year-end are collectable, and therefore, no allowance has been provided in these financial statements.

2. Summary of significant accounting policies (continued)

Prepaid expenses

Prepaid expenses are amortized over the estimated period of future benefit, generally on a straight-line basis.

Property and equipment

Property and equipment are stated at cost. Additions, renewals, and improvements that increase the value or extend the lives of these assets are capitalized. Replacements, maintenance, and repairs that do not improve the value of or extend the lives of the respective assets are expensed as incurred. Provisions for depreciation are computed using the straight-line method over the estimated useful lives of the assets, which range from three to thirty-nine years.

Donated materials, building improvements, and equipment are reflected as contribution income and are either expensed or capitalized based on whether these items improve the value of or extend the lives of the respective assets at their estimated values at the date of receipt of the donation.

When assets are retired or otherwise disposed of, the book value and related accumulated depreciation are removed from the accounts, and any resulting gains or losses are recognized in income for that period.

Impairment of long-lived assets

Impairment of long-lived assets is tested whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair market values are reduced for the cost to dispose.

Cost of borrowing and deferred financing costs

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets, if material.

Costs incurred in connection with the obtaining of financing are deferred and are amortized over the period the obligation is outstanding on the effective interest method. Costs and premium or discounts incurred in connection with the issuance of bonds or indentures are amortized over the life of the obligation on the interest method, and the unamortized amount is included in the balance of the outstanding debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of significant accounting policies (continued)

Net assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Foundation is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and board of directors.

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

Contributions

Unconditional promises to give cash or other assets to the Organization are recorded at fair value on the date the promise is received. Conditional promises to give are recorded at fair value at the date the promise becomes unconditional. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Contributed property and equipment is recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Rental income

All leases are classified at the inception as finance leases or operating leases based on whether the lease transfers substantially all the risks and rewards of ownership. Leases that transfer to the lessee substantially all the risks and rewards incidental to the ownership of the asset are classified as finance leases. Leases where substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease. Income from operating leases is recognized ratably over the term of the lease. Charges to lessees for rent are based on each lessee's lease agreement and recorded to rent receivable when due.

2. Summary of significant accounting policies (continued)

Income taxes

The Foundation and BCMC are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code.

The Organization accounts for income taxes in accordance with the accounting guidance included in the Accounting Standards Codification (ASC). The Organization recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than fifty percent likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. The Organization has evaluated its positions regarding the accounting for uncertain tax positions and does not believe it has any material uncertain tax positions as of June 30, 2021.

Accounting pronouncements issued by not yet adopted

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021.

The Organization is currently assessing the impact of this pronouncement on its consolidated financial statements.

3. Availability and liquidity

The following represents the Organization's financial assets at June 30, 2021:

Financial assets at year end:		
Cash and cash equivalents	$	2,916,157
Capital lease receivable, current portion		500,000
Other receivables		5,138
Financial assets available to meet general expenditures over the next twelve months	$	3,421,295

The Organization's operating cash flows is generated through rental income payments that are received monthly as further discussed in note 5. The cash held at year end is available to meet any general expenditures for an extended period as well as annual capital lease payments.

4. Restricted cash

Certain proceeds of the Series 2017 Bonds (see note 9), as well as certain resources set aside for their repayment, are classified as restricted assets on the consolidated statement of financial position because they are maintained in a separate bank account and their use is limited by applicable bond covenants. The assets included in restricted cash and cash equivalents include: 2017 Bond Cost of Issuance Fund, 2017 Bond Debt Service Fund, and the Capitalized Interest Fund.

5. Related parties

The Foundation entered into an agreement to lease space, land and equipment to HCSD to be used as a medical office and clinic facility (See Note 8). For the year ended June 30, 2021, rental income recognized from HCSD totaled $156,764. The amount received is based off of an approved budget prepared by the Foundation. A reconciliation of actual expenditures to amounts received from HCSD is made at year end and any differences are settled between the Foundation and HCSD. Amounts owed to HCSD at June 30, 2021 amounted to $6,236 for rent received in excess of actual expenditures. This amount is included in due to affiliate on the consolidated statement of financial position.

Furthermore, the Foundation entered into an agreement on June 1, 2012 for the occupancy and construction of HCSD Administrative Offices. Within this lease agreement, the Foundation is leasing the grounds and warehouse facility from the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (LSU A&M). Also, as part of this lease, LSU is leasing the facilities, including the construction, from the Foundation. The details of this lease are further discussed in Note 8.

The Foundation provides management and administrative services to BCMC. Administrative fees for the fiscal year ended June 30, 2021 totaled $94,500 and were eliminated in the consolidation of these financial statements.

BCMC and HCSF entered into a recapitalization agreement with the Board of Supervisors of LSU A&M on September 28, 2007. Prior to the agreement, HCSD leased from BCMC all net rentable space in its hospital. For the year ended June 30, 2021, rental income recognized from HCSD totaled $308,227. Amounts owed to LSU at June 30, 2021, amounted to $2,613 for rent received in excess of actual expenditures expended. This amount is included in due to affiliate, on the consolidated statement of financial position.

6. Concentrations

Credit risk
The Organization maintains cash accounts with commercial banks which are insured by the Federal Deposit Insurance Corporation up to the maximum amount allowed. The uninsured and uncollateralized balance at June 30, 2021 totaled $2,904,875.

Revenues
During 2021, the Organization received approximately 52% of its total revenue from HCSD. The Organization is unaware of any modifications or reductions to the current agreements which may impact these revenue sources.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Property, plant and equipment

A summary of property, plant and equipment at June 30, 2021, is set forth below:

Building and improvements	$ 3,555,489
Furniture	100,950
Equipment	182,512
	3,838,951
Less: Accumulated depreciation	(2,015,104)
	1,823,847
Land	680,700
Net Property, Plant and Equipment	$ 2,504,547

Depreciation expense for the year ended June 30, 2021 amounted to $99,438.

8. Leases

Operating Leases

Foundation

The Foundation entered into an agreement to lease land and a building to the Louisiana State University Health Care Sciences Division (HCSD) to be used as a medical office and clinic facility. The rent commencement date was June 1, 2004 and continued until May 31, 2015. The lessee gave written notice to extend the lease through June 30, 2024. Rent is recognized based on actual operating costs and therefore a schedule of future minimum lease payments receivable is not presented. The operating costs component of rent is reconciled annually. All of the property and equipment owned by the Foundation (see Note 7) is being leased under the terms of this agreement with the HCSD.

BCMC

BCMC has entered into several lease agreements for the rental of parking space whose terms expire at various times through the year ending November 30, 2025, and require monthly payments ranging from $800 to $1,600. Rental income recognized under these agreements totaled $37,800 for the year ended June 30, 2021.

The following is a schedule by year of future minimum lease payments required under all of these operating leases which have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2021:

Year ending June 30,	Amount
2022	$ 38,700
2023	38,700
2024	29,900
2025	9,900
2026	4,125
	$ 121,325

8. Leases (continued)

Capital Leases

BCMC

Effective September 1, 2007, a capital lease agreement was entered into to lease a building and equipment to the Louisiana State University Health Care Sciences Division ("HCSD") to be used as a hospital, and has a term of 32 years. The monthly lease amount consists of debt services in accordance with Series 2007A Bonds, refunded by the Revenue Refunding Bonds, Series 2017 (see note 9). In accordance with the lease agreement, monthly estimated costs will also be reimbursed. These operating costs are not included in the minimum lease receivable disclosure below. Unearned revenue is amortized using the effective interest method calculated based on a constant periodic annual rate of 3.475% over the lease term.

The following schedule represents the estimated total minimum lease payments receivable under the lease agreements described above:

For the years ending June 30		
2022	$	871,019
2023		875,394
2024		868,161
2025		871,463
2026		865,413
Thereafter		10,448,125
Total minimum lease payment receivable		14,799,575
Less: unearned revenue	(	3,844,575)
Net investment in capital lease receivable		10,955,000
Less: current portion of capital lease	(	500,000)
Capital lease receivable, net of current portion	$	10,455,000

9. Bonds payable

BCMC

BCMC entered into a loan agreement with the Health Care Community Development Corporation (HCCDC) on September 1, 2007. In this agreement, HCCDC (the Issuer) loaned the proceeds of its Series 2007A Health Care Community Development Corporation Revenue Bonds and the Series 2007B Health Care Community Development Corporation Taxable Revenue Bonds to BCMC. On April 26, 2017, BCMC issued $13,275,000 Revenue Refunding Bonds, Series 2017 which were used to finance the costs of capital improvements for the Medical Center. The Series 2017 Bonds were also issued (1) to refund outstanding maturities of the Issuer's Series 2007A Bonds and (2) to pay the cost of issuing the Series 2017 Bonds.

The 2017 Bonds bear the following fixed interest rate and maturities as set forth by the Trust Indenture:

	Amount
2.125% Term Bond due on June 15, 2021	$ 1,905,000
2.375% Term Bond due on June 15, 2022	500,000
2.250% Term Bond due on June 15, 2023	515,000
3.000% Term Bond due on June 15, 2024	520,000
4.000% Term Bond due on June 16, 2025	535,000
Term Bonds due on June 15, 2026 through 2038 (rates ranging between 3.000% and 4.000%)	8,885,000
	$ 12,860,000

At June 30, 2021, debt consisted of the following:	Amount
Series 2017	$ 12,860,000
Less: principal payments made year to date	(1,905,000)
Less: unamortized bond discount	(45,252)
Less: deferred bond issuance costs, net	(246,385)
	$ 10,663,363

The following schedule represents the total principal and interest payments as set out by the agreement:

For the years ending June 30	Principal	Interest	Total
2022	$ 500,000	$ 371,019	$ 871,019
2023	515,000	360,394	875,394
2024	520,000	348,161	868,161
2025	535,000	336,463	871,463
2026	545,000	320,413	865,413
Thereafter	8,340,000	2,108,125	10,448,125
	$ 10,955,000	$ 3,844,575	$ 14,799,575

For the year ended June 30, 2021, BCMC recorded interest expense of $399,385, which is added to the amortization of the bond premium of $4,482 and net of the amortization costs of the bonds of $14,493.

9. Bonds payable (continued)

BCMC

Under the terms of the Trust Indenture for the bonds, BCMC is required to maintain a Debt Service Reserve Fund for the Series 2017. The Debt Service Reserve fund deposit should be an amount equal to the debt service fund requirement. The balance in the reserve funds at June 30, 2021, equaled $888,176 and is presented as restricted cash on the consolidated statement of financial position.

10. Functional allocation of expenses by nature and class

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses by nature and class. Accordingly, certain costs have been allocated by management among the programs and supporting services benefited. The method of allocation for depreciation, interest expense, and other miscellaneous expenses is based on square footage. The method of allocation for insurance, legal and professional, supplies, and utilities is based on full time equivalents.

11. Subsequent events

Management has evaluated events through the date that the financial statements were available to be issued, September 30, 2021, and determined that no events occurred that require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

HEALTH CARE SERVICES FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

	Health Care Services Foundation	Bogalusa Community Medical Center	Eliminations	Consolidated
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 514,641	$ 2,401,516	$ -	$ 2,916,157
Capital lease receivable, current portion	-	500,000	-	500,000
Other receivables	9,915	3,150	(7,927)	5,138
Prepaid expenses	3,465	35,432	-	38,897
Total current assets	528,021	2,940,098	(7,927)	3,460,192
NON-CURRENT ASSETS:				
Restricted cash	-	888,176	-	888,176
Certificate of deposit	-	251,959	-	251,959
Capital lease receivable, net of current portion	-	10,455,000	-	10,455,000
Property, plant and equipment, net	2,193,847	310,700	-	2,504,547
Total non-current assets	2,193,847	11,905,835	-	14,099,682
TOTAL ASSETS	$ 2,721,868	$ 14,845,933	$ (7,927)	$ 17,559,874
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable	$ 8,998	11,427	$ (7,927)	$ 12,498
Due to affiliate (LSU)	6,236	2,613	-	8,849
Other current liabilities	243	15,459	-	15,702
Bonds payable, current portion	-	500,000	-	500,000
Total current liabilities	15,477	529,499	(7,927)	537,049
LONG-TERM LIABILITIES:				
Bonds payable (including unamortized bond discount of $45,252 and unamortized issuance costs of $246,385), net of current portion	-	10,163,363	-	10,163,363
Total long-term liabilities	-	10,163,363	-	10,163,363
Total liabilities	15,477	10,692,862	(7,927)	10,700,412
NET ASSETS				
Without donor restrictions	2,706,391	4,153,071	-	6,859,462
Total net assets	2,706,391	4,153,071	-	6,859,462
TOTAL LIABILITIES AND NET ASSETS	$ 2,721,868	$ 14,845,933	$ (7,927)	$ 17,559,874

See independent auditors' report.

HEALTH CARE SERVICES FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2021

	Health Care Services Foundation	Bogalusa Community Medical Center	Eliminations	Consolidated
	Without Donor Restrictions			
REVENUES				
Management fees	$ 94,500	$ -	$ (94,500)	$ -
Interest income on capital leases	-	380,819	-	380,819
Investment earnings	1,343	10,310	-	11,653
Rental income	156,764	346,027	-	502,791
Total revenues and other support	252,607	737,156	(94,500)	895,263
EXPENSES				
Building costs:				
Depreciation	99,438	-	-	99,438
Insurance expense	21,447	162,426	-	183,873
Rent and other	129	39,350	-	39,479
Utilities	91,838	-	-	91,838
Other:				
Miscellaneous expenses	-	100	-	100
Interest expense	-	399,385	-	399,385
Accounting and professional	137,850	108,350	(94,500)	151,700
Total expenses	350,702	709,611	(94,500)	965,813
Change in net assets	(98,095)	27,545	-	(70,550)
NET ASSETS - BEGINNING OF THE YEAR	2,804,486	4,125,526	-	6,930,012
NET ASSETS - END OF THE YEAR	$ 2,706,391	$ 4,153,071	$ -	$ 6,859,462

See independent auditors' report.

HEALTH CARE SERVICES FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

	Health Care Services Foundation	Bogalusa Community Medical Center	Eliminations	Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets:	$ (98,095)	$ 27,545	$ -	$ (70,550)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation expense	99,438	-	-	99,438
Amortization of loan costs	-	14,493	-	14,493
Amortization of bond discount/premium	-	4,482	-	4,482
Change in operating assets and liabilities:				
Decrease in lease receivables	-	490,000	-	490,000
Increase in other receivables	-	(3,150)	-	(3,150)
Increase in prepaid expense	(48)	(4,016)	-	(4,064)
Increase in accounts payable	903	9,927	-	10,830
Increase (decrease) in due to affiliate	4,705	(1,409)	-	3,296
Decrease in other liabilities	-	(408)	-	(408)
Net cash provided by operating activities	6,903	537,464	-	544,367
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of certificates of deposit	-	(3,581)	-	(3,581)
Net cash used in investing activities	-	(3,581)	-	(3,581)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal payments on debt	-	(490,000)	-	(490,000)
Net cash used in financing activities	-	(490,000)	-	(490,000)
Net increase in cash and cash equivalents	6,903	43,883	-	50,786
Cash and cash equivalents at beginning of period	507,738	3,245,809	-	3,753,547
Cash and cash equivalents at end of period	$ 514,641	$ 3,289,692	$ -	$ 3,804,333
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF FINANCIAL POSITION				
Cash and cash equivalents - unrestricted	$ 514,641	$ 2,401,516	$ -	$ 2,916,157
Cash and cash equivalents - restricted	-	888,176	-	888,176
	$ 514,641	$ 3,289,692	$ -	$ 3,804,333
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash Payments for Interest	$ -	$ 382,410	$ -	$ 382,410

See independent auditors' report.

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8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809
225-922-4600 Phone - 225-922-4611 Fax - pncpa.com

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INDEPENDENT AUDITORS' 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*

Board of Directors
Health Care Services Foundation
Baton Rouge, Louisiana

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 consolidated financial statements of the Health Care Services Foundation (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities and changes in net assets, functional expenses by nature and class, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion of the effectiveness of the Organization'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, 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 charges 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 the internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

P&N
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 30, 2021

HEALTH CARE SERVICES FOUNDATION

SUPPLEMENTARY INFORMATION

END OF THE YEAR REPORTING PACKET
JUNE 30, 2021

REQUIRED BY THE STATE OF LOUISIANA, DIVISION OF ADMINISTRATION, OFFICE OF STATEWIDE REPORTING

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8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809
225-922-4600 Phone - 225-922-4611 Fax - pncpa.com

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

The Board of Directors
Heath Care Services Foundation
Baton Rouge, Louisiana

We have audited the consolidated financial statements of the Health Care Services Foundation as of and for the year ended June 30, 2021, and issued our report which was dated September 30, 2021, which expressed an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The End of the Year Reporting Packet is presented for purposes of additional analysis and is not a required part of the consolidated financial statements but is supplementary information required by the State of Louisiana, Division of Administration, Office of Statewide Reporting and Policy (OSRAP). 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 30, 2021

LOUISIANA STATE UNIVERSITY SYSTEM
Statement of Net Position
For year ended June 30, 2021

ASSETS	HCSF	BCMC	Eliminations	Total
Current Assets				
Cash and cash equivalents	$ 514,641	$ 2,401,516	$ -	$ 2,916,157
Investments	-	-	-	-
Receivables, net	-	-	-	-
Leases receivable, net	-	500,000	-	500,000
Due from other campuses	-	-	-	-
Due from Primary Government	-	-	-	-
Due from Federal Government	-	-	-	-
Inventories	-	-	-	-
Prepaid expenses and advances	3,465	35,432	-	38,897
Notes receivable, net	-	-	-	-
Other current assets	9,915	3,150	(7,927)	5,138
Total current assets	528,021	2,940,098	(7,927)	3,460,192
Noncurrent Assets				
Restricted Assets:				
Cash and cash Equivalents	-	888,176	-	888,176
Investments	-	251,959	-	251,959
Receivables, net	-	-	-	-
Notes receivable	-	-	-	-
Other restricted assets	-	-	-	-
Investments	-	-	-	-
Leases receivable, net	-	10,455,000	-	10,455,000
Capital assets, net:				
Land	370,000	310,700	-	680,700
Buildings and improvements	1,823,847	-	-	1,823,847
Machinery and equipment	-	-	-	-
Infrastructure	-	-	-	-
Intangible assets	-	-	-	-
Construction in progress	-	-	-	-
Other noncurrent assets	-	-	-	-
Total noncurrent assets	2,193,847	11,905,835	-	14,099,682
Total Assets	2,721,868	14,845,933	(7,927)	17,559,874
Deferred outflows of resources				
Deferred amounts on debt refunding	-	-	-	-
Asset retirement obligations	-	-	-	-
OPEB-related deferred outflows of resources	-	-	-	-
Pension-related deferred outflows of resources	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total Assets and Deferred Outflow of Resources	**$ 2,721,868**	**$ 14,845,933**	**$ (7,927)**	**$ 17,559,874**

LOUISIANA STATE UNIVERSITY SYSTEM
Statement of Net Position
For year ended June 30, 2021

LIABILITIES	HCSF	BCMC	Eliminations	Total
Current Liabilities				
Accounts payable and accrued liabilities	$ 8,998	$ 23,386	$ (7,927)	$ 24,457
Due to other campuses	6,236	2,613	-	8,849
Due to Federal Government	-	-	-	-
Amounts held in custody for others	-	-	-	-
Unearned revenues	-	-	-	-
Other current liabilities	243	3,500	-	3,743
Current portion of long-term liabilities:				-
Compensated absences	-	-	-	-
Capital lease obligations	-	-	-	-
Notes payable	-	-	-	-
OPEB liability				
Bonds payable	-	500,000	-	500,000
Other long-term liabilities	-	-	-	-
Total current liabilities	15,477	529,499	(7,927)	537,049
Noncurrent Liabilities				
Compensated absences payable	-	-	-	-
Capital lease obligations	-	-	-	-
Notes payable	-	-	-	-
Bonds payable	-	10,163,363	-	10,163,363
OPEB liability	-	-	-	-
Net pension liability	-	-	-	-
Unearned revenues	-	-	-	-
Other noncurrent liabilities	-	-	-	-
Total noncurrent liabilities	-	10,163,363	-	10,163,363
Total Liabilities	15,477	10,692,862	(7,927)	10,700,412
Deferred inflows of resources				
Split interest agreements	-	-	-	-
OPEB-related deferred inflows of resources	-	-	-	-
Pension-related deferred inflows of resources	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	2,193,847	310,700	-	2,504,547
With donor restrictions:				
Nonexpendable	-	-	-	-
Expendable	-	-	-	-
Without donor restrictions	512,544	3,842,371	-	4,354,915
Total net position	2,706,391	4,153,071	-	6,859,462
Total liabilities, deferred inflows of resources, and net position	$ 2,721,868	$ 14,845,933	$ (7,927)	$ 17,559,874

LOUISIANA STATE UNIVERSITY SYSTEM
Statement of Revenues, Expenses,
and Changes in Net Position
For year ended June 30, 2021

	HCSF	BCMC	Eliminations	Total
OPERATING REVENUES				
Student tuition and fees	$ -	$ -	$ -	$ -
Less scholarship allowances	-	-	-	-
Net student tuition and fees	-	-	-	-
Federal appropriations	-	-	-	-
Federal grants and contracts	-	-	-	-
State and local grants and contracts	-	-	-	-
Nongovernmental grants and contracts	-	-	-	-
Sales and services of educational departments	-	-	-	-
Hospital income	-	-	-	-
Auxiliary enterprise revenues (including revenues pledged to secure debt)	-	-	-	-
Less scholarship allowances	-	-	-	-
Net auxiliary revenues	-	-	-	-
Other operating revenues	251,264	346,027	(94,500)	502,791
Total operating revenues	251,264	346,027	(94,500)	502,791
OPERATING EXPENSES				
Educational and general:				
Instruction	-	-	-	-
Research	-	-	-	-
Public service	-	-	-	-
Academic support	-	-	-	-
Student services	-	-	-	-
Institutional support	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Scholarships and fellowships	-	-	-	-
Auxiliary enterprises	-	-	-	-
Hospital				
Other operating expenses	350,702	310,226	(94,500)	566,428
Total operating expenses	350,702	310,226	(94,500)	566,428
OPERATING INCOME (LOSS)	(99,438)	35,801	-	(63,637)
NONOPERATING REVENUES (EXPENSES)				
State appropriations	-	-	-	-
Gifts	-	-	-	-
Federal nonoperating revenues (expenses)	-	-	-	-
Net investment income	1,343	391,129	-	392,472
Interest expense	-	(399,385)	-	(399,385)
Other nonoperating revenues (expenses)	-	-	-	-
Net nonoperating revenues (expenses)	1,343	(8,256)	-	(6,913)
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, AND LOSSES	(98,095)	27,545	-	(70,550)
Capital appropriations	-	-	-	-
Capital gifts and grants	-	-	-	-
Additions to permanent endowments	-	-	-	-
Other additions, net		-	-	-
Transfer to/from other LSU campuses	-	-	-	-
CHANGE IN NET POSITION	(98,095)	27,545	-	(70,550)
Net position at beginning of year	2,804,486	4,125,526	-	6,930,012
Net position at end of year	$ 2,706,391	$ 4,153,071	$ -	$ 6,859,462

1.B. Reporting Entity - Blended Component Units

The component units listed below were blended into the previous year financial statements. Please add or update information as needed.

Name **Health Care Services Foundation**

Description The Health Care Services Foundation (HCSF) and its subsidiary, Bogalusa Community Medical Center (BCMC), are blended component units of the university system and are included in the financial statements. The component units are included in the reporting entity because they are fiscally dependent on the LSU System and the LSU Health Care Services Division (HCSD) and provide services exclusively to HCSD. HCSF is a nonprofit organization, incorporated in the State of Louisiana that provides support and appropriate services to the Health Care Services Division, including purchasing, leasing, owning, operating, managing, and selling property and services to maximize healthcare capabilities in Louisiana. BCMC is a nonprofit, nonstock corporation, incorporated in Louisiana. On April 25, 2002, HCSF became the sole member of the BCMC, which leases the hospital's facilities to the Health Care Services Division. Although HCSF and BCMC are legally separate entities, they are reported as a part of the university system because their purposes are to assist the LSU Health Care Services Division in carrying out its medical, educational, and research functions.

To obtain the latest audit report of the HCSF and the BCMC, write to Health Care Services Foundation, Post Office Box 91308, Baton Rouge, Louisiana 70821-1308.

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2. Cash and Cash Equivalents

Cash and Cash Equivalents:		**Book Balances**
Petty cash		-
Demand deposits		677,776
Certificates of deposit		-
Money market accounts		2,238,481
Open-end mutual fund:		
Dreyfus Treasury		-
Federated Investors Government Obligation Funds		-
Federated Prime Obligations Fund		-
Fidelity Treasury Money Market		-
JPMorgan US Government Plus Money Market Fund		-
JPMorgan US Treasury Plus Money Market Fund		-
Treasury Obligations Fund		888,076
Total Cash and Cash Equivalents (should tie to SNP)	**$**	**3,804,333**

Total Deposits in Bank Accounts		
Cash	$	4,070,650
Balances Exposed to Custodial Risk:		
Uninsured and uncollateralized	$	2,904,875

5. Capital Assets

	A Balance 6/30/2020	B Prior Period Adjustment	Restated Balance 6/30/2020	Additions	C Transfers	D Retirements	Balance 6/30/2021
Capital assets not being depreciated:							
Land	$ 680,700	$ -	$ 680,700	$ -	$ -	$ -	$ 680,700
Capitalized collections	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not being depreciated	$ 680,700	$ -	$ 680,700	$ -	$ -	$ -	$ 680,700
Other capital assets:							
Infrastructure	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Buildings	3,555,489	-	3,555,489	-	-	-	3,555,489
Less accumulated depreciation	(1,632,204)	-	(1,632,204)	(99,438)	-	-	(1,731,642)
Total buildings	1,923,285	-	1,923,285	(99,438)	-	-	1,823,847
Equipment (including library books)	283,462	-	283,462	-	-	-	283,462
Less accumulated depreciation	(283,462)	-	(283,462)	-	-	-	(283,462)
Total equipment	-	-	-	-	-	-	-
Software (internally generated and purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
Less accumulated amortization - software	-	-	-	-	-	-	-
Less accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-
Total other capital assets	$ 1,923,285	$ -	$ 1,923,285	$ (99,438)	$ -	$ -	$ 1,823,847
Capital asset summary:							
Capital assets not being depreciated	$ 680,700	$ -	$ 680,700	$ -	$ -	$ -	$ 680,700
Other capital assets, at cost	3,838,951	-	3,838,951	-	-	-	3,838,951
Total cost of capital assets	4,519,651	-	4,519,651	-	-	-	4,519,651
Less accumulated depreciation and amortization	(1,915,666)	-	(1,915,666)	(99,438)	-	-	(2,015,104)
Capital assets, net	$ 2,603,985	$ -	$ 2,603,985	$ (99,438)	$ -	$ -	$ 2,504,547

A. Should equal the previous year AUDITED ending balance.

B. Please also describe why restated on Note 16 - Restatement of Net Position.

C. Should only be used for completed projects being removed from construction in progress into an asset classification OR Transfers between campuses

D. Enter negative numbers except for accumulated depreciation rows.

6. Disaggregation of Accounts Payable and Accrued Liabilities

Listed separately by Campus below:

Fund:		Vendors	Salaries & Benefits	Accrued Interest	Other Payables		Total
HCSF	$	8,998	-	-	-	$	8,998
BCMC		-	-	15,459	-		15,459
	$	8,998	-	15,459	-	$	24,457

11. Operating Leases

Total operating lease expenditures for the current fiscal year equaled: **$ 38,700**

Fiscal Year	2022	2023	2024	2025	2026	2027 to 2031	Total Future Minimum Rental Payments
Nature of Operating Lease							
Office space	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Equipment	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-
Other	38,700	38,700	29,900	9,900	4,125	-	121,325
Total	$ 38,700	$ 38,700	$ 29,900	$ 9,900	$ 4,125	$ -	$ 121,325

12.2 Lessor Direct Financing Leases

The following lists the components of the net investment in direct financing leases at fiscal year end.

	Date of Lease	Minimum Lease Payments Receivables	Remaining Interest to End of Lease	Remaining Principle to End of Lease
	9/1/2007			
Minimum lease payments		$ 14,799,575	$ 3,844,575	$ 10,955,000
Less - amounts representing executor costs		-		
Minimum lease payment receivables		14,799,575		
Less - allowance for uncollectible		-		
Net minimum lease payments receivables		14,799,575		
Estimated residual value of leased property		-		
Subtotal		14,799,575		
Less - unearned income		(3,844,575)		
Net investment in direct financing-type leases		$ 10,955,000		

The following is a schedule by year of minimum lease receivables as of fiscal year end:

Fiscal Year	**2021** BCMC
2022	$ 871,019
2023	875,394
2024	868,161
2025	871,463
2026	865,413
2027 - 2031	4,353,752
2032 - 2036	4,345,438
2037 - 2041	1,748,935
2042 - 2046	-
2047 - 2051	-
2052 - 2056	-
2057 - 2061	-
	$ 14,799,575

13 Long Term Liabilities

BCMC

	Balance 6/30/2020	Additions	Reductions	Balance 6/30/2021	Amounts Due Within One Year
Notes and bonds payable:					
Notes payable	$ -	$ -	$ -	$ -	$ -
Notes payable - direct borrowings and placements	-	-	-	-	-
Bonds payable	11,395,266	-	(485,518)	10,909,748	500,000
Bonds payable - direct borrowings and placements	-	-	-	-	-
Bond issuance costs	(260,878)	-	14,493	(246,385)	-
Subtotal	11,134,388	-	(471,025)	10,663,363	500,000
Other liabilities:					
Compensated absences payable	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Other liabilities	-	-	-	-	-
Subtotal	-	-	-	-	-
Total long-term liabilities	$ 11,134,388	$ -	$ (471,025)	$ 10,663,363	$ 500,000

13.2 Bonds Payable

	Date of Issue	Original Issue	Outstanding July 1, 2020	Issued/ (Retired)	Outstanding June 30, 2021	Maturities	Interest Rates	Future Interest Payments	General description of capital assets pledged as collateral	List any events of default with finance-related consequences	List any termination events with finance-related consequences	List any subjective acceleration clauses
2017 Bogalusa Community Medical Center	April 26, 2017	13,275,000	11,445,000	(490,000)	10,955,000	2019-2038	2% - 4%	3,844,575	All right, title and interest in the Facility lease, including all amendments or modifications, as well as, the debt service component of the base rent and additional rent as defined in the lease.	Events of default unde article IX of the agreement including failure to make payments of any installment of interest or prinicipal or premium, a default on the facilities lease agreement shall result in written request of owners of not less than a majority in principal amount of bond oustanding.	None	None
Unamortized premium (discount)		(64,521)	(49,734)	4,482	(45,252)							
Grand Total		13,210,479	11,395,266	(485,518)	10,909,748			3,844,575				
Total Bond issuance costs		(318,827)	(260,878)	14,493	(246,385)							
		12,891,652	11,134,388	(471,025)	10,663,363							

13.2A Bonds Payable Amortization

Schedule of Bonds Payable Amortization
For the Year Ended June 30, **2021**

Fiscal year ending June 30,	input cells below Principal	Interest	Total
2022	$ 500,000	371,019	$ 871,019
2023	515,000	360,394	875,394
2024	520,000	348,161	868,161
2025	535,000	336,463	871,463
2026	545,000	320,413	865,413
2027	575,000	298,613	873,613
2028	595,000	275,613	870,613
2029	610,000	257,763	867,763
2030	635,000	238,700	873,700
2031	650,000	218,063	868,063
2032	675,000	196,125	871,125
2033	695,000	172,500	867,500
2034	725,000	146,438	871,438
2035	750,000	119,250	869,250
2036	775,000	91,125	866,125
2037	805,000	62,063	867,063
2038	850,000	31,872	881,872
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
Subtotal	10,955,000	3,844,575	14,799,575
Unamortized discount	(45,252)	-	(45,252)
Unamortized premium	-	-	-
Bond issuance cost	(246,385)	-	(246,385)
	$ 10,663,363	$ 3,844,575	$ 14,507,938

Summary	Calculation - Please do not overwrite Principal	Interest	Total
2022	$ 500,000	$ 371,019	$ 871,019
2023	515,000	360,394	875,394
2024	520,000	348,161	868,161
2025	535,000	336,463	871,463
2026	545,000	320,413	865,413
2027 - 2031	3,065,000	1,288,752	4,353,752
2032 - 2036	3,620,000	725,438	4,345,438
2037 - 2041	1,655,000	93,935	1,748,935
2042 - 2046	-	-	-
2047 - 2051	-	-	-
Subtotal	10,955,000	3,844,575	14,799,575
Unamortized premium/discount	(45,252)	-	(45,252)
Issuance Cost	(246,385)	-	(246,385)
	$ 10,663,363	$ 3,844,575	$ 14,507,938
	-	-	-

13.3 Debt Service Reserve Requirements

Summary of system debt service reserve requirements of various bond issues for fiscal year end.

Campus	Reserve Available	Reserve Requirement	Excess
BCMC			
Series 2017 - Cost of issuance	$ 2,581	2,581	$ -
Series 2017 - Debt service	885,595	885,595	-
Total	**$ 888,176**	**$ 888,176**	**$ -**

17. Blended Component Units - Condensed Statement Information

	Health Care Services Foundation	Bogalusa Community Medical Center	Eliminations	Total
Statement of Net Position				
Assets:				
Current assets	$ 528,021	$ 2,940,098	$ -	$ 3,468,119
Capital assets	2,193,847	310,700	-	2,504,547
Other assets	-	11,595,135	-	11,595,135
Amounts receivable from LSU	-	-	-	-
Total Assets	2,721,868	14,845,933	-	17,567,801
Liabilities:				
Current liabilities	9,241	526,886	-	536,127
Long-term liabilities	-	10,163,363	-	10,163,363
Amounts payable to LSU	6,236	2,613	-	8,849
Total Liabilities	15,477	10,692,862	-	10,708,339
Net Position:				
Net investment in capital assets	2,193,847	310,700	-	2,504,547
Restricted net position - nonexpendable	-	-	-	-
Restricted net position - expendable	-	-	-	-
Unrestricted net position	512,544	3,842,371	-	4,354,915
Total Net Position	$ 2,706,391	$ 4,153,071	$ -	$ 6,859,462
	-	-		
Statement of Revenues, Expenses, and Changes in Net Position				
Operating revenues	$ 251,264	$ 346,027	$ (94,500)	$ 502,791
Operating expenses	(251,264)	(310,226)	94,500	(466,990)
Depreciation expense	(99,438)	-	-	(99,438)
Net operating income	(99,438)	35,801	-	(63,637)
Nonoperating revenues (expenses):				
Investment income (loss)	1,343	391,129	-	392,472
Interest expense	-	(399,385)	-	(399,385)
Changes in net position	(98,095)	27,545	-	(70,550)
Net Position, beginning of year	2,804,486	4,125,526	-	6,930,012
Net Position, end of year	$ 2,706,391	$ 4,153,071	$ -	$ 6,859,462
	-	-		
Statement of Cash Flows				
Net cash flows provided (used) by:				
Operating activities	$ 6,903	$ 537,464	$ -	$ 544,367
Capital and related financing	-	(490,000)	-	(490,000)
Noncapital financing	-	-	-	-
Investing activities	-	(3,581)	-	(3,581)
Net increase (decrease) in cash	6,903	43,883	-	50,786
Cash, beginning of year	507,738	3,245,809	-	3,753,547
Cash, end of year	$ 514,641	$ 3,289,692	$ -	$ 3,804,333

C - Related Party Transactions

List all related party transactions below:

Foundation Name of Individual	Describe Relationship	Describe Related Party Transac	Dollar amount of Transaction	Amounts Due to/ Due from that resulted from related party tranaction
1 HCSD	The Foundation was incorporated to provide support and services to the HSCD.	Foundatin lease space, land and equipment to HCSD to be used as a medical office and clinic facility	$ 156,764	$6,236 due to LSU
2 BCMC	The Foundation is the sole member of BCMC which Is was organized as a not-for-profit organization on a non-stock membership basis.	Foundation provides mangament and administrative services to BCMC	94,500	-

List all related party transctions below.

BCMC Name of Individual	Describe Relationship	Describe Related Party Transac	Dollar amount of Transaction	Amounts Due to/ Due from that resulted from related party tranaction
1 HCSD	The Foundation was incorporated to provide support and services to the HSCD. The Foundation is the sole member of BCMC.	Recapitalization agreement	$ -	$2,613 due to HCSD