



933 North Trenton Street
Post Office Box 2635
Ruston, LA 71273-2635
318-251-3226

June 6, 2012

Mr. James D. "Buddy" Caldwell
Attorney General
State of Louisiana
P.O. Box 94005
Baton Rouge, LA 70802

Re: Lincoln Health Foundation Annual Report

Dear Mr. Caldwell:

Pursuant to the obligations set forth in the Certificate of Incorporation of Lincoln Health System, Inc., and filed with and approved by the State of Louisiana for sale of Lincoln General Hospital, regarding the presentation of information by Lincoln Health Foundation to the public in an annual meeting, please find attached the information and documents that were presented to by the Foundation in its annual public meeting on March 22, 2012 at the Lincoln Parish Public Library in Ruston, Louisiana.

The audited financials of the Foundation for the period ending September 30, 2011 and 2010 are enclosed in the attached.

If you have questions, or need additional information concerning the presentation or attached documents, please don't hesitate to contact me at 318-251-3226.

Sincerely,

A handwritten signature in blue ink, reading "Norman L. Hanes", with a long horizontal flourish extending to the right.

Norman L. Hanes
Chief Executive Officer
Lincoln Health Foundation



LINCOLN HEALTH
FOUNDATION

Improving Health Care and Outcomes for Residents of Lincoln Parish

2012

**Annual
Report**



Improving Health Care and Outcomes for Residents of Lincoln Parish

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	A. Fiscal Year 2011 – Audited by Heard, McElroy & Vestal, LLP

Section 1

Agenda
Annual Public Meeting
March 22, 2012



Improving Health Care and Outcomes for Residents of Lincoln Parish

Agenda

Lincoln Health Foundation Public Meeting

Thursday, March 22, 2012

10:00 – 11:00 a.m.

Lincoln Parish Library Meeting Room

Purpose of Meeting: Update the public regarding the current activities of the Foundation towards fulfilling its mission of improving health care and outcomes for residents of Lincoln Parish.

- | | | |
|------|---------------------------------------|----------------------------|
| I. | Welcome | Dr. Ben Haley, Chair-Elect |
| II. | Introductions | |
| III. | Foundation Facts & Basic Information | |
| IV. | Strategic Plan & Grant Implementation | Norman Hanes, CEO |
| V. | Panel Introduction & Presentations | |
| VI. | Questions | |
| VII. | Adjourn | |

Board of Directors

Shirley P. Reagan, PhD, Chair
Wilbert Ellis, Vice Chair
James Davison, Secretary / Treasurer
Allen Herbert, MD
Fredric Hoogland
John Belton
Benjamin (Benny) L. Denny (*Mayors' Representative*)
Ben P. Haley, MD (*Police Jury Representative*)
Mrs. Jo Tatum (*School Board Representative*)

Attorney

Bill Jones

Community Plan Advisory Board Member

Sandy Allen, Methodist Children's Home
Sonja Cardwell, RN, Lincoln Parish Schools
Ben Haley, MD, Chair Elect, Lincoln Health Foundation
Willie Hendricks, Mayor of Village of Simsboro
Allen Herbert, MD, NLMC, Lincoln Health Foundation
Hazel Hunter, Lincoln Parish Police Jury
Cathy Judd, Lincoln Parish LSU Ag Center
Johnny Maxwell, Businessman
David McGehee, Pediatrician, Green Clinic
Mary Murimi, Nutrition, Louisiana Tech University
Shirley Reagan, Chair, Lincoln Health Foundation
Kathleen Richard, Life Choices of No. Central Louisiana
Jo Tatum, Lincoln Health Foundation
Stephen Turpin, DDS, Drs. Ward & Turpin Dentistry
LaNell Washington, RN, Lincoln Parish Health Unit

Contact Information:

Norman L. Hanes, CEO
(318) 251-3226
www.lincolnhealth.com

Section 2

Presentation

Norman L. Hanes, CEO

Lincoln Health Foundation Annual Public Meeting

March 22, 2012



Strategic Plan

2009-2012

Mission Statement

The mission of Lincoln Health Foundation is to improve health care and outcomes for the residents of Lincoln Parish.

Vision Statement

To be the facilitator of health-related initiatives, programs, and services that enable Lincoln Parish residents to improve their quality of life.



Primary Focus Areas

- Healthier Beginnings
- Healthier Living
- Healthier Outcomes & Improved Access to Health Care Services



Primary Focus Area: *Healthier Beginnings*

Objective: Improve outcomes for children and their families by providing home-based parenting and early childhood outreach programs to families in Lincoln Parish who access public health or other assistance resources.

- *Growing Great Kids™* Program
 - 2010- Lincoln Parish Health Unit
 - 2011- Life Choices of North Central Louisiana
- *Mentoring of Moms (MOMs)* Program
 - 2010- Life Choices of North Central Louisiana
 - 2011- Life Choices of North Central Louisiana



Primary Focus Area: *Healthier Living*

Objectives:

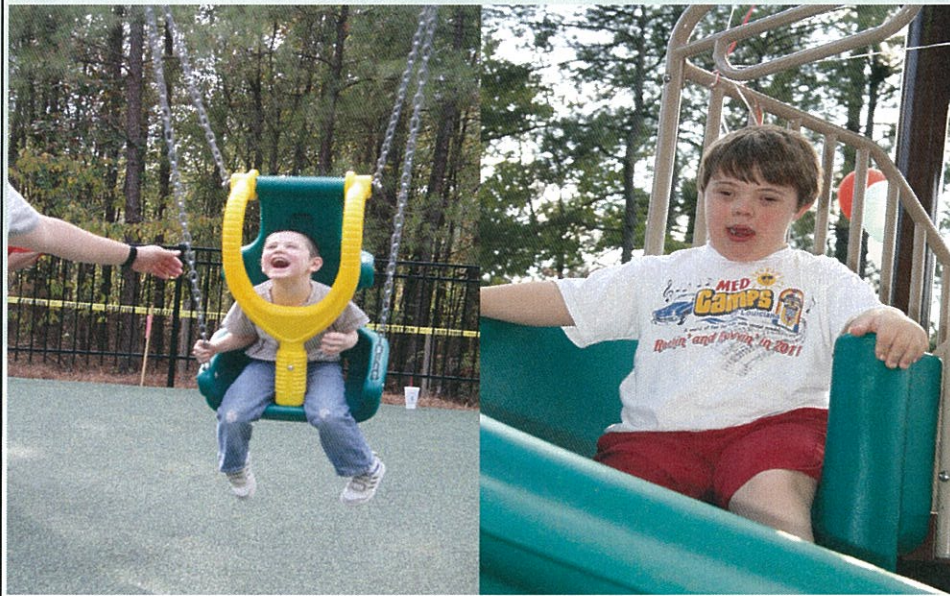
- Increase opportunities for physical activity in community.
 - Legacy Park at Lincoln Parish Park
 - Boys & Girls Club Triple Play Program
 - Med Camps- Camp for Life Program



Legacy Park at Lincoln Parish Park



Legacy Park at Lincoln Parish Park



Primary Focus Area: *Healthier Living*

Objectives:

- Increase opportunities for physical activity in community.
- Increase teachers' knowledge of nutrition.
 - *SmartBodies Program* (2010 & 2011)
 - *FAB 5 Lit Fit Program – Literacy & Fitness Education at Lincoln Parish Schools* (2010 & 2010)
 - School Gardens (HICO Elementary and Cypress Springs Elementary Schools)

School Garden at Cypress Springs Elementary



Primary Focus Area: *Healthier Living*

Objectives:

- Increase opportunities for physical activity in community.
- Increase teachers' knowledge of nutrition.
- Increase parental knowledge of benefits of proper nutrition and physical exercise.
 - *Parents Academy* – Louisiana Tech Family Child Studies Department



Primary Focus Area: *Healthier Living*

Objectives:

- Increase opportunities for physical activity in community.
- Increase teachers' knowledge of nutrition.
- Increase parental knowledge of benefits of proper nutrition and physical exercise.
- Increase healthy food alternatives in school system.

➤ *Community Plan Advisory Board Member Dr. Mary Murimi*



Primary Focus Area: *Healthier Living*

Objectives:

- Increase opportunities for physical activity in community.
- Increase teachers' knowledge of nutrition.
- Increase parental knowledge of benefits of proper nutrition and physical exercise.
- Increase healthy food alternatives in school system.
- Reduce occurrence of teenage pregnancies and sexually transmitted diseases, and delay the onset of teenage sexual activity.

➤ *Raising STI Awareness Program – LA Tech Department of Nursing*



Primary Focus Area: *Healthier Outcomes & Improved Access to Health Care Services*

Objectives: Increase access to health care services for Lincoln Parish elementary school students by expanding the scope of the existing Lincoln Parish School Board HEALS program.

- *HEALS (Health Enterprise to Assist Lincoln's Students)*
- *4th Year..... total funding = \$818,885*



Primary Focus Area: *Healthier Outcomes & Improved Access to Health Care Services*

Objectives: Increase access to health care services for Lincoln Parish elementary school students by expanding the scope of the existing Lincoln Parish School Board HEALS program.

- *HEALS (Health Enterprise to Assist Lincoln's Students)*
- *4th Year..... total funding = \$818,885*

Enable access to health care services for Lincoln Parish residents that are employed but unable to afford health care insurance coverage and services.

- *The Health Hut Medical Mobile Clinic*



The Health Hut



Primary Focus Area: *Healthier Outcomes & Improved Access to Health Care Services*

Objective: Enable access to health care services for Lincoln Parish residents who do not have access to health care services due to inability to obtain health insurance

Initiatives Implemented:

- **Medical Mobile Clinic**
 - *The Health Hut*
- **Medical & Psychiatric Services for Homeless in Lincoln Parish**
 - *Elisha Ministries, DBA Supportive Housing of Northeast LA*
- **Mental Health Services Access**
 - Funding of Community Mental Health Collaborator
Louisiana Methodist Children's Home Family Counseling Center
 - Funding for Expansion of Family Counseling Center Program
Louisiana Methodist Children's Home Family Counseling Center
 - Adolescent Counseling Program for At-Risk 6th Graders at I.E. Lewis School
Seeker Springs Adolescent Counseling Center



Grantee Presenters

- Mr. Danny Bell –*Superintendent, Lincoln Parish Schools*
- Ms. Kathleen Richard –*Executive Director, Life Choices of North Central LA*
- Ms. Janet Durden –*President, United Way of Northeast Louisiana*
- Dr. Leonel Lacayo –*CEO and Medical Director, The Health Hut*



2012 Community Plan Advisory Board -Focus Areas-

➤ Healthier Living Initiative:


- Increasing healthy food alternatives in Lincoln Parish Schools
- Sexually transmitted diseases education
- Delaying onset of teenage pregnancies

➤ Initiatives Being Considered:

- Dr. Mary Murimi and Healthier Living Subcommittee: Implementation of Nutrition Program for Lincoln Parish Schools
- "First Things First" Program for Strengthening Community Infrastructure
 - Reduction of divorces
 - Reduction of out of wedlock pregnancies
 - Increase sufficient father involvement
- Expansion of Northeast Louisiana Virtual Clinic to Lincoln Parish



Public Information @ www.lincolnhealth.com



Public Information

General Information:
 LHF Bylaws PDF
 Articles of Incorporation PDF
 2009 PRC Community Health Assessment PDF
 Community Plan PDF
 Strategic Plan PDF
 Grant Making Guidelines and Procedures PDF
 Communication Guidelines PDF

Summary of Funded Projects:
 Funding FACT Sheet PDF

Annual Reports:
 2010 PDF
 2011 PDF


Audit Reports:
 2009-2010 PDF

LINCOLN HEALTH FOUNDATION
 933 North Trenton St.
 Ruston, LA 71273-2363
 Phone: 318-251-3226

LINCOLN HEALTH FOUNDATION
 Improving Health Care and Outcomes for Residents of Lincoln Parish

Lincoln Health Foundation Annual Public Meeting

March 22, 2012



LINCOLN HEALTH FOUNDATION
 Improving Health Care and Outcomes for Residents of Lincoln Parish

Section 3

Lincoln Health Foundation
Funding Impact
Fact Sheet



Improving Health Care and Outcomes for Residents of Lincoln Parish

LHF Funding Impact Fact Sheet

<u>Funding Date</u>	<u>Recipient / Description of Outcomes</u>	<u>Approved Funding</u>
October, 2008: (Completed)	Lincoln Parish Health Unit, Ruston, Louisiana * <ul style="list-style-type: none">➤ HPV Gardasil Vaccination Program (129 Women)➤ WIC Kitchen Construction➤ Laboratory Renovation (Improved Patient Flow Project)	\$ 84,000
October, 2008: (Completed)	Lincoln Parish Schools, Ruston, Louisiana * Health Enterprise to Assist Lincoln's Students (HEALS) <ul style="list-style-type: none">➤ School Nurse's Station (Materials & Equipment)➤ Hygiene Initiative (Personal Hygiene Kits, Lice Kits, Extra Uniforms)➤ Dental Care Project (3rd Grade Screening, Dentist Voucher Program (Peachtree Dental; Dr. Volentine; Dr's. Ward & Turpin)➤ Transportation (Coordinator Referrals & Voucher System)➤ Coordination of Dental Referrals	\$ 84,000.
October, 2009 (Completed)	Lincoln Parish Schools, Ruston, Louisiana * Health Enterprise to Assist Lincoln's Students (HEALS) Year 2 <ul style="list-style-type: none">➤ School Nurse (Addition of School Nurse for Indigent Children)➤ School Nurses' Stations (Materials & Equipment)➤ Hygiene Initiative (Personal Hygiene Kits, Lice Kits, Extra Uniforms)➤ Dental Care Project (3rd Grade Screenings, Dentist Voucher Program)➤ Mental Health (Counseling Referrals Pilot at Cypress Springs Elem.)➤ Transportation (Coordinator Referrals & Voucher System)➤ Coordination of Dental Referrals➤ Project Implementation & Coordination	\$ 184,951.

October, 2009 (Completed)	Lincoln Parish Schools, Ruston, Louisiana *	\$ 11,660.
	<ul style="list-style-type: none"> ➤ SmartBodies™ Nutrition & Physical Activity Education Program ➤ Implemented at Ruston Elementary & Cypress Springs Elem. Schools ➤ Collaborative Funding by Blue Cross Blue Shield of Louisiana, LSU AgCenter & Lincoln Health Foundation 	
September, 2010 (Completed)	North Louisiana Area Health Education Centers (AHEC) *	\$ 89,969.
	<ul style="list-style-type: none"> ➤ Growing Great Kids™ Home Visitation Program ➤ Prenatal & Postnatal Education ➤ Parental Education Re- Child Development 	
October, 2010 (In Progress)	Lincoln Parish Schools, Ruston, Louisiana * <i>Health Enterprise to Assist Lincoln's Students (HEALS) Year 3</i>	\$ 299,934.
	<ul style="list-style-type: none"> ➤ School Nurse (Addition of Two (2) School Nurse) ➤ School Nurses' Stations (Materials, Software, & Equipment) ➤ Educational Supplies ➤ Prescription Medication ➤ Medical Physician Visits ➤ Hygiene Initiative (Personal Hygiene Kits, Lice Kits, Extra Uniforms) ➤ Dental Care Project (3rd Grade Screenings, Dentist Voucher Program) ➤ Mental Health (Play Therapy; Psychologist / Counselor) ➤ Visual Health ➤ Transportation (Coordinator Referrals & Voucher System) ➤ Coordination of Dental Referrals ➤ Project Implementation & Coordination 	
December, 2010 (Completed)	Life Choices of North Central Louisiana	\$ 26,266.
	<ul style="list-style-type: none"> ➤ Mentoring Of Moms (MOMs) Program ➤ Exposure of "At Risk" young mothers and mothers-to-be to healthy family lifestyles. ➤ Understand needs of young mothers and her baby and guide to positive solutions for meeting those needs. ➤ Encourage mothers-to-be to seek adequate prenatal care and participate in proper nutrition. 	
January, 2011 (In Progress)	Lincoln Parish Schools, Ruston, LA	\$ 16,384.
	<ul style="list-style-type: none"> ➤ FAB 5: Lit Fit Program (Literacy Program) ➤ Implementation at Early Childhood Center in Ruston, LA ➤ Curriculum comprised of literacy skills, combined with fitness, nutrition, and health concepts. ➤ Overall objective of reducing overweight school-aged children. 	

January, 2011 (In Progress)	Louisiana Tech University Family Child Studies Dept. <ul style="list-style-type: none"> ➤ Parents' Academy and Parental Health and Educational Support Network for Lincoln Parish Schools ➤ <i>Implementation a forum for parental communication regarding child health issues.</i> ➤ <i>Increase parent and children physical activity knowledge and participation.</i> ➤ <i>Improve parents' awareness of improving and supporting child and family nutritional choices.</i> 	\$ 56,643.
January, 2011 (In Progress)	Lincoln Parish Schools, Ruston, Louisiana * <ul style="list-style-type: none"> ➤ SmartBodies™ Nutrition & Physical Activity Education Program ➤ <i>Implemented at Simsboro High School, Alma J. Brown and Hico Schools</i> ➤ <i>Implementation of vegetable gardens at Cypress Springs Elementary, Ruston Elementary, and Hico Schools.</i> ➤ <i>Implementation of a walking program at Hico School.</i> 	\$ 23,174.
March, 2011 (In Progress)	Louisiana Tech University Division of Nursing <ul style="list-style-type: none"> ➤ Sexual Health: Raising STI Awareness Program ➤ <i>Implementation of instructional materials to promote awareness of sexually transmitted infections at Louisiana Tech University.</i> ➤ <i>Implementation of peer instruction, campus referral information and other aids to promote prevention, detection and treatment of STIs.</i> 	\$ 1,064.
April, 2011 (In Progress)	Elisha Ministries, Inc., dba Supportive Housing of N.E. LA <ul style="list-style-type: none"> ➤ Mental, Medical and Dental Support Services Program for Homeless Clients Originating From Lincoln Parish ➤ <i>Provides mental health assessments, planning and case management.</i> ➤ <i>Provides physical health assessments, planning and case management.</i> ➤ <i>Provides dental examinations and services for clients.</i> ➤ <i>Provides needed medical devices for clients without health insurance.</i> ➤ <i>Provides for transportation of clients to medical, mental and dental providers.</i> 	\$ 22,737.
April, 2011 (In Progress)	Legacy Park at Lincoln Parish Park <ul style="list-style-type: none"> ➤ Multi-Purpose Playground for special needs children. 	\$ 200,000.

June, 2011 (In Progress)	Lincoln Parish Schools, Ruston, LA	\$ 16,019.
	<ul style="list-style-type: none"> ➤ FAB 5: Lit Fit Program (Literacy Program) ➤ <i>Implementation at Early Childhood Center in Ruston, LA</i> ➤ <i>Curriculum comprised of literacy skills, combined with fitness, nutrition, and health concepts.</i> ➤ <i>Overall objective of reducing overweight school-aged children.</i> 	
June, 2011 (In Progress)	Linking the Parish, Inc., Ruston, LA	\$ 780,272.
	<ul style="list-style-type: none"> ➤ The Health Hut Mobile Medical Clinic ➤ <i>Deployment of mobile medical care to the uninsured population of Lincoln Parish.</i> ➤ <i>Promote preventive care through ongoing medical screening and educational programs.</i> ➤ <i>Provide referral services for patients presenting with complex medical issues.</i> 	
November, 2011 (In Progress)	Life Choices of North Central Louisiana, Ruston, LA	\$ 131,319.
	<ul style="list-style-type: none"> ➤ Growing Great Kids™ Home Visitation Program ➤ <i>Prenatal & Postnatal Education</i> ➤ <i>Parental Education Re- Child Development</i> 	
November, 2011 (In Progress)	United Way of Northeast Louisiana, Ruston, LA Boys & Girls Club of North Central Louisiana	\$ 62,564.
	<ul style="list-style-type: none"> ➤ Triple Play: A Game for Mind, Body & Soul ➤ <i>Developing health habits to address nutrition, education and fitness</i> ➤ <i>Childhood obesity awareness & education</i> ➤ <i>Increasing fitness to reduce obesity, high blood pressure and other cardiovascular diseases</i> 	
November, 2011 (In Progress)	United Way of Northeast Louisiana, Ruston, LA Louisiana United Methodist Children's Home & Family Services, Inc.	\$ 27,797.
	<ul style="list-style-type: none"> ➤ Community Mental Health Collaborator (Part-Time Position) ➤ <i>Primary Responsibilities:</i> <ul style="list-style-type: none"> • <i>Assess the mental health needs of Lincoln Parish</i> • <i>Identify gaps in service areas</i> • <i>Establish relationships with key community entities</i> • <i>Develop networking and collaborative opportunities with mental health service providers, the medical community, faith-based organizations, businesses, school administrators, civic organizations and community leaders.</i> 	

November, 2011 (In Progress)	United Way of Northeast Louisiana , Ruston, LA Louisiana United Methodist Children's Home & Family Services, Inc.	\$ 35,700 .
	<ul style="list-style-type: none"> ➤ Expansion of Family Counseling Center Program Services: <ul style="list-style-type: none"> • Professional family and marriage counseling services • Specialized counseling services for children • Trauma recovery counseling services for adults and children • Child abuse counseling services • Community education 	
November, 2011 (Approved)	United Way of Northeast Louisiana , Ruston, LA Med Camps of Louisiana, Inc. (Matching Grant)	\$ 88,000 .
	<ul style="list-style-type: none"> ➤ "Camp for Life" Childhood Obesity Program ➤ Residential camping program with physical and nutritional Programs ➤ Parental education on exercise and nutrition education 	
December, 2011 (In Progress)	Life Choices of North Central Louisiana, Ruston, LA	\$ 25,000 .
	<ul style="list-style-type: none"> ➤ Mentoring Of Moms (MOMs) Program (Year #2) ➤ Exposure of "At Risk" young mothers and mothers-to-be to healthy family lifestyles ➤ Understand needs of young mothers and her baby and guide to positive solutions for meeting those needs ➤ Encourage mothers-to-be to seek adequate prenatal care and participate in proper nutrition ➤ Provide mentoring for young fathers of MOMs participants 	
December, 2011 (In Progress)	Seeker Springs Adolescent Counseling Center, Eros, LA	\$ 11,815 .
	<ul style="list-style-type: none"> ➤ "Team Up" Program at I.E. Lewis School, Ruston, LA ➤ Provide life skills training for at-risk pre-teens suffering from mild to moderate mental health issues ➤ Increase life skills involving decision-making, communication, leadership, self-responsibility, social skills and self-esteem 	

January, 2012
(Approved)

Lincoln Parish Schools, Ruston, Louisiana *
Health Enterprise to Assist Lincoln's Students (HEALS) Year 4

\$ 250,000.

- School Nurses' Computer Software
- Dental Care Project (3rd & 6th Grade Screenings, Dentist Voucher Program)
- Mental Health (Play Therapy & Counselor)
- Transportation (Coordinator Referrals & Voucher System)
- Coordination of Dental Referrals
- Project Implementation & Coordination

=====

TOTAL FUNDING COMMITMENTS: (October, 2008 – January, 2012): **\$ 2,529,268.**

* Funding Provided Through William Harold Sturgis Bequest

Section 4

Financial Statements

Fiscal Year 2011

(Audited by Heard, McElroy & Vestal, LLP)

LINCOLN HEALTH FOUNDATION

RUSTON, LOUISIANA

SEPTEMBER 30, 2011 AND 2010

LINCOLN HEALTH FOUNDATION

RUSTON, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

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AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE 318-429-2070 FAX

March 14, 2012

The Board of Directors
Lincoln Health Foundation
Ruston, Louisiana

Independent Auditor's Report

We have audited the accompanying statements of assets, liabilities, and net assets-modified cash basis of Lincoln Health Foundation (a nonprofit organization) as of September 30, 2011 and 2010, and the related statement of revenues, expenses, and other changes in net assets-modified cash basis for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Lincoln Health Foundation as of September 30, 2011 and 2010, and its revenue, expenses, and other changes in net assets for the years then ended, on the basis of accounting described in Note 1.

Heard, McElroy & Vestal, LLC

HMV

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LINCOLN HEALTH FOUNDATION

STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS-MODIFIED CASH BASIS

SEPTEMBER 30, 2011 AND 2010

<u>A S S E T S</u>	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	186,694	62,912
Investments	24,481,442	25,055,646
Investments at cost plus equity in undistributed earnings	-	602,008
Restricted assets-investments	344,124	176,084
Property and equipment, net	<u>8,872</u>	<u>10,081</u>
Total assets	<u><u>25,021,132</u></u>	<u><u>25,906,731</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>	-	-
 <u>Net assets:</u>		
Unrestricted	24,677,008	25,730,647
Temporarily restricted	<u>344,124</u>	<u>176,084</u>
Total net assets	<u><u>25,021,132</u></u>	<u><u>25,906,731</u></u>
 Total liabilities and net assets	<u><u>25,021,132</u></u>	<u><u>25,906,731</u></u>

The accompanying notes are an integral part of these financial statements.

LINCOLN HEALTH FOUNDATION

STATEMENTS OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS-

MODIFIED CASH BASIS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues, gains, and other support:</u>			
Net investment income	326,161	(1,510)	324,651
Contributions	40	169,550	169,590
LHS settlement	<u>113,285</u>	<u>-</u>	<u>113,285</u>
Total revenues, gains, and other support	439,486	168,040	607,526
<u>Net assets released from restrictions</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	439,486	168,040	607,526
<u>Program expenses:</u>			
Grants	<u>1,284,640</u>	<u>-</u>	<u>1,284,640</u>
Total program expenses	1,284,640	-	1,284,640
<u>Administrative expenses</u>	<u>208,485</u>	<u>-</u>	<u>208,485</u>
<u>Change in net assets</u>	(1,053,639)	168,040	(885,599)
<u>Net assets, beginning of year</u>	<u>25,730,647</u>	<u>176,084</u>	<u>25,906,731</u>
<u>Net assets, end of year</u>	<u>24,677,008</u>	<u>344,124</u>	<u>25,021,132</u>

The accompanying notes are an integral part of these financial statements.

2010		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
923,118	(317)	922,801
-	174,616	174,616
<u>-</u>	<u>-</u>	<u>-</u>
923,118	174,299	1,097,417
<u>-</u>	<u>-</u>	<u>-</u>
923,118	174,299	1,097,417
<u>49,800</u>	<u>-</u>	<u>49,800</u>
49,800	-	49,800
<u>207,004</u>	<u>-</u>	<u>207,004</u>
666,314	174,299	840,613
<u>25,064,333</u>	<u>1,785</u>	<u>25,066,118</u>
<u>25,730,647</u>	<u>176,084</u>	<u>25,906,731</u>

LINCOLN HEALTH FOUNDATION
STATEMENTS OF CASH FLOWS-MODIFIED CASH BASIS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	(885,599)	840,613
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,209	214
Net realized and unrealized (gains) losses	<u>332,457</u>	<u>(565,350)</u>
Net cash provided (used) by operating activities	(551,933)	275,477
<u>Cash flows from investing activities:</u>		
Purchases of investments	(20,472,134)	(41,343,288)
Proceeds from sale of investments	20,545,841	28,536,393
Distribution from Lincoln Health System, Inc.	602,008	12,600,000
Purchases of property and equipment	<u>-</u>	<u>(10,295)</u>
Net cash provided (used) by investing activities	<u>675,715</u>	<u>(217,190)</u>
<u>Net increase in cash and cash equivalents</u>	123,782	58,287
<u>Cash and cash equivalents at beginning of the year</u>	<u>62,912</u>	<u>4,625</u>
<u>Cash and cash equivalents at end of the year</u>	<u><u>186,694</u></u>	<u><u>62,912</u></u>

The accompanying notes are an integral part of these financial statements.

LINCOLN HEALTH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

1. Organization and Significant Accounting Policies

Organization

On July 30, 1996, Lincoln Health Foundation (the "Foundation"), a Louisiana nonprofit corporation, was organized exclusively to support and benefit Lincoln Health System, Inc. d.b.a. Lincoln General Hospital (the "System") in Ruston, Louisiana. The System is 69% owned by the Foundation and 31% owned by St. Francis Medical Center and Willis-Knighton Medical Center, which are tax-exempt organizations.

On March 31, 2007, the System entered into a purchase agreement with Community Health Systems, Inc. ("Purchaser") to sell the hospital operations and various other assets for approximately \$36,000,000, less adjustments per the agreement. After the sale of Hospital operations, the System's main purpose has become to manage the remaining investments until the organization's remaining assets can be liquidated to the remaining owners and to help support healthcare services in the local community.

In accordance with the purchase agreement, the Purchaser deposited a portion of the purchase price (\$18,000,000) into an interest-bearing escrow account for three years to pay any unforeseen liabilities of the System. In March 2009, the Foundation received the first distribution from the sale of \$9,666,466, which consisted of \$350,900 in cash and \$9,315,566 in investments. In April 2010, the Foundation received a cash distribution of \$12,600,000 from the escrow account. The settlement date of any potential future receipts has not yet been determined as the Foundation's remaining \$602,008 investment at September 30, 2010 in the System is being held for any potential future liabilities of the System (except as noted below).

The Foundation received a distribution of \$715,293 in February 2011. Of this amount, \$602,008 reduced the investment in LHS to zero and \$113,285 was recognized as revenue. LHS still maintains a contingency fund of \$425,000 of which \$294,231 represents the Foundation's portion. As it is unknown if the Foundation will ever receive these funds, no investment has been recorded for them due to their contingent nature.

Upon liquidation of the System, the purpose of the Foundation is now to use the sales proceeds and liquidating distributions to improve healthcare and outcomes for residents of Lincoln Parish in Louisiana.

Significant Accounting Policies

Basis of accounting

The Foundation's financial statements are presented on the modified cash basis of accounting. Accordingly, they reflect revenues when received rather than when earned and expenses are recognized when paid rather than when incurred.

Cash and cash equivalents

It is the Foundation's policy to define all highly liquid investments with an initial maturity of three months or less as "cash and cash equivalents."

1. Organization and Significant Accounting Policies (Continued)

Financial statement presentation

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions.

Contributions

The Foundation records contributions and grants when received. All contributions are considered to be available for unrestricted use unless specifically restricted by a donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as released from restrictions.

Income taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Therefore, no provision for income taxes has been made in the financial statements, but the Foundation is required to file an annual information tax return. The Foundation is also required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it is a tax exempt entity. The Foundation must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax exempt entity, the Foundation must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Foundation does not expect its positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Foundation's accounting records.

The Foundation files U.S. federal Form 990 for informational purposes. The Foundation's federal income tax returns for the tax years 2008 and beyond remain subject to examination by the Internal Revenue Service.

Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect financial statement amounts and disclosures. Actual results could differ from those estimates and assumptions.

Property and Equipment

The Foundation capitalizes the cost of property and equipment in excess of \$1,500 with a useful life of more than one year. Improvements are capitalized when they extend an asset's useful life or increase its value. Otherwise, they are charged to operations. Donations of property and equipment are recorded at their fair value at the date of the donation. The Foundation uses the straight-line method of depreciation, with estimated useful lives of five to ten years for furniture, fixtures and equipment.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Gains or losses on the sale of securities are recognized on a specific-identification method.

Advertising Costs

Advertising costs are expensed as paid. Such costs amounted to \$1,982 and \$185 for the fiscal years ended September 30, 2011 and 2010, respectively, and are included in administrative expenses.

1. **Organization and Significant Accounting Policies** (Continued)

Reclassifications

Certain amounts previously reported in the Foundation's financial statements have been reclassified to conform to current classifications, with no effect on previously reported net assets or changes in net assets.

2. **Temporarily Restricted Funds**

As of September 30, 2011 and 2010, temporarily restricted net assets consisted of \$344,124 and \$176,084, respectively, of funds received for the treatment of indigent patients.

3. **Investments**

Investments are reported in these financial statements at fair market value.

	<u>Market</u>	<u>Cost</u>	<u>Unrealized Market Gain (Loss)</u>
Year Ended September 30, 2011			
Money market	2,286,751	2,286,751	-
Domestic equity	7,721,471	7,508,956	212,515
International equity	1,532,466	1,630,406	(97,940)
Domestic fixed income	<u>13,284,878</u>	<u>12,853,295</u>	<u>431,583</u>
Total	<u>24,825,566</u>	<u>24,279,408</u>	<u>546,158</u>
Investments	24,481,442		
Restricted assets-investments	<u>344,124</u>		
Total	<u>24,825,566</u>		
Year Ended September 30, 2010			
Money market	2,685,883	2,685,883	-
Domestic equity	5,525,720	4,891,925	633,795
International equity	767,219	525,686	241,533
Domestic fixed income	<u>16,252,908</u>	<u>15,476,549</u>	<u>776,359</u>
Total	<u>25,231,730</u>	<u>23,580,043</u>	<u>1,651,687</u>
Investments	25,055,646		
Restricted assets-investments	<u>176,084</u>		
Total	<u>25,231,730</u>		

4. **Investments at Cost Plus Equity in Undistributed Earnings**

	<u>2011</u>	<u>2010</u>
Lincoln Health System, Inc., 69% interest, reported under the equity method	<u>-</u>	<u>602,008</u>

Refer to Note 1.

5. Fair Value of Financial Instruments

The Foundation adopted FASB Accounting Standards Codification Topic 820, "Fair Value Measurements" (Topic 820), as of January 1, 2008. Topic 820 requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata included:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Foundation-specific data. These unobservable assumptions reflect the Foundation's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

Fair values of assets and liabilities measured on a recurring basis at September 30, 2011 and 2010 are as follows:

	<i>Assets at Fair Value as of September 30, 2011</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Markets	-	2,286,751	-	2,286,751
Certificates of Deposit	107,132	-	-	107,132
Mutual Funds:				
Domestic Fixed Income	1,213,992	-	-	1,213,992
Foreign Growth	<u>1,472,320</u>	<u>-</u>	<u>-</u>	<u>1,472,320</u>
Total Mutual Funds	2,686,312	-	-	2,686,312
Fixed Income:				
U.S. Government Obligations	-	9,988,754	-	9,988,754
Corporate Bonds & Notes	<u>-</u>	<u>1,975,000</u>	<u>-</u>	<u>1,975,000</u>
Total Fixed Income	-	11,963,754	-	11,963,754
Common Stock:				
Domestic	7,721,471	-	-	7,721,471
Foreign	<u>60,146</u>	<u>-</u>	<u>-</u>	<u>60,146</u>
Total Common Stock	7,781,617	-	-	7,781,617
Investment in Lincoln Health System	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>10,575,061</u>	<u>14,250,505</u>	<u>-</u>	<u>24,825,566</u>

5. Fair Value of Financial Instruments (Continued)

Investments	24,481,442
Investments at cost plus equity in undistributed earnings	-
Restricted assets-investments	<u>344,124</u>
Total	<u>24,825,566</u>

Investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Balance-October 1, 2010	602,008
Gains (losses) realized and unrealized	113,285
Purchases, issuances, and settlements	(715,293)
Transfers in and/or out of Level 3, net	<u>-</u>
Balance-September 30, 2011	<u>-</u>

<i>Assets at Fair Value as of September 30, 2010</i>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Markets	-	2,685,885	-	2,685,885
Certificates of Deposit	209,254	-	-	209,254
Mutual Funds:				
Domestic Fixed Income	6,189,331	-	-	6,189,331
Foreign Growth	<u>580,006</u>	<u>-</u>	<u>-</u>	<u>580,006</u>
Total Mutual Funds	6,769,337	-	-	6,769,337
Fixed Income:				
U.S. Government Obligations	-	5,551,402	-	5,551,402
Corporate Bonds & Notes	-	2,860,171	-	2,860,171
Mortgage Backed Securities	<u>-</u>	<u>1,663,263</u>	<u>-</u>	<u>1,663,263</u>
Total Fixed Income	-	10,074,836	-	10,074,836
Common Stock:				
Domestic	5,305,206	-	-	5,305,206
Foreign	<u>187,212</u>	<u>-</u>	<u>-</u>	<u>187,212</u>
Total Common Stock	5,492,418	-	-	5,492,418
Investment in Lincoln Health System	<u>-</u>	<u>-</u>	<u>602,008</u>	<u>602,008</u>
Total	<u>12,471,009</u>	<u>12,760,721</u>	<u>602,008</u>	<u>25,833,738</u>

Investments	25,055,646
Investments at cost plus equity in undistributed earnings	602,008
Restricted assets-investments	<u>176,084</u>
Total	<u>25,833,738</u>

5. **Fair Value of Financial Instruments** (Continued)

Investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Balance-October 1, 2009	13,202,008
Gains (losses) realized and unrealized	-
Purchases, issuances, and settlements	-
Transfers in and/or out of Level 3, net	<u>(12,600,000)</u>
Balance-September 30, 2010	<u>602,008</u>

6. **Net Investment Income**

An analysis of net investment income is provided below:

	<u>2011</u>	<u>2010</u>
<u>Investment income</u>		
Income	811,163	397,743
Net unrealized gains and (losses)	106,699	(84,690)
Net realized gains and (losses)	<u>(439,156)</u>	<u>650,040</u>
	478,706	963,093
<u>Investment expenses</u>		
Administration fees	<u>154,055</u>	<u>40,292</u>
Net investment income	<u>324,651</u>	<u>922,801</u>

7. **Property and Equipment**

At September 30, 2011 and 2010, property and equipment consisted of the following:

	<u>2011</u>	<u>2010</u>
Furniture, fixtures and equipment	10,295	10,295
Less-accumulated depreciation	<u>(1,423)</u>	<u>(214)</u>
	<u>8,872</u>	<u>10,081</u>

Depreciation expense was \$1,209 and \$214 for the years ended September 30, 2011 and 2010, respectively.

8. **Leases**

The Foundation leases office space and office equipment used in its operations. The future minimum lease payments for the next five years are presented below:

2012	16,426
2013	16,426
2014	15,888
2015	<u>8,800</u>
	<u>57,540</u>

For fiscal years ended September 30, 2011 and 2010, rental expense amounted to \$17,283 and \$5,068, respectively.

9. **Concentrations**

The Foundation maintains its cash balances in financial institutions in the United States. The cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Foundation may exceed the federally insured limits. The risk is mitigated by maintaining deposits in only well capitalized financial institutions.

10. **Subsequent Event**

Management evaluates events and transactions that occurred after the statement of financial position date but before the financial statements were made available for potential recognition or disclosure in the financial statements. Management evaluated such events through March 14, 2012, which is the date that the financial statements were available to be issued, and noted no subsequent events.