



BIOMEDICAL RESEARCH FOUNDATION  
*of Northwest Louisiana*

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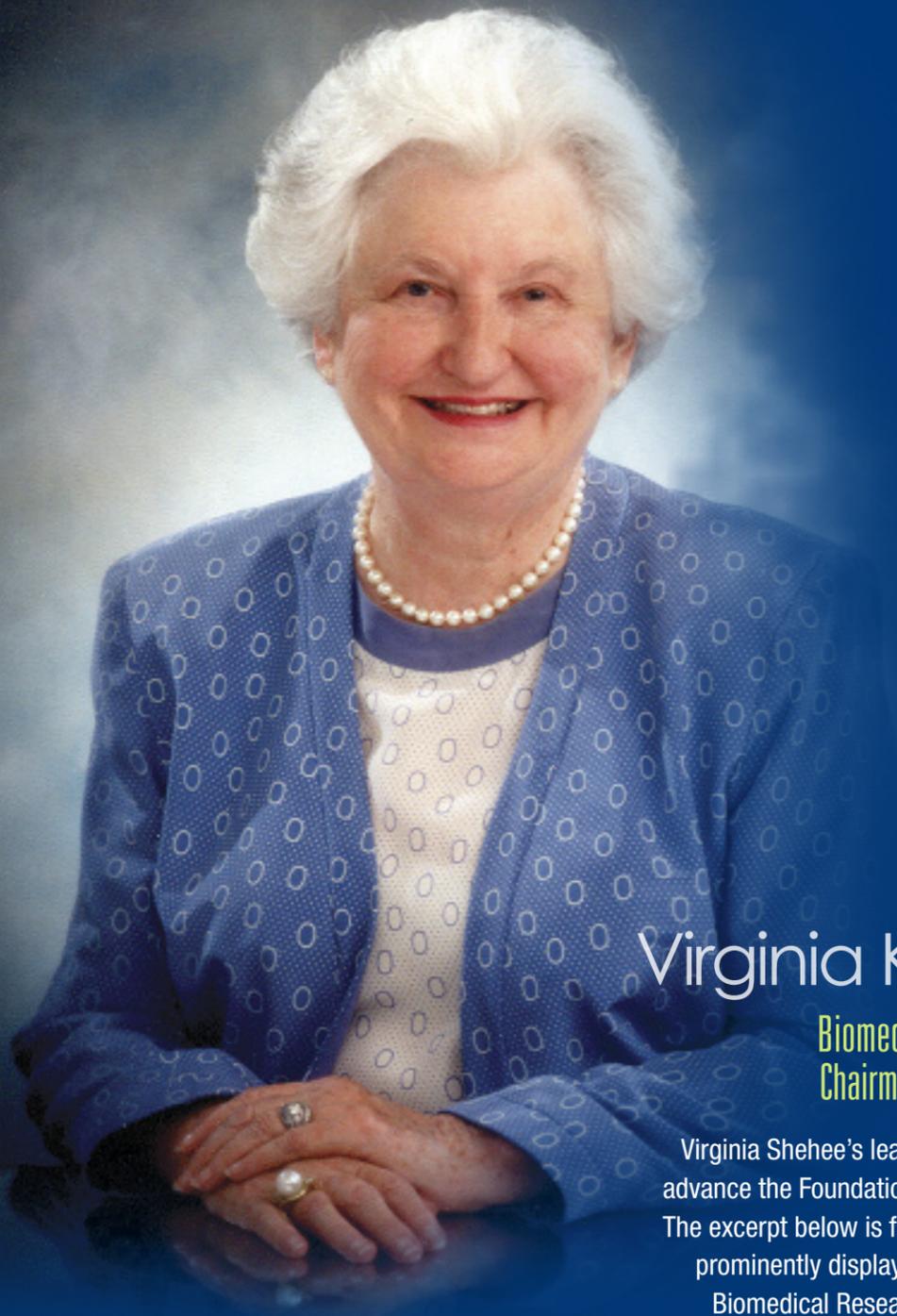
# 2015

ANNUAL REPORT

SUPPORTING INNOVATION IN  
ECONOMIC DEVELOPMENT



BIOMEDICAL RESEARCH FOUNDATION  
*of Northwest Louisiana*



IN MEMORY OF  
**Virginia K. Shehee**

**Biomedical Research Foundation  
Chairman of the Board 1990-1999**

Virginia Shehee's leadership and vision helped to advance the Foundation during its formative years. The excerpt below is from a quote she asked to be prominently displayed on the Virginia K. Shehee Biomedical Research Institute dedication wall.

**“Whatever you can do, or dream  
you can do, begin it. Boldness has  
genius, power, and magic in it.  
Begin it now.”**

Goethe

# BRF CHAIRMAN/ PRESIDENT

## MESSAGE

**WE ARE PROUD TO REPORT** on the resounding success the BRF has enjoyed this past year.

Thirty-eight volunteer BRF and University Health board members across North Louisiana worked tirelessly on behalf of our collective communities to govern the BRF's work during the past year to lead this success. Thank you for your dedication!

Working equally as hard to deliver on our economic development mission have been our more than 3350 employees who serve the community in key areas including health care, molecular imaging, science park development, high growth business start-ups, and digital media education. Thank you for your hard work!

Finally, we thank the many citizens of North Louisiana who have supported us throughout the year in building and growing the initiatives outlined in the following pages.

We believe each will have a positive and long-lasting influence on the citizens of North Louisiana for decades to come.

Sincerely,

**STEPHEN F. SKRIVANOS**  
*Chairman of the Board*

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



## PROJECTS AND INITIATIVES

2014-2015

### UNIVERSITY HEALTH SYSTEM

The BRF saved North Louisiana's two safety net hospitals in Shreveport and Monroe from potential shut-down in 2013. Since this time, under the operation of the BRF wholly-owned subsidiary, University Health System, significant progress has been made in delivering on the public purpose outlined in the Cooperative Endeavor Agreement between LSU A&M, State of Louisiana Department of Administration, and the BRF.

#### Accomplishments to Date

- ▶ Improved earnings before interest, taxes, depreciation and amortization by approximately \$80 million.
- ▶ Reduced expenses to the State by \$49 million as reported by Department of Health and Hospitals (DHH).
- ▶ Reduced clinic patient referral queues from 12,000 to 1,200.
- ▶ Reduced wait times for MRIs from 60 days to 2 days.
- ▶ Reduced wait times for CT-scans from 21 days to 1 day.
- ▶ Restored Level I Trauma Center certification.
- ▶ Increased admissions by 15%.
- ▶ Increased clinic visits by 6%.
- ▶ Reduced labor and benefits costs by 30% despite increasing patient volume.
- ▶ Reduced patient complaints by 43%.
- ▶ Supported the academic and teaching mission of LSU Health Sciences Center Shreveport with over \$160 million in payments.
- ▶ Opened a \$1.3 million state-of-the-art cardiac catheterization lab that allows advanced treatment of coronary and vascular conditions.
- ▶ Executed infrastructure and facility updates to increase comfort throughout the University Health patient experience in areas such as main lobbies, waiting rooms, OB/GYN floor, pediatrics floor, staff area and hospital grounds.

### INTERTECH SCIENCE PARK

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

## 2014-15 Accomplishments

- ▶ Provided support services for 27 InterTech Science Park tenants, who employ 424 individuals with a total annual payroll of over \$23 million. The average salary for these employees is over \$55,000, compared to the average per capita income of \$23,995 for Shreveport.
- ▶ Managed twelve facilities with 357,741 square feet, 97% occupied, and 90.8% of space specialized for research or technology purposes.
- ▶ Completed renovations to three lab suites and offices to accommodate the growth of Blue Arx and VCExperts.
- ▶ Welcomed two new startups in 2015: Innolyzer Labs and Southern Biomedical Products.
- ▶ Worked with the City of Shreveport and the Louisiana Department of Environmental Quality on remediation of three properties to prepare for redevelopment as part of the Brownfields Environmental Remediation of the InterTech area.
- ▶ Relocated the BRF offices from the Virginia K. Shehee Biomedical Research Institute to the InterTech 1 facility on the southeast corner of Kings Highway and Mansfield Road in Shreveport.

## CENTER FOR MOLECULAR IMAGING AND THERAPY

The Center for Molecular Imaging and Therapy (CMIT) provides PET/CT imaging capabilities to diagnose and treat disease in patients, produces and distributes radiopharmaceuticals to the region, conducts clinical trials, and offers research opportunities for area scientists and institutions. CMIT consists of a molecular imaging research program with two divisions:

**THE RADIOPHARMACEUTICAL DIVISION** providing access to an expanded list of novel and exotic radiopharmaceuticals for clinicians and researchers, and

**THE IMAGING SERVICES DIVISION** providing PET/CT scans to area patients and cutting edge clinical trial capabilities.

## 2014-2015 Accomplishments

- ▶ Provided over 1,700 clinical scans to patients in the community to assist physicians in diagnosing, staging and treating disease.
- ▶ Established FDA (Food & Drug Administration) approved commercial manufacturing and distribution facilities in Shreveport and Baton Rouge for three important radiopharmaceuticals.
- ▶ Dispensed over 7,100 doses of radiopharmaceuticals for use at CMIT and other PET scanning centers in the region. CMIT also increased its radiopharmaceutical sales and distribution to customers within and outside Louisiana with the addition of 4 radiopharmaceuticals.

- ▶ Increased research program with 3 new therapy trials, 4 ongoing clinical trials, and 4 new research projects including a new brain imaging trial in collaboration with an LSU Health Shreveport scientist.
- ▶ Received approval from the Louisiana State Legislature for a \$4.8 million capital outlay request to purchase a new cyclotron and related equipment to produce radioisotopes for CMIT research and clinical imaging.
- ▶ Hired 3 new employees, bringing the total of CMIT employees to 25. CMIT projects 50 employees when fully staffed.

## ENTREPRENEURIAL ACCELERATOR PROGRAM

The Entrepreneurial Accelerator Program (EAP) is a long-term plan to stimulate the creation of entrepreneurial wealth through a system that analyzes the viability of ideas and products, matches them with informed investors, and nurtures them through the critical steps toward market. The EAP Team provides guidance to entrepreneurs by

- 1) Creating or refining business plans and products,
- 2) Assessing and screening opportunities,
- 3) Conducting financial analysis and modeling,
- 4) Participating in market analysis of company attributes,
- 5) Conducting market and industry research,
- 6) Assisting with funding applications, and
- 7) Assisting with locating investors.

## 2014-2015 Accomplishments

- ▶ Secured \$500,000 from the Caddo Parish Commission and \$250,000 from the City of Shreveport for year 2 EAP operations.
- ▶ Received applications from 172 startup companies and met with all to discuss their needs, business plan, vision and interest in growing their company in Shreveport-Bossier/North Louisiana.
- ▶ Introduced 7 of these companies to the New Louisiana Angel Fund 1 (NLAF 1) which approved over \$1 million in investments. These companies received over \$10 million in additional investment from around the U.S. to advance their operations.
- ▶ Coordinated seminars and workshops in conjunction with the University of Texas IC<sup>2</sup> Institute to build the local and regional entrepreneurial ecosystem.

**JANUARY:** Keynote Address: Building Entrepreneurial Wealth in Shreveport/North Louisiana.

**FEBRUARY/MARCH:** Hosted IC<sup>2</sup> Regional Entrepreneurial Ecosystem Assessment Visit to Northwest Louisiana.

**MAY:** Hosted trip to Austin, Texas, to visit IC<sup>2</sup>. Twenty-five community leaders spent two days in panel discussions with experts in building diverse partnerships among industry, government and academia and creating a friendly business climate conducive to entrepreneurship.

**JUNE/SEPTEMBER:** Hosted the following IC<sup>2</sup> workshop series attended by over 400 individuals: (Seminars downloadable at [www.eapla.com](http://www.eapla.com))

- Investing in Shreveport's Future: The Innovation Economy
- Engaging University Resources and Involvement: Invention, Entrepreneurship and the Innovation Economy
- Accelerating Innovation Economies through Collaborative Chamber of Commerce and City Leadership
- Open Innovation and Industry Involvement in an Innovation Economy

**SELECTED FIVE INTERNS** from local higher education institutions for a 10-week learning experience with EAP, start-ups and investors. These students were from Centenary College of Louisiana, Grambling State University and the University of Louisiana at Monroe.

**SECURED A \$40,000 GRANT** from the Community Foundation of North Louisiana to partner with Stephen F. Austin State University and its Giant Salvinia eradication research project, which has commercialization potential.

## NEW LOUISIANA ANGEL FUND 1 (NLAF 1)

The NLAF 1 provides funding to entrepreneurs and investment opportunities to accredited investors wanting to promote the growth of business initiatives in Shreveport-Bossier and North Louisiana. NLAF 1 is organized by the Biomedical Research Foundation, which is its Managing Member.

### 2014-2015 Accomplishments

- ▶ Raised \$2.675 million from 53 accredited investors for investment in North Louisiana-based high-growth start-ups.
- ▶ Invested over \$1 million in seven North Louisiana-based start-ups:

**EMBERA NEUROTHERAPEUTICS** is developing a new drug combination that targets the stress response system and specific brain functions that drive cravings and cause relapse in addictive disease.

**MAINSFREE** is developing an easy-to-use tool to connect small business owners with the right online consumers.

**SWAYBOX STUDIOS, INC.** has developed groundbreaking puppet technology for film and TV, which will be showcased in a feature-length project.

**INNOLYZER** is developing products that can measure the harmful, toxic gas hydrogen sulfide in any liquid.

**LAGNIAPPE LABS** has developed technology that takes the guesswork out of analyzing the value of privately held companies.

**SCADA ACCESS** simplifies and accelerates a customer's ability to deploy secure Virtual Private Networks (VPNs) for Machine to Machine (M2M) communications on the Verizon Wireless Network.

**HIGHLY FAVORED CREATIONS, LLC**, developed a pet health product that could help increase lifespan. This product is the patented Pet Anti-Breeding System (PABS™), essentially a chastity belt for female dogs.

- ▶ Obtained by these seven companies an additional \$10 million in capital from such markets as San Francisco, Austin, Dallas, Houston, New Orleans and Baton Rouge to continue their growth in Shreveport-Bossier/North Louisiana. These companies have created 27 jobs to date.

## SCIENCE AND TECHNOLOGY EDUCATION

To expand the capacity and quality of the regional workforce, the Foundation raises funds through grants and private contributions for STEM (science, technology, engineering and math) programs. Since 1997, the BRF has been instrumental in securing over \$2.5 million to benefit students in Caddo Parish Schools, serving nearly 4,000 students per year. In 2014-15, the BRF raised funds to support the programs below.

### 2014-15 Accomplishments

- ▶ The SMART (Science and Medicine Academic Research Training) program, a year-long internship during which 10 students work with a faculty mentor performing research at LSU Health Shreveport. Since 1997, 189 high school seniors have participated in the program.
- ▶ The College Navigator Program for Biotechnology Magnet Academy students at Southwood High School. The Navigator assists students and their parents in learning about higher education opportunities, scholarships, financial aid, and how to apply to colleges.
- ▶ The Biotechnology Magnet Academy BioStart program for seniors to conduct research at LSU Health Shreveport.
- ▶ The FIRST Robotics Program at Southwood High School.

## THE DIGITAL MEDIA INSTITUTE AT INTERTECH

The Digital Media Institute at Intertech (DMII) is a center that trains students 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.

### 2014-2015 Accomplishments

- ▶ Completed the integration of the 1,600-square-foot digital media stage at InterTech 1 and realized both educational enhancement and commercial rental operations via CRM studios.
- ▶ Enrolled a total of 20 students in day and night sessions. These students were drawn from a diverse local population and include working professionals as well as recent high school graduates.
- ▶ Advanced process to achieve national accreditation and eligibility for federal student aid. The accreditation process with the Council on Occupational Education will include a requirement for a 70% job placement rate for DMII graduates.
- ▶ Hosted the Animation and Visual Effects Academy (AVEA). This is the 7th year for the summer camp for students entering 9th-12th grade. Sponsors are LSU-Shreveport and its LaPREP program. DMII hosted 18 diverse high school students. The group produced a short visual effects film with animated components that premiered at the Robinson Film Center.
- ▶ Collaborated with the Entrepreneurial Accelerator Program (EAP) to enhance the work and funding of several startups.
- ▶ Increased ongoing partnerships with local companies to enhance student job placement as well as paid internships for the graduates who seek them.
- ▶ Completed a virtual reality Oculus Rift experience for local start up SkyRunner which produces flying off-road vehicles. DMII's participation in this very successful SkyRunner project raised the institute's profile.
- ▶ Continued to diversify offerings, with new programs in development both in the one-year intensive model as well as through partnerships with regional 2-4 year schools in the area to enhance digital media education through 100% online courses.

## THE OFFICE FOR RESEARCH DEVELOPMENT AND ADMINISTRATION

The Office for Research Development and Administration (ORDA) was created in 2015 to pursue new research initiatives and provide support for the implementation of translational and clinical research with University Health, LSU Health Shreveport, and other research institutions.

### 2015 Accomplishments

- ▶ Established best business practices, launched the development of clinical research infrastructure for University Health System and facilitated research collaborations with LSU Health Shreveport and other academic institutions.
- ▶ Collaborated with University Health to streamline processes for the review, approval and conduct of clinical research projects at University Health. ORDA assisted in identifying a consultant for the BRF's CMIT to establish standard operating procedures relating to clinical research.
- ▶ Initiated research projects and student internships with Louisiana Tech University's departments of Biomedical Engineering and Industrial Engineering at University Health-Shreveport and University Health-Conway.
- ▶ Developed new and promoted existing relations with medical industry, physician investigators and research scientists.
- ▶ Increased awareness of clinical research in North Louisiana by conducting market research on the critical role of health care within the bioscience sector in North Louisiana, and provided input for presentations to the community on the benefits of clinical research.
- ▶ Awarded two grants to LSU Health faculty through the New Idea Award, with funding provided by the Grand Chapter Order of the Eastern Star of Louisiana, to Brent Reed, Ph.D., Department of Biochemistry, \$10,000 for prostate cancer research; and Shile Huang, Ph.D., Biochemistry and Molecular Biology, \$10,000 for breast cancer research.
- ▶ Awarded a grant of \$33,400 for clinical research in anesthesia with Charles Fox, M.D., LSU Health Shreveport Department of Anesthesiology, as principal investigator, and in collaboration with University Health and Louisiana Tech University.

## BRF MILLAGE RENEWAL FOR ECONOMIC DEVELOPMENT

In a resounding vote of confidence, Caddo Parish voters approved renewal of an economic development millage that will benefit BRF initiatives through 2032. These dollars will be used to diversify our economy, increase our tax base and provide good high paying jobs for the future.

Since 1993, the BRF has leveraged nearly \$42 million provided by the property tax millage with over \$325 million in state/federal grants and revenue from BRF business units.



## FINANCIALS

The 2013 and 2014 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. The fiscal year beginning October 1, 2013 and ending September 30, 2014 reflects a full year of reporting activity of BRF business units including the newly formed BRF wholly-owned subsidiary, University Health System.

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION SEPT 2013-OCT 2014 AND JAN-SEPT 2013

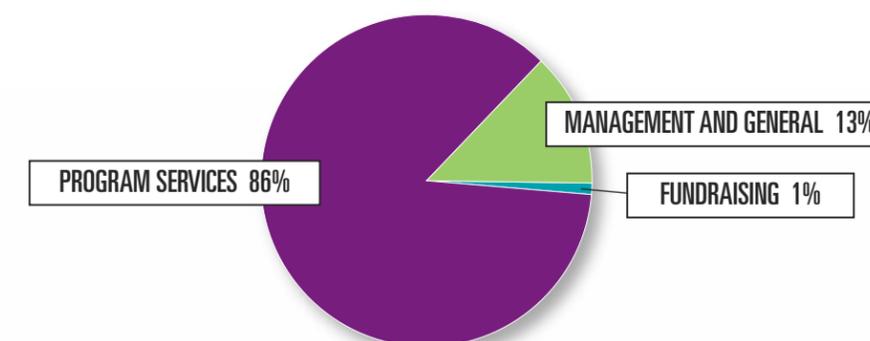
ASSETS	SEPT 2013-OCT 2014	JAN 2013-SEPT 2013
Cash and Other Current Assets	\$ 245,117,409	\$ 6,127,581
Plant Assets, Net and Long-Term Investments	69,345,640	60,222,157
<b>TOTAL ASSETS</b>	<b>\$ 314,463,049</b>	<b>\$ 66,349,738</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts Payable and Other Current Liabilities	116,610,748	6,413,309
Notes Payable	11,923,120	12,941,146
Deferred Revenue	139,730,203	93,024
<b>TOTAL LIABILITIES</b>	<b>268,264,071</b>	<b>19,447,479</b>
<b>NET ASSETS:</b>		
Unrestricted	44,238,592	44,948,756
Temporarily and Permanently Restricted	1,960,386	1,953,503
<b>TOTAL NET ASSETS</b>	<b>46,198,978</b>	<b>46,902,259</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 314,463,049</b>	<b>\$ 66,349,738</b>

### CONSOLIDATED STATEMENT OF ACTIVITY PERIOD OF SEPT 2013-OCT 2014 AND JAN-SEPT 2013

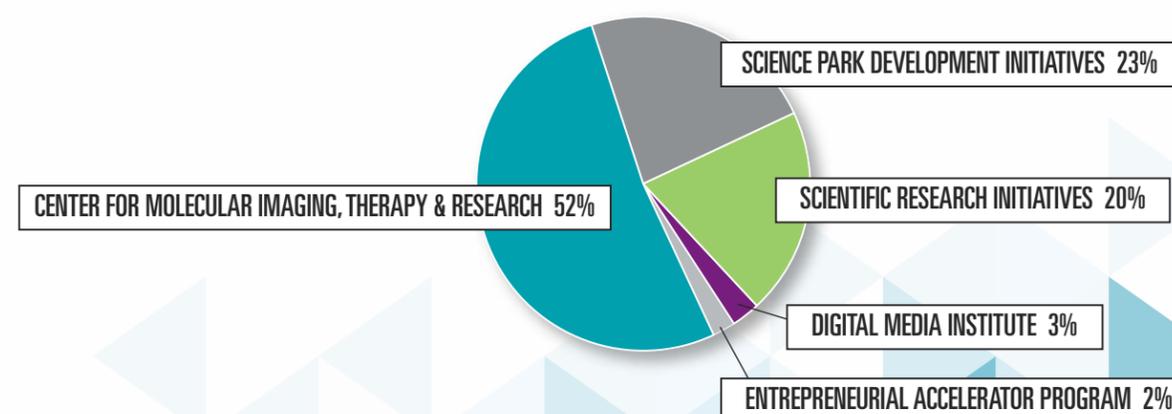
SUPPORT AND REVENUE	SEPT 2013-OCT 2014	JAN 2013-SEPT 2013
Philanthropic Support	\$ 549,695	\$ 399,435
Grants, rental, operation and other revenue	502,411,572	10,191,791
<b>TOTAL SUPPORT AND REVENUE</b>	<b>502,961,267</b>	<b>10,591,226</b>
<b>EXPENSES</b>		
Program Services:		
University Health	488,627,668	5,007,702
Other	13,065,299	9,103,313
Support Services	2,076,538	1,397,094
<b>TOTAL EXPENSES</b>	<b>503,769,505</b>	<b>15,508,109</b>
Excess of Revenues and Support over Expenses	<808,238>	<4,916,883>
Changes in Value of Derivative	104,957	497,356
<b>CHANGE IN NET ASSETS</b>	<b>&lt;703,281&gt;</b>	<b>&lt;4,419,527&gt;</b>
NET ASSETS, BEGINNING OF YEAR	46,902,259	51,321,786
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 46,198,978</b>	<b>\$ 46,902,259</b>

### THE FOUNDATION DOLLAR

#### EXPENDITURES FOR SEPT 2013-OCTOBER 2014 (EXCLUDING UNIVERSITY HEALTH)



#### PROGRAM SERVICES FOR SEPT 2013-OCTOBER 2014 (EXCLUDING UNIVERSITY HEALTH)





## 2015 OFFICERS

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