



BIOMEDICAL RESEARCH FOUNDATION
of Northwest Louisiana

SUPPORTING INNOVATION IN ECONOMIC DEVELOPMENT

2014 ANNUAL REPORT

Vision and Commitment



BIOMEDICAL RESEARCH FOUNDATION
of Northwest Louisiana

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CHAIRMAN'S/PRESIDENT'S MESSAGE

Vision, Energy and Commitment

These three words capture the motivation and drive of the Biomedical Research Foundation since it was founded, and the last year has been the most productive in our history.

These traits have been particularly evident in the past eighteen months as the Foundation has launched five new initiatives which have the potential to catalyze economic growth and diversity, increased opportunity, and enhanced well-being for north Louisiana citizens.

- UNIVERSITY HEALTH HOSPITAL SYSTEM
- CENTER FOR MOLECULAR IMAGING AND THERAPY
- ENTREPRENEURIAL ACCELERATION PROGRAM
- NEW LOUISIANA ANGEL FUND 1, LLC
- DIGITAL MEDIA INSTITUTE AT INTERTECH

This annual report details each of these initiatives and corresponding accomplishments.

Since its inception, the Foundation has generated over \$300 million in funding to support technology-based economic development initiatives with only 13 percent coming from Caddo Parish tax dollars – a 7:1 return on local public investment. We believe these five newest initiatives will continue this positive return on investment for the benefit of all north Louisiana citizens.

Certainly, the most significant and challenging of these five initiatives has been the transition of the former LSU Health Shreveport and E.A. Conway public hospitals to a privately held community-run health care system. This new model, even in its infancy, has shown enormous efficiencies both in health-care delivery and in its operational expenses. The dedication of our 3,200 University Health employees, combined with the faculty of the LSU Medical School in Shreveport, our management boards in Shreveport and Monroe, and the north Louisiana legislative delegation have ushered in a dramatic new age of health-care delivery to our region. We are enormously proud to share with you the news of these collaborative accomplishments.

With solid leadership teams in place throughout the various areas of endeavors, we will remain true to our mission to embrace technology and our digital future to best serve our citizens - and our children - in the years to come. None of this would be possible without your support, and we will work every day to justify your confidence.

Sincerely,

STEPHEN F. SKRIVANOS
Chairman of the Board

JOHN F. GEORGE, JR. M.D.
President and CEO

Mission:

To pioneer a
knowledge-
based regional
economy
by cultivating
and attracting
life science
enterprises
and related
technologies



SUPPORTING INNOVATION IN ECONOMIC DEVELOPMENT

ACCOMPLISHMENTS

2013 – 2014

The Biomedical Research Foundation

- Has generated over \$308 million in funding to support technology-based economic development initiatives since its founding with only 13 percent coming from Caddo Parish tax dollars – an 7:1 return on local public investment.
- Manages 12 facilities in Shreveport with over 344,000 square feet that are 93 percent occupied.
- Directly employs 53 full-time and part-time workers in Shreveport, with a total staff of 60.
- Manages a \$20 million operating budget and \$92 million in assets at fair market value.
- Oversees the eight major initiatives outlined on the following pages.

University Health Hospital System

Since October 1, 2013, the Biomedical Research Foundation has included management of the former LSU Health Shreveport and E.A. Conway public hospitals as **University Health System** as one of its responsibilities, thereby retaining over \$800 million in regional economic impact and over 3,200 jobs. Achievements include the following

UNIVERSITY HEALTH SYSTEM

- Improved operating efficiencies and increased revenues to save an estimated \$75 million and improving each month.
- Expanded access to health care for the low income and underserved population, by adjusting the free-care criteria from the pre-October 13, 2013 level of 200% Federal Poverty Level (FPL) so that patients with an income level between 200% and 300% of the FPL will receive a charity discount of 50% - 75% on their bill. This means that more low-income individuals can receive discounts on their hospital bills.
- Initiated upgrading of electronic document systems and management analysis tools.
- Developed financial reporting systems to provide accurate management data.

UNIVERSITY HEALTH SHREVEPORT

- Increased on-time operating room starts 27%.
- Decreased wait time for MRI appointment from more than 60 days to 1 - 2 days.
- Decreased wait time for CT appointment from 14 days to 2 days.
- Decreased wait for scheduling Radiation Therapy from 9 months to less than 10 days.
- Reduced clinic appointment backlog from more than 12,000 to less than 1,200 patients.
- Nearly doubled endoscopy cases from 12 to 22 per day.
- Reduced patient complaints by 42% through shorter wait times and new scheduling practices.
- Executed infrastructure and facility updates to increase comfort throughout the University Health patient experience in areas such as
 - Main hospital lobby
 - Hospital cafeteria
 - Women's and postpartum areas with private rooms and bath/shower amenities
 - HVAC systems and boiler upgrades; and
 - Laboratory renovations.

UNIVERSITY HEALTH CONWAY MONROE, LOUISIANA

- Adding specialty services such as orthopedic surgery, cardiology and urology. Patients who previously needed these specialty services had to travel all the way to Shreveport. For indigent patients, this travel was extremely burdensome.
- Increasing surgical cases by more than 63% over this time last year.
- Established a walk-in clinic to help reduce the number of patients seeking treatment for non-emergencies at the ER.
- Expanding women's health services floor.

- Reinstating gastroenterology services.
- Investing in pioneer medical technology with Optima CL323i, an all-digital cardiovascular and interventional imaging system that allows advanced treatment of coronary and vascular conditions. This state-of-the-art catheterization lab plans to open in December, 2014.

Louisiana State University Health Shreveport (LSUHS) Support

The BRF advances **LSU Health Shreveport** by operating The Virginia K. Shehee Biomedical Research Institute, a 160,000 square foot, \$37 million research facility with 56 laboratories where 200 investigators and technicians from LSU Health Shreveport conduct basic research, and providing support of nearly \$20 million since 1994 to support LSU Health Shreveport scientists, programs and facilities. In the most recent year, BRF has

- Granted LSUHS \$654,495 in intramural funding to support basic research by faculty. These funds are used to bridge funding gaps, to stimulate exploratory research, provide critical seed packages to recruit new faculty, and to support the Core Research Laboratory.
- Provided 1,287 PET scans to patients from LSUHS/University Health Hospitals from 8/1/2013 to 7/31/2014 to assist its LSUHS physicians in diagnosing disease and prescribing appropriate treatment. The BRF also provided radiochemicals, assisted with analyzing scan data, and provided technical assistance to LSUHS faculty for research on disease such as Alzheimer's, Parkinson's, and head and neck cancer.
- Supplied a total of \$881,486 in assistance to LSUHS.

InterTech Science Park

The BRF maintains and promotes the **InterTech Science Park** in Shreveport, an 800-acre urban brownfields, smart growth initiative located in the Kings Highway/Mansfield Road area. The resident companies represent pharmaceutical, digital and entertainment media, drug discovery, venture capital support, and environmental industries.

- 25 tenants employ 390 individuals with a total annual payroll of over \$21 million as of 12/31/2013. The average salary for these employees is over \$53,000, compared to the average per capita income of \$23,999 for Shreveport.
- 12 InterTech facilities with a total of 344,208 sq. ft. have a current occupancy rate of 93 percent.

Center for Molecular Imaging and Therapy (FORMERLY THE PET IMAGING CENTER AND SOUTHERN ISOTOPES)

Established in 2013, the **Center for Molecular Imaging and Therapy (CMIT)** provides PET/CT imaging capabilities to diagnose and treat disease in patients, produce and distribute radiopharmaceuticals, conduct cutting-edge clinical trials, and provide research opportunities and scientific expertise to LSU Health Shreveport and other institutions and scientists.

- Over the past year, CMIT has had 9 new hires and now employs 28 workers, with salaries between \$25,000 and \$125,000. When fully staffed, CMIT projects 50 employees.
- Expanding the molecular imaging research program with two divisions:
 - The Radiopharmaceutical Division has been restructured and optimized to allow expanded access to novel and exotic radiopharmaceuticals.
 - The Imaging Sciences Division is focused on participating in cutting-edge clinical trials.

- Conducting multiple sponsored clinical trials for diseases such as Alzheimer’s disease, Parkinson’s disease, breast cancer, and prostate cancer that are bringing in more than \$2.5 million. Additionally, CMIT is providing radiopharmaceutical and imaging support for clinical trials performed at LSU Health Shreveport and other centers throughout the nation. Clinical Trial sponsors include the American College of Radiology Imaging Network (ACRIN), Avid Pharmaceuticals, Bayer Healthcare, Eli Lilly, GE Healthcare, and Navidia Biopharmaceuticals.
- Tripling radiopharmaceutical production capabilities and adding additional radiopharmaceuticals to the inventory for research studies. Two new laboratories, one for radiochemistry and one for biological assessments, have been completed, and a nuclear pharmacy at the Baton Rouge facility is currently being constructed. Additionally, the Baton Rouge cyclotron underwent a significant upgrade to increase reliability and capacity.

Entrepreneurial Acceleration Program (EAP)

Launched in 2014, the **Entrepreneurial Acceleration Program** is a suite of services and initiatives to grow the regional innovation ecosystem, providing entrepreneurs with access to capital and investment opportunities.

- Secured \$500,000 from the Caddo Parish Commission and \$250,000 from the City of Shreveport to support EAP operations.
- Appointed EAP Executive Director, David R. Smith. Mr. Smith has proven leadership in managing multi-million dollar government/ industry/academia collaborations and consortia, and has led all aspects of business development including the development of strategic business direction, pricing, product channel development, and marketing.
- Appointed EAP Senior Financial Analyst, Ronald Ondeckek, Jr., in August 2014. Since 2006, Ron has worked with private equity and investment firms managing investments in individual, privately-held companies and utilizing funds provided by others to make investments. His experience includes managing private equity backed companies in high growth technology, manufacturing and service industries ranging from Seed to Mezzanine stages of development, managing the full cycle of funds, and presiding over transactions and third party deals with debt, equity, and government financing.
- Received inquiries or requests for funding from 22 startup companies or concepts as of August 30, 2014. These requests will be evaluated by EAP Staff, angel investors and EAP consultants for viability and market potential. These projects are from IT/Social Media, Environmental, Medical or Health-related, and various other industries. The EAP website and application forms are being finalized to begin the deal process, with an anticipated public launch of November, 2014.

Digital Media Institute at InterTech (DMII)

Established in 2014, the **Digital Media Institute at InterTech (DMII)**, a center for training in animation, visual effects and interactive content, gaming, web and mobile programming, 3D printing, and industrial design to meet increasing workforce demands locally, regionally and nationally. In 2014, the BRF

- Transitioned the Digital Media Program at LSU Shreveport to BRF to provide more opportunities for growth in the same facility as InterTech companies Moonbot Studios, Blade Studios, and CRM Studios – employers who may benefit from the individuals who graduate from DMII.
- Constructed DMII classroom and studio at InterTech 1 with a build out of \$650,000.

- Procured and installed IT infrastructure.
- Transferred Caddo Parish Commission grant from LSUS to the BRF.
- Secured a Proprietary School license from the Louisiana Board of Regents to enable a unique Animation VFX and Interactive Content certificate program to be offered to students.

New Louisiana Angel Fund I (NLAF 1)

Launched in 2014, the **New Louisiana Angel Fund 1 (NLAF 1)** will provide funding or capital to innovators and entrepreneurs and investment opportunities to accredited investors wishing to promote the growth of business opportunities in Louisiana, primarily in north Louisiana. In 2014, the BRF

- Established the New Louisiana Angel Fund 1 (NLAF). The first angel fund in north Louisiana, NLAF has been organized as a Louisiana limited liability company, and managed by the Managing Member, LLC, which is a wholly owned subsidiary of BRF. NLAF will fund early-stage, high growth Louisiana-based companies.
- Raised 1.5 million from accredited investors in north Louisiana for NLAF.
- Submitted a pending application to the Louisiana Economic Development Corporation (LEDC) State Small Business Credit Initiative (SSBCI) for a State match of \$950,000 to the NLAF current raise of \$1.5 million to achieve \$2.45 million goal.

Science and Technology Education — EdVentures

Since 1997, the BRF has been championing science education and technology-based workforce development through ten (10) **EdVentures** programs serving 4,000 students in Caddo, Bossier and DeSoto parishes each year. The BRF raises funds through grants and private contributions for STEM (science, technology, engineering and math) programs. Since 1997, the BRF has been instrumental in raising or providing over \$2.5 million to benefit students in Caddo Parish Schools, with ten programs serving nearly 4,000 students per year.

- In 2013-2014, the Biomedical Research Foundation, Caddo Parish Public Schools, and the Cyber Innovation Center (CIC) partnered to implement CaddoSTEAM, a project-driven teacher professional development program that combines the STEM (science, technology, engineering and math) disciplines with the arts and humanities. This program launched in October 2013, with intensive workshops for 72 middle and high school teachers and students. The TechSTEP teacher and Discovery Weekend workshops was developed and implemented by faculty at Louisiana Tech, and the and the Education Discovery Forum for Caddo Parish middle and high school teachers was created and implemented by the CIC National Integration Cyber Education Research Center. Contributors to the program included the Community Foundation of North Louisiana, the Grayson Foundation, the Poindexter Foundation, and donors to the BRF education funds.



FINANCIAL REPORT

The 2013 and 2012 financial statements are presented in accordance with Generally Accepted Accounting Principles (GAAP) and were audited by Postlethwaite & Netterville, APAC.

In 2013, the Foundation changed its account period from a calendar year to a fiscal year ending September 30, resulting in an abbreviated 2013 period beginning in January 1, 2013 and ending September 30, 2013.

During this abbreviated period, the Foundation invested over 91% of its expenditures into program service activities. The approximately \$5,000,000 excess of expenses over revenues for the 2013 period is the result of a one-time expense for legal, consulting and other costs associated with the University Health privatization transaction that was effective October 1, 2013. We project that revenue will exceed expenses in the BRF's 2014 operating budget October 1, 2013 - September 30, 2014.

With respect to the Statement of Financial Condition, GAAP requires that Plant Assets be reported at cost less accumulated depreciation resulting in the total for 2013 of \$60,222,157. The original cost of the Plant Assets is about \$92,000,000 which is reported on page 3.

Find additional selected financial information below.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION JAN-SEPT 2013 AND YEAR ENDING 2012

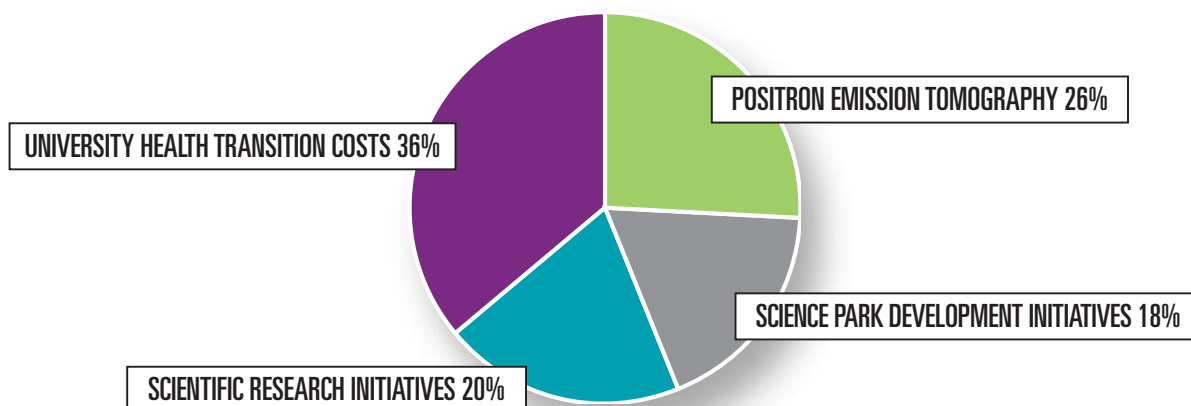
ASSETS	JAN-SEPT. 2013	YE 2012
Cash and Other Current Assets	\$ 6,127,581	\$ 5,725,851
Plant Assets, Net and Long-term Investments	60,222,157	58,712,008
TOTAL ASSETS	\$ 66,349,738	\$ 64,437,859
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable and Other Current Liabilities	6,413,309	1,138,010
Notes Payable	13,034,170	11,978,063
TOTAL LIABILITIES	19,447,479	\$ 13,116,073
NET ASSETS:		
Unrestricted	44,948,756	49,093,322
Temporarily and Permanently Restricted	1,953,503	2,228,464
TOTAL NET ASSETS	46,902,259	51,321,786
TOTAL LIABILITIES AND NET ASSETS	\$ 66,349,738	\$ 64,437,859

CONSOLIDATED STATEMENT OF ACTIVITY PERIOD OF JAN-SEPT. 2013 AND YEAR ENDING 2012

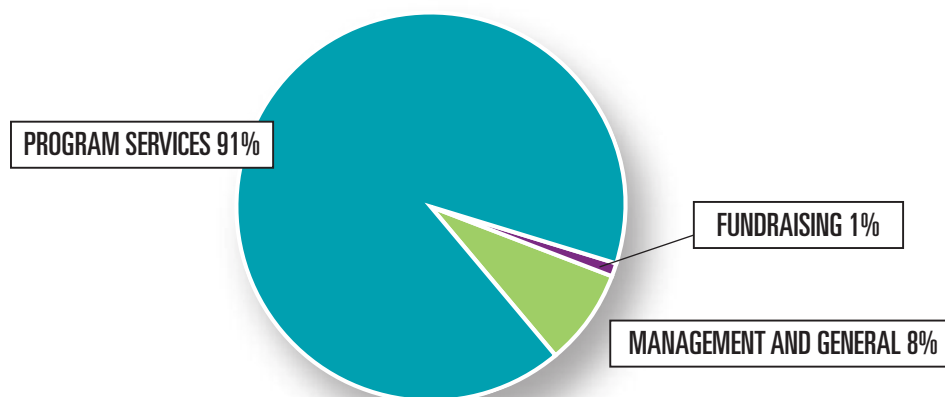
SUPPORT AND REVENUE	JAN.-SEPT. 2013	YE 2012
Philanthropic Support	\$ 399,435	\$ 274,740
Grants, rental, operation and other revenue	10,191,791	13,434,339
Total support and revenue	10,591,226	13,709,079
EXPENSES		
Program Services	14,111,015	10,732,836
Support Services	1,397,094	1,832,574
Excess of Revenues and Support over Expenses	<4,916,883>	1,143,669
Change in Value of Derivative	497,356	<150,667>
Change in Net Assets	<4,419,527>	993,002
Net Assets, beginning of year	51,321,786	50,328,784
NET ASSETS, END OF PERIOD	\$ 46,902,259	\$ 51,321,786

THE FOUNDATION DOLLAR

PROGRAM SERVICES FOR THE PERIOD OF JAN-SEPT. 2013



EXPENDITURES FOR THE PERIOD OF JAN-SEPT. 2013





BIOMEDICAL RESEARCH FOUNDATION
of Northwest Louisiana

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