

# TIGER ATHLETIC FOUNDATION

## Financial Statements

December 31, 2011 and 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **APR 11 2012**

TIGER ATHLETIC FOUNDATION  
FINANCIAL STATEMENTS, OTHER FINANCIAL INFORMATION, AND  
SUPPLEMENTAL INFORMATION  
DECEMBER 31, 2011 AND 2010

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## **INDEPENDENT AUDITOR'S REPORT**

To the Executive Committee of the Board of Directors  
Tiger Athletic Foundation

We have audited the accompanying statements of financial position of Tiger Athletic Foundation (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Tiger Athletic 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tiger Athletic Foundation as of December 31, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Metairie, Louisiana  
March 16, 2012

**TIGER ATHLETIC FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2011 and 2010**

**ASSETS**

	2011	2010
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 1,047,680	\$ 2,791,816
Restricted cash	29,768,367	54,599,432
Investments, held-to-maturity	870,984	-
Accounts receivable, net	1,957,308	2,072,507
Contracts receivable	12,316,944	11,832,265
Unconditional promises to give, net	10,521,779	9,629,420
Deferred charges and prepaid expenses	912,720	916,855
Other current assets	256,232	179,792
Total current assets	57,652,014	82,022,087
<b><u>NONCURRENT ASSETS</u></b>		
Restricted assets:		
Cash and cash equivalents	3,027,036	45,653
Investments, available-for-sale	7,923,119	7,832,449
Investments, held-to-maturity	44,026,437	-
Contracts receivable	16,740,176	27,522,847
Unconditional promises to give, net	3,864,886	1,982,341
Property and equipment, net	135,650,312	137,855,929
Assets held for donation to LSU	2,167,446	3,460,103
Other noncurrent assets	4,497,281	4,677,073
Total noncurrent assets	217,896,693	183,376,395
Total assets	\$ 275,548,707	\$ 265,398,482

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

**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2011 and 2010**

**LIABILITIES AND NET ASSETS**

	<u>2011</u>	<u>2010</u>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 470,442	\$ 218,594
Accounts payable - construction in progress	110,625	79,259
Deferred revenues	22,693,825	21,251,636
Amounts held in custody for others	7,507,889	7,836,526
Bonds payable	3,660,000	3,490,000
Other current liabilities	313	2,574
Total current liabilities	<u>34,443,094</u>	<u>32,878,589</u>
<b><u>NONCURRENT LIABILITIES</u></b>		
Deferred revenues	16,890,588	27,639,847
Bonds payable	116,625,000	120,285,000
Other noncurrent liabilities	7,743,391	4,107,608
Total noncurrent liabilities	<u>141,258,979</u>	<u>152,032,455</u>
Total liabilities	<u>175,702,073</u>	<u>184,911,044</u>
<b><u>NET ASSETS</u></b>		
Unrestricted		
Undesignated	35,310,213	32,195,076
Designated	22,920,960	18,248,768
Temporarily restricted	32,420,686	21,777,410
Permanently restricted	9,194,775	8,266,184
Total net assets	<u>99,846,634</u>	<u>80,487,438</u>
Total liabilities and net assets	<u>\$ 275,548,707</u>	<u>\$ 265,398,482</u>

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

**TIGER ATHLETIC FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Change in unrestricted net assets		
Unrestricted revenues:		
Contributions	\$ 23,452,197	\$ 21,961,773
Investment earnings	526,066	391,841
Other revenues	<u>7,046,724</u>	<u>6,926,822</u>
Total unrestricted revenues	<u>31,024,987</u>	<u>29,280,436</u>
Net assets released from restrictions.		
Reclassification in net assets due to change in law	-	(1,358,588)
Satisfaction of program expenses	<u>6,635,775</u>	<u>4,557,811</u>
Total net assets released from restrictions	<u>6,635,775</u>	<u>3,199,223</u>
Total unrestricted revenues and other support	<u>37,660,762</u>	<u>32,479,659</u>
Program expenses.		
Amounts paid to benefit Louisiana State University for:		
Projects specified by the Board of Directors	12,096,404	8,416,359
Other	<u>8,833,504</u>	<u>9,342,156</u>
Total program expenses	<u>20,929,908</u>	<u>17,758,515</u>
Supporting services:		
Salaries and benefits	1,954,496	1,914,764
Occupancy	161,047	154,612
Office operations	130,375	168,705
Travel	126,815	126,753
Professional services	77,884	135,236
Dues and subscriptions	27,095	25,939
Meetings and development	16,548	17,831
Other	<u>1,290,666</u>	<u>(227,505)</u>
Total supporting services	<u>3,784,926</u>	<u>2,316,335</u>
Fundraising expenses	<u>1,518,486</u>	<u>1,218,134</u>
Total expenses	<u>26,233,320</u>	<u>21,292,984</u>
Change in unrestricted net assets	<u>11,427,442</u>	<u>11,186,675</u>

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

**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF ACTIVITIES (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Change in temporarily restricted net assets:		
Temporarily restricted revenues:		
Contributions, net of provision for uncollectible accounts	\$ 17,858,981	\$ 4,850,255
Investment (loss) earnings	<u>(579,930)</u>	<u>344,402</u>
Total temporarily restricted revenues	<u>17,279,051</u>	<u>5,194,657</u>
Net assets released from restrictions.		
Reclassification in net assets due to change in law	-	1,358,588
Satisfaction of program expenses	<u>(6,635,775)</u>	<u>(4,557,811)</u>
Total temporarily restricted revenues and other support	<u>10,643,276</u>	<u>1,995,434</u>
Change in temporarily restricted net assets	<u>10,643,276</u>	<u>1,995,434</u>
Change in permanently restricted net assets:		
Permanently restricted revenues:		
Contributions	<u>928,591</u>	<u>1,539,237</u>
Total permanently restricted revenues	<u>928,591</u>	<u>1,539,237</u>
Change in permanently restricted net assets	<u>928,591</u>	<u>1,539,237</u>
Change in net assets	22,999,309	14,721,346
Net assets at beginning of year	80,487,438	66,389,465
Change in fair value of interest rate swap agreement	<u>(3,640,113)</u>	<u>(623,373)</u>
Net assets at end of year	<u>\$ 99,846,634</u>	<u>\$ 80,487,438</u>

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

**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2011**

	<b>Program Services</b>			
	<b>Contributions to LSU Athletic</b>	<b>Contributions to LSU Nonathletic</b>	<b>Tiger Den Suites</b>	<b>Stadium Club</b>
Salaries and wages	\$ -	\$ -	\$ -	\$ -
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Contributions to LSU	10,227,694	-	-	-
Coaches' supplement	512,000	-	-	-
Scoreboard expenses	184,227	-	-	-
Marketing and publicity	-	-	13,942	-
Dues and subscriptions	6,505	-	-	-
Professional fees	91,299	-	-	-
Academic awards	-	225,450	-	-
LSU Campus Transportation and Development Fund	-	70,848	-	-
Tickets purchased	-	-	-	-
Financing costs	-	-	947,628	1,839,343
Licensing rights	-	-	-	-
Interest expense	-	-	1,667,380	147,835
Catering and other expenses	-	-	541,447	567,819
Management fee	-	-	125,453	75,000
Occupancy	-	-	1,000	25,000
Event parking	-	-	46,308	-
Repairs and maintenance	-	-	59,543	304,149
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	21,435	-
Insurance	-	-	124,647	148,077
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	778,381	-	402,926	1,531,878
<b>Total expenses</b>	<b>\$ 11,800,106</b>	<b>\$ 296,298</b>	<b>\$ 3,951,709</b>	<b>\$ 4,639,101</b>

The accompanying notes are an integral part of these financial statements

**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2011**

	<b><u>Program Services</u></b>			
	<b><u>Alex Box Suites</u></b>	<b><u>Supporting Services</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Salaries and wages	\$ -	\$ 1,542,496	\$ 507,502	\$ 2,049,998
Payroll taxes	-	98,839	36,264	135,103
Employee benefits	-	313,161	99,480	412,641
Contributions to LSU	-	92,934	-	10,320,628
Coaches' supplement	-	-	-	512,000
Scoreboard expenses	-	-	-	184,227
Marketing and publicity	-	-	53,145	67,087
Dues and subscriptions	-	27,095	643	34,243
Professional fees	-	77,884	-	169,183
Academic awards	-	-	-	225,450
LSU Campus Transportation and Development Fund	-	-	-	70,848
Tickets purchased	-	-	80,925	80,925
Financing costs	-	-	-	2,786,971
Licensing rights	140,000	-	-	140,000
Interest expense	-	-	-	1,815,215
Catering and other expenses	52,094	-	-	1,161,360
Management fee	50,000	-	-	250,453
Occupancy	600	161,047	15,557	203,204
Event parking	-	45,840	-	92,148
Repairs and maintenance	-	34,045	-	397,737
Travel and entertainment	-	126,815	317,645	444,460
Membership	-	55,708	151,485	207,193
Meeting expense	-	16,548	-	16,548
Basketball	-	-	21,305	21,305
Supplies and office equipment	-	48,081	16,276	64,357
Printing	-	6,106	-	6,106
Computer	-	76,188	18,423	94,611
Bank charges	-	397,124	-	397,124
Special events and other	-	27,650	197,039	246,124
Insurance	-	105,545	2,797	381,066
Bad debts and other allowances	-	531,820	-	531,820
Promotional expense	-	-	-	-
Depreciation	-	-	-	2,713,185
Total expenses	<b><u>\$ 242,694</u></b>	<b><u>\$ 3,784,926</u></b>	<b><u>\$ 1,518,486</u></b>	<b><u>\$ 26,233,320</u></b>

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

**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2010**

	<b>Program Services</b>			
	<b>Contributions to LSU Athletic</b>	<b>Contributions to LSU Nonathletic</b>	<b>Tiger Den Suites</b>	<b>Stadium Club</b>
Salaries and wages	\$ -	\$ -	\$ -	\$ -
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Contributions to LSU	6,592,580	-	-	-
Coaches' supplement	512,000	-	-	-
Scoreboard expenses	183,787	-	-	-
Marketing and publicity	-	-	14,293	-
Dues and subscriptions	2,566	-	-	-
Professional fees	174,805	-	-	-
Academic awards	-	150,000	-	-
LSU Campus Transportation and Development Fund	-	13,601	-	-
Tickets purchased	-	-	-	-
Financing costs	-	-	994,316	1,903,306
Licensing rights	-	-	-	-
Interest expense	-	-	1,725,387	213,805
Catering and other expenses	-	-	547,033	692,621
Management fee	-	-	125,000	75,000
Occupancy	-	-	1,000	25,000
Event parking	-	-	46,100	-
Repairs and maintenance	-	-	45,648	279,682
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	21,425	-
Insurance	-	-	124,133	147,896
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	787,020	-	411,219	1,709,936
Total expenses	<u>\$ 8,252,758</u>	<u>\$ 163,601</u>	<u>\$ 4,055,554</u>	<u>\$ 5,047,246</u>

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

**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2010**

	<u>Program Services</u>			
	<u>Alex Box Suites</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ -	\$ 1,528,513	\$ 366,548	\$ 1,895,061
Payroll taxes	-	90,461	29,906	120,367
Employee benefits	-	295,790	74,345	370,135
Contributions to LSU	-	169,262	-	6,761,842
Coaches' supplement	-	-	-	512,000
Scoreboard expenses	-	-	-	183,787
Marketing and publicity	-	-	41,958	56,251
Dues and subscriptions	-	25,939	908	29,413
Professional fees	-	135,236	-	310,041
Academic awards	-	-	-	150,000
LSU Campus Transportation and Development Fund	-	-	-	13,601
Tickets purchased	-	-	59,140	59,140
Financing costs	-	-	-	2,897,622
Licensing rights	140,000	-	-	140,000
Interest expense	-	-	-	1,939,192
Catering and other expenses	48,856	-	-	1,288,510
Management fee	50,000	-	-	250,000
Occupancy	500	154,612	14,587	195,699
Event parking	-	68,524	-	114,624
Repairs and maintenance	-	18,859	-	344,189
Travel and entertainment	-	126,753	227,058	353,811
Membership	-	62,173	134,901	197,074
Meeting expense	-	17,831	-	17,831
Basketball	-	-	19,546	19,546
Supplies and office equipment	-	55,931	20,908	76,839
Printing	-	6,349	-	6,349
Computer	-	106,425	24,015	130,440
Bank charges	-	266,969	-	266,969
Special events and other	-	18,084	202,002	241,511
Insurance	-	104,986	2,186	379,201
Bad debts and other allowances	-	(936,362)	-	(936,362)
Promotional expense	-	-	126	126
Depreciation	-	-	-	2,908,175
Total expenses	\$ 239,356	\$ 2,316,335	\$ 1,218,134	\$ 21,292,984

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

**TIGER ATHLETIC FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Operating activities</b>		
Change in net assets	\$ 22,999,309	\$ 14,721,346
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,713,185	2,908,175
Change in allowance for unconditional promises to give	(64,100)	582,400
Change in fair value of interest rate swap agreement	(3,640,113)	(623,373)
Realized and unrealized loss (gain) on investment	580,527	(344,299)
Transfer of property and equipment to LSU	4,473,398	954,854
Contributions restricted for long-term purposes	(928,591)	(1,539,237)
(Increase) Decrease in operating assets:		
Receivables, deferred charges, and other prepaid assets	119,334	590,382
Unconditional promises to give	(2,710,804)	3,730,422
Contracts receivable	10,297,992	9,050,083
Assets held for donation to LSU	(3,180,741)	(3,460,103)
Other assets	103,352	191,118
Increase (Decrease) in operating liabilities:		
Accounts payable	251,848	(268,323)
Accounts payable - construction in progress	31,366	76,854
Deferred revenues	(9,307,070)	(8,623,814)
Other current liabilities	(2,261)	2,324
Other noncurrent liabilities	3,635,783	618,503
Amounts held in custody for others	(328,637)	1,268,877
Net cash provided by operating activities	<u>25,043,777</u>	<u>19,836,189</u>
<b>Investing activities</b>		
Net change in restricted cash	21,849,682	(12,675,201)
Purchase of investments	(671,197)	(1,980,883)
Purchase of investments held to maturity	(44,897,421)	-
Purchase of property and equipment	(507,568)	(3,417,501)
Net cash used in investing activities	<u>(24,226,504)</u>	<u>(18,073,585)</u>
<b>Financing activities</b>		
Proceeds from contributions restricted for investment in permanent endowments	928,591	1,539,237
Principal payments on borrowings	(3,490,000)	(3,335,000)
Net cash used in financing activities	<u>(2,561,409)</u>	<u>(1,795,763)</u>
Net change in cash and cash equivalents	(1,744,136)	(33,159)
Cash and cash equivalents, beginning of year	2,791,816	2,824,975
Cash and cash equivalents, end of year	<u>\$ 1,047,680</u>	<u>\$ 2,791,816</u>

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

## **TIGER ATHLETIC FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **1. Summary of Significant Accounting Policies**

##### **Nature of Activities**

Tiger Athletic Foundation (TAF or the Foundation) was organized on May 17, 1983, under the name The LSU Tigers Unlimited Corporation, as a nonprofit corporation under Louisiana R.S. 12:201 (7). The corporation's name was changed to Tiger Athletic Foundation on April 17, 1987.

The Foundation's primary objective is to encourage support and raise funds for the Louisiana State University and Agricultural and Mechanical College (LSU) located in Baton Rouge, Louisiana and its intercollegiate athletic program. Funds attracted by this private, nonprofit corporation are primarily used to defray the cost of scholarships of more than 450 student athletes, to help maintain and improve LSU athletic facilities, and to retire present indebtedness. The Foundation is governed by a board of directors who are elected from the membership.

The Foundation is required to comply with the provisions set forth in the Uniform Affiliation Agreement entered into with LSU on July 1, 2009.

##### **Net Assets**

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets include those net assets whose use by the Foundation is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Temporarily restricted net assets are those net assets whose use by the Foundation has been limited by donors (a) to later periods of time or other specific dates, or (b) to specified purposes. Permanently restricted net assets are those net assets received with donor-imposed restrictions limiting the Foundation's use of the asset.

##### **Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an original maturity of three months or less, and whose use is not limited, to be cash equivalents.

##### **Investments**

Marketable securities that have a readily determinable fair value and all investments in debt securities are classified as either held-to-maturity or available-for-sale. The classification of a debt security as held-to-maturity is based on management's positive intent and the Foundation's ability to hold such security to maturity. Securities held to maturity are stated at cost adjusted for amortization of premiums and accretion of discounts in the statement of financial position. Securities classified as available-for-sale are reported at fair value in the statement of financial position and unrealized gains and losses are included in the change in net assets in the statement of activities.

**TIGER ATHLETIC FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

**Investment Income and Gains**

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

**Unconditional Promises to Give**

Contributions that are expected to be collected within one year are recorded at net realizable value. Contributions that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Changes to the estimate of the present value of the contributions will be reported in the period the changes are made. The Foundation establishes an allowance for unfulfilled pledges based on a specific analysis of the remaining contribution balance due for contributions that were not made in accordance with the donor's pledged timeline. Decreases in temporarily and permanently restricted contributions because of changes in the amounts of assets expected to be received are recorded as a loss and are reported within expenses on the statement of activities.

**Property and Equipment**

The purchase of property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily or permanently restricted revenue. It is TAF's policy to capitalize all fixed asset purchases greater than \$1,000. Property and equipment is depreciated using the straight-line method over estimated useful lives of 5 to 50 years.

Construction in progress and other additions are stated at cost and represent costs of construction. During the construction period, interest will be capitalized on all qualifying expenditures.

**Assets Held for Donation to LSU**

Assets held for donation to LSU consist of various capital projects and athletic facility improvements that, upon completion, will be donated to LSU. These assets are not used in the operations of TAF and are, therefore, not included within property and equipment.

**Impairment of Long-Lived Assets**

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that the undiscounted cash flows resulting from the use of the asset group is less than the carrying amount, an impairment loss equal to the excess of the asset's carrying amount over its fair value is recorded. The Foundation did not record any impairment loss during the years ended December 31, 2011 and 2010.

## **TIGER ATHLETIC FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **1. Summary of Significant Accounting Policies (continued)**

##### **Other Assets**

Other assets include deferred financing costs, associated with the Revenue Bonds Series 2004, which are being amortized over the 30 year life of the bond agreement. Amortization of the costs is recorded as a component of interest expense. These costs totaled \$1,193,794 and are presented net of accumulated amortization of \$308,388 and \$268,596, as of December 31, 2011 and 2010, respectively. Also included in other assets, is \$4,200,000 of financing costs associated with the construction of the new Alex Box baseball stadium. These costs are presented net of accumulated amortization of \$408,333 and \$268,333, as of December 31, 2011 and 2010, respectively. These costs will be amortized over the life of the stadium and will be offset by the revenue that the Foundation will be receiving from their rights to certain seating in the stadium's suites.

##### **Amounts Held in Custody for Others**

The amounts held in custody for others represent the coaches' escrow accounts and affiliated chapters' accounts, which were established as a custodial fund at the request of LSU, accounts held for the LSU Athletics Department, as well as other small miscellaneous agency accounts. The coaches' escrow accounts and affiliated chapters' accounts were created in order for TAF to act as a nonaffiliated party in overseeing the revenue generated by the coaches and affiliated booster club chapters of LSU and to provide institutional control as required by NCAA rules. The amounts held for the LSU Athletic Department are to fund special projects, as needed, and to establish maintenance reserve accounts for newly constructed LSU Athletic Facilities as required by the Board of Regents Policy. The Foundation has included the \$7,507,889 and \$7,836,526 of amounts held in custody for others as restricted cash within current assets as of December 31, 2011 and 2010, respectively. This amount is offset by a current liability in the same amount.

##### **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted contributions are recognized as changes in unrestricted net assets.

##### **Functional Expenses**

Functional expenses are allocated between program services and supporting activities, which include fundraising, and general and administrative activities. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

**TIGER ATHLETIC FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

**Donated Services**

During the years ended December 31, 2011 and 2010, the value of contributed services meeting the requirements for recognition in the financial statements was not considered material and has not been recorded.

**Scoreboards**

The Foundation owns scoreboards and related equipment installed at various athletic venues on the LSU campus. Contract revenues associated with these scoreboards are more fully described in Note 11.

**Rents - LSU and University Club**

In 1999, the Foundation issued \$43,575,000 in revenue bonds for the purpose of financing or reimbursing a portion of the cost of certain improvements and renovations to the East Side Upper Deck (ESUD) of Tiger Stadium at LSU. The bond agreement stipulates that LSU shall pay \$2,000,000 to the Foundation as annual rent for the facilities.

In 2004, the Foundation issued \$90,000,000 in revenue bonds, for the purpose of financing or reimbursing a portion of the cost of certain improvements and renovations to the West Side Upper Deck (WSUD) at LSU's Tiger Stadium, construction of a football operations center and miscellaneous improvements to Tiger Stadium. The bond agreement stipulates that LSU shall pay \$2,500,000 to the Foundation as annual rent for these facilities.

The Foundation maintains a lease and license agreement with The University Club of Baton Rouge, L.L.C., as the tenant of the lease. The Foundation receives monthly payments equal to 6% of the prior month's gross revenues plus an annual fee per member.

**Reclassifications**

Certain accounts relating to the prior year have been restated to conform to current year's presentation. The reclassifications have no effect on net income.

**Tax Status**

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization that is not a private foundation.

**Use of Estimates**

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

**TIGER ATHLETIC FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

**Fair Values of Financial Instruments**

The carrying values of the Foundation's financial instruments including current assets and current liabilities approximate fair value.

In 2008, the Foundation adopted the provisions of the *Fair Value Measurements* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the *Fair Value Measurements* Topic of the FASB ASC, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The *Fair Value Measurements* Topic of the FASB ASC establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.

Level 3 - Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement (see Note 12).

The Foundation's measurements of fair value are made on a recurring basis, and their valuation techniques for assets and liabilities recorded at fair value are as follows:

Investments securities - The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the investment.

Unconditional promises to give - The fair value of contributions is equal to the carrying value for contributions expected to be collected within one year. Contributions expected to be collected in future periods are discounted to present value based on management's assumptions.

**TIGER ATHLETIC FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

**Fair Values of Financial Instruments (continued)**

Interest rate swap - The fair value of the Foundation's interest rate swap is the estimated amount the Foundation would pay to terminate these agreements at the reporting date, taking into account current interest rates and creditworthiness of the counterparty and the Foundation.

**2. Concentration of Credit Risk for Cash Held in Bank**

The Tiger Athletic Foundation periodically maintains cash in bank accounts in excess of insured limits. The Foundation has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

**3. Restricted Cash and Cash Equivalents**

Restricted cash and cash equivalents are available for the following purposes:

	<u>December 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
Bond restrictions		
Maintenance reserve and escrow accounts	\$ 3,983,575	\$ 11,353,899
Tiger Den Suites tower account	1,067,144	1,531,980
West Side Upper Deck Stadium Club deposits	1,614,243	2,059,265
Alex Box Suites	183,094	106,640
By Board for designated purposes	4,204,840	18,248,768
Donor restrictions	18,632,607	13,462,354
Amounts held in custody for others	2,922,836	7,836,526
Endowment funds	187,064	45,653
	<u>\$ 32,795,403</u>	<u>\$ 54,645,085</u>

Of the above total, \$29,768,367 is classified as current while \$3,027,036 is classified as noncurrent due to it being restricted as of December 31, 2011.

Of the above total, \$54,599,432 is classified as current while \$45,653 is classified as noncurrent due to it being restricted as of December 31, 2010.

**TIGER ATHLETIC FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**4. Investments**

Investments at December 31, 2011 consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
<b>Held-to-maturity</b>			
Debt Securities, held in custody for others	\$ 4,585,053	\$ 4,559,124	\$ (25,929)
Debt Securities	40,312,368	40,084,397	(227,971)
	<u>\$ 44,897,421</u>	<u>\$ 44,643,521</u>	<u>\$ (253,900)</u>
<b>Available-for-sale</b>			
LSU Foundation Investment Pool	\$ 8,144,842	\$ 7,888,594	\$ (256,248)
Charitable Gift Annuity	36,128	34,525	(1,603)
	<u>\$ 8,180,970</u>	<u>\$ 7,923,119</u>	<u>\$ (257,851)</u>

Investments at December 31, 2010 consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
<b>Available-for-sale</b>			
LSU Foundation Investment Pool	\$ 7,469,316	\$ 7,793,304	\$ 323,988
Charitable Gift Annuity	40,458	39,145	(1,313)
	<u>\$ 7,509,774</u>	<u>\$ 7,832,449</u>	<u>\$ 322,675</u>

**TIGER ATHLETIC FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**4. Investments (continued)**

The Foundation's investment in debt securities, held-to-maturity have been in an unrealized loss position for a period of less than twelve months. The unrealized losses were caused by interest rate increases. Because the decline in market value is attributable to changes in interest rates and not credit quality, and because the Foundation has the ability and intent to hold these investments until a recovery of fair value, which may be at maturity, the Foundation does not consider these investments to be other-than-temporarily impaired at December 31, 2011.

Available-for-sale investments include investments with the LSU Foundation investment pool, which consists primarily of equity funds, corporate bonds, collateralized mortgage obligations, and government agency securities and are stated at fair value. The investments are classified as noncurrent due to being restricted as of December 31, 2011 and 2010.

Investment return is summarized as follows.

	<u>2011</u>	<u>2010</u>
Interest and dividend income	\$ 526,663	\$ 391,944
Net realized and unrealized (loss) gains	<u>(580,527)</u>	<u>344,299</u>
 Total investment return	 <u>\$ (53,864)</u>	 <u>\$ 736,243</u>

Included in interest and dividend income, above, is unrestricted income derived from interest bearing cash accounts and certificates of deposits, which are classified as cash for reporting purposes.

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**5. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

	<b><u>December 31, 2011</u></b>	<b><u>December 31, 2010</u></b>
Donor restrictions		
Preservation of Tiger Stadium	\$ 12,197,350	\$ 1,816,786
Capital program	5,691,490	6,764,875
Annual Scholarship Fund	5,595,454	2,881,049
Make Your Pitch	1,619,694	1,305,104
Alex Box Stadium	1,290,564	-
Athletic Facility Fund	846,152	885,223
Unappropriated endowment earnings	830,009	1,691,788
Band Hall	794,988	779,168
LSU Golf Facility	608,363	961,240
AD's Annual Fund	568,995	428,996
Tiger Den	532,904	430,296
Academic Center	481,439	813,130
PMAC restoration	291,245	271,328
Baseball building	202,563	49,217
Unallocated interest	184,072	15,409
Women's basketball	126,449	105,865
Soccer complex	120,985	1,946,217
Football	92,442	109,088
Gymnastics	72,669	32,280
Athletic trainer's equipment	65,552	61,352
Volleyball	52,579	11,071
Softball complex	46,259	28,806
L Club	37,821	30,422
Swimming	33,200	7,200
Jeff Boss Honorarium	13,634	4,895
Hall of Fame	6,993	5,503
Tennis	6,000	3,000
Football strength equipment	5,800	4,115
Basketball	4,115	-
Sue Gunter Fund	806	806
Track and field	100	48,119
Basketball bleachers	-	277,422
Miscellaneous memorials	-	7,640
Total temporarily restricted funds	<b><u>\$ 32,420,686</u></b>	<b><u>\$ 21,777,410</u></b>

**TIGER ATHLETIC FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**6. Unconditional Promises to Give**

Unconditional promises to give at December 31, 2011 and 2010 were as follows:

	<u>2011</u>	<u>2010</u>
Receivable in less than one year	\$ 10,521,779	\$ 9,629,420
Receivable in one to five years	6,013,420	3,616,488
Receivable in more than five years	<u>430,500</u>	<u>553,500</u>
Total contributions receivable	16,965,699	13,799,408
Less discount to net present value (discount rate was 4 0% as of December 31, 2011 and December 31, 2010)	(985,534)	(658,247)
Less allowance for unfulfilled pledges	<u>(1,593,500)</u>	<u>(1,529,400)</u>
Net contributions receivable	<u>\$ 14,386,665</u>	<u>\$ 11,611,761</u>

**7. Property and Equipment**

The Foundation's investment in property and equipment consisted of the following at December 31, 2011:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ 3,090,000
Leaseholds and other improvements	4,368,758	4,734	-	-	4,373,492
Stadium expansion and scoreboard	146,437,771	405,117	-	-	146,842,888
Furniture and equipment	295,488	6,547	-	-	302,035
Vehicles	<u>27,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,978</u>
	154,219,995	416,398	-	-	154,636,393
Less accumulated depreciation	(16,364,066)	(2,713,185)	-	-	(19,077,251)
Construction in process	-	91,170	-	-	91,170
Property and equipment, net	<u>\$ 137,855,929</u>	<u>\$ (2,205,617)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,650,312</u>

**TIGER ATHLETIC FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**7. Property and Equipment (continued)**

The Foundation's investment in property and equipment consisted of the following at December 31, 2010:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ 3,090,000
Leaseholds and other improvements	1,625,410	-	(896,817)	3,640,165	4,368,758
Stadium expansion and scoreboard	146,203,535	3,586	-	230,650	146,437,771
Furniture and equipment	294,427	1,061	-	-	295,488
Vehicles	27,978	-	-	-	27,978
	<u>151,241,350</u>	<u>4,647</u>	<u>(896,817)</u>	<u>3,870,815</u>	<u>154,219,995</u>
Less accumulated depreciation	(13,455,891)	(2,908,175)	-	-	(16,364,066)
Construction in process	515,998	3,412,854	(58,037)	(3,870,815)	-
Property and equipment, net	<u>\$ 138,301,457</u>	<u>\$ 509,326</u>	<u>\$ (954,854)</u>	<u>\$ -</u>	<u>\$ 137,855,929</u>

Depreciation expense totaled \$2,713,185 and \$2,908,175, for the years ended December 31, 2011 and 2010, respectively.

**8. Bonds Payable**

A summary of the Foundation's bonds payable is as follows:

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Revenue Bonds Series 1999	\$ 40,560,000	\$ 42,100,000
Revenue Bonds Series 2004	79,725,000	81,675,000
	<u>\$ 120,285,000</u>	<u>\$ 123,775,000</u>

Revenue Bonds Series 1999 consist of debt issued by Tiger Athletic Foundation primarily for the purpose of certain improvements and renovations to the East Side Upper Deck of Tiger Stadium at LSU. Revenue derived from the sale of certain tickets for the East Side Upper Deck are pledged for the payment of the debt service. Bond indentures contain requirements for annual debt service and flow for funds through various restricted accounts. The bonds have a floating interest rate that is established through weekly remarketing. Effective November 2009, the bonds were reissued as a single fully registered bond without coupons and shall mature September 2033.

Effective April 1, 2003, the Foundation entered into an interest rate swap agreement with Morgan Stanley Capital Services, Inc. (MSCS), which expires September 1, 2028, to hedge its interest rate exposure on the Series 1999 revenue bonds. The agreement covers 100% of the outstanding principal balance over the life of the bonds and effectively fixes the interest rate to the Foundation at 4.01%. The floating rate payor is MSCS and the fixed rate payor is the Foundation. The floating rate is based on the SIFMA Index, formally referred to as the BMA Municipal Swap Index, as defined in the agreement.

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**8. Bonds Payable (continued)**

The Foundation accounts for the interest rate swap as a fair value hedge as directed by the *Accounting for Derivative Instruments and Hedging Activities* Topic of the FASB ASC. Since the Foundation does not report earnings as a separate caption in a statement of financial performance, both the swap agreement and the hedged item, the Series 1999 Bonds, are accounted for at fair value with the change in fair value reported as a change in net assets.

The fair market value of the swap agreement and the hedged item as of December 31, 2011 and 2010 was a liability of approximately \$7,734,000 and \$4,094,000, respectively, which represents a change from the prior year of \$(3,640,113) in 2011 and \$(623,373) in 2010, which is presented as a change of net assets on the statements of activities.

In March 2004, the Foundation issued Revenue Bonds Series 2004 for a principal amount of \$90,000,000. The proceeds of the loan are being used to finance or reimburse a portion of the costs of the acquisition and construction of certain improvements and renovations to Tiger Stadium and a football operations center at LSU, including funding the interest and costs associated with the project. The bonds are secured by the pledged revenues on parity with the Series 1999. The bonds have a floating interest rate based on the SIFMA Index. Annual payments began on September 1, 2005, and will continue through September 1, 2034.

On March 15, 2007, an amendment was made to the original loan agreement which waived the principal payment due on September 1, 2007, and extended the payment schedule an additional year, through 2034, with the intent that the 2007 principal payment will be paid on September 1, 2034. Effective November 2009, the bonds were reissued as a single fully registered bond without coupons and shall mature September 2039.

Under the provisions of the above revenue bond agreements, the Foundation is required to maintain a minimum debt service coverage ratio. The Foundation was in compliance with its debt service coverage calculation loan covenant at December 31, 2011 and 2010.

The debt service requirements on the bonds payable are as follows:

	<b>Bonds Payable</b>
2012	\$ 3,660,000
2013	3,840,000
2014	4,025,000
2015	4,215,000
2016	4,420,000
2017 - 2021	25,500,000
2022 - 2026	29,265,000
2027 - 2031	27,780,000
2032 - 2036	14,580,000
2037 - 2040	3,000,000
Total	<u>\$ 120,285,000</u>

## **TIGER ATHLETIC FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **8. Bonds Payable (continued)**

The Revenue Bonds Series 1999 and Series 2004 are subject to a remarketing agreement whereby the Foundation obtained a remarketing agent which shall offer for sale and use its best efforts to find purchasers for all bonds or portions thereof for which notice of tender has been received at a price equal to the principal amount thereof plus accrued interest to the purchase date. To provide for the payment of the bonds, in the event a purchaser is not found for the full amount of the outstanding bonds or default, the Foundation entered into letter of credit agreements with Regions. During 2009, the Foundation replaced the letter of credit agreement with Regions with a substitute letter of credit issued by Capital One. The Capital One Bank Letter of Credit is confirmed by a Federal Home Loan Bank Letter of Credit. Annual fees for the letter of credit are 200 bps per annum payable annually in advance for the underlying Letter of Credit. The Federal Home Loan Bank will in turn charge approximately 20bps for the confirmation which will be passed on to the Foundation. Risk participations will be sold to the participant banks for 190 bps with the difference accruing to Capital One. There were no outstanding amounts under the letter of credit at December 31, 2011 and 2010.

#### **9. Commitments and Contingencies**

The Foundation is subject to certain legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Foundation.

#### **10. Retirement Savings Plan**

The Foundation established a 401(k) plan (the Plan) effective February 1, 2002, to replace an existing Section 403(b) tax shelter annuity plan. The Plan covers all employees who complete applications to participate in the Plan and agree to the terms of the Plan. The Foundation amended and restated the Plan effective April 22, 2010 and September 16, 2010.

Under the Plan, the Foundation will make matching contributions in an amount equal to the sum of 100 percent of the participants' elective deferrals that do not exceed 6 percent of the participants' compensation as an Employer Safe Harbor Matching Contribution. In addition, the Foundation shall contribute an amount equal to the sum of 1.5 percent of the participants' annual compensation as an Employer Discretionary Contribution. Employees are vested in the Employer Safe Harbor Matching Contributions at a rate of 20 percent per year after first having reached one year of service, as defined. Employees are 100 percent vested in the Employer Discretionary Contribution after reaching one year of service, as defined.

The Foundation made matching contributions of approximately \$141,000 and \$116,000, for the years ended December 31, 2011 and 2010, respectively.

## TIGER ATHLETIC FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### 11. Scoreboard Sponsorships

In 1999, the Foundation entered into a Cooperative Endeavor Agreement with LSU that obligated the Foundation to acquire, construct and maintain new scoreboards in LSU athletic venues at a total cost of approximately \$5.2 million. In return for its fulfillment of this obligation, the Foundation was given an eight year license to solicit certain qualified corporate sponsorship contracts. In connection with its issuance of the Series 2004 Revenue Bonds, LSU extended the Foundation's rights to solicit qualified corporate sponsorship contracts for a period of approximately 35 years. Effective July 1, 2005, the Foundation, with approval of LSU, entered into a ten year lease agreement with Viacom Outdoor Advertising, Inc., d/b/a LSU Sports Properties, whereby the Foundation leased its rights to the scoreboards to Viacom in return for an annual guaranteed rental payment. The rent payment, which was \$1.4 million in year one and year two, and will increase by \$25,000 annually each year during the life of the lease agreement, is due in two equal installments payable in July and October of each year. In November of 2010, this lease agreement was amended. The amendment extends the agreement for a period of one year, through June 30, 2016, and increases the compensation paid to the Foundation by \$500,000 annually. Additionally, under this amendment, the Foundation will be requested to expend an additional \$3-5 million over the next three years to construct, install, upgrade, maintain, service and replace scoreboards.

#### 12. Fair Value Measurements

The Foundation's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the *Fair Value Measurements* Topic of the FASB ASC. See Note 1 for a description of the Foundation's policies and valuation techniques.

The valuation of the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2011 are as follows:

<u>ASSETS</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Balance</u>
Unconditional promises to give	\$ -	\$ -	\$ 14,386,665	\$ 14,386,665
Investments				
Equity securities	3,572,299	-	458,559	4,030,858
Equity hedge funds	-	-	954,190	954,190
Fixed income securities	-	-	1,833,202	1,833,202
Private equity investments	-	-	717,380	717,380
Other	-	-	387,489	387,489
Total	<u>\$ 3,572,299</u>	<u>\$ -</u>	<u>\$ 18,737,485</u>	<u>\$ 22,309,784</u>
 <u>LIABILITIES</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Net Balance</u>
Interest rate swap	<u>\$ -</u>	<u>\$ 7,734,147</u>	<u>\$ -</u>	<u>\$ 7,734,147</u>

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**12. Fair Value Measurements (continued)**

The changes in investments and unconditional promises to give measured at fair value for which the Foundation has used Level 3 inputs to determine fair value are as follows:

	<u>Level 3</u> <u>Beginning Balance</u>	<u>Net Realized</u> <u>and Unrealized</u> <u>Gains (Losses)</u>	<u>Net Payments</u> <u>and Gifts</u>	<u>Net Purchases</u> <u>and Sales</u>	<u>Net Transfers</u> <u>In (Out) of Level 3</u>	<u>Level 3</u> <u>Ending Balance</u>
<b><u>ASSETS</u></b>						
Unconditional promises to give	\$ 11,611,761	\$ (327,287)	\$ 3,102,191	\$ -	\$ -	\$ 14,386,665
Investments	4,029,694	321,126	-	-	-	4,350,820
Total	<u>\$ 15,641,455</u>	<u>\$ (6,161)</u>	<u>\$ 3,102,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,737,485</u>

The valuation of the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2010 are as follows:

<b><u>ASSETS</u></b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Balance</u>
Unconditional promises to give	\$ -	\$ -	\$ 11,611,761	\$ 11,611,761
Investments				
Equity securities	3,350,560	-	532,810	3,883,370
Real estate funds	452,195	-	-	452,195
Equity hedge funds	-	-	900,753	900,753
Fixed income securities	-	-	1,527,452	1,527,452
Private equity investments	-	-	552,070	552,070
Other	-	-	516,609	516,609
Total	<u>\$ 3,802,755</u>	<u>\$ -</u>	<u>\$ 15,641,455</u>	<u>\$ 19,444,210</u>
<b><u>LIABILITIES</u></b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Balance</u>
Interest rate swap	<u>\$ -</u>	<u>\$ 4,094,034</u>	<u>\$ -</u>	<u>\$ 4,094,034</u>

The changes in investments and unconditional promises to give measured at fair value for which the Foundation has used Level 3 inputs to determine fair value are as follows:

	<u>Level 3</u> <u>Beginning Balance</u>	<u>Net Realized</u> <u>and Unrealized</u> <u>Gains (Losses)</u>	<u>Net Payments</u> <u>and Gifts</u>	<u>Net Purchases</u> <u>and Sales</u>	<u>Net Transfers</u> <u>In (Out) of Level 3</u>	<u>Level 3</u> <u>Ending Balance</u>
<b><u>ASSETS</u></b>						
Unconditional promises to give	\$ 15,924,583	\$ 499,740	\$ (4,812,562)	\$ -	\$ -	\$ 11,611,761
Investments	1,501,281	2,528,413	-	-	-	4,029,694
Total	<u>\$ 17,425,864</u>	<u>\$ 3,028,153</u>	<u>\$ (4,812,562)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,641,455</u>

## **TIGER ATHLETIC FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **13. Endowment Composition**

The State of Louisiana enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective August 15, 2010, the provisions of which apply to endowment funds existing on or established after that date. The Board of Directors has determined that the majority of the Foundation's permanently restricted net assets meet the definition of endowment funds under UPMIFA. Based on the Foundation's interpretation of UPMIFA, the Foundation has reviewed all of its endowment funds and has reclassified approximately \$1,358,588 from unrestricted net assets to temporarily restricted net assets as of December 31, 2010.

The Foundation's endowment includes donor-restricted funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the State of Louisiana's UPMIFA as requiring the preservation of the fair value of the original gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed in UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

**Endowment Investment and Spending Policies** - The Foundation's investment policy is that all endowed funds will be maintained and managed by LSU Foundation within their investment pool and in accordance with their investment policies. LSU Foundation has established prudent investment and spending policies with the objective of maintaining the purchase power of its endowed assets in perpetuity and to provide a stable level of support to the beneficiaries. To achieve this objective, the LSU Foundation's asset allocation strategy is reviewed periodically and adjusted to target a total return that covers inflation, administrative expenses, and spending allocations, while minimizing volatility. The Foundation, in the absence of specific donor intent and through its acceptance of the LSU Foundation investment policies, reinvests the first 5% of investment return into the donor's endowment. Only that portion of investment return that exceeds 5% is deemed eligible for expenditure through appropriation.

**TIGER ATHLETIC FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**13. Endowment Composition (continued)**

The Foundation's Endowment Net Asset Composition by fund type as of December 31, 2011 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 830,009	\$ 9,194,775	\$ 10,024,784
Undesignated funds	(1,356,614)	-	-	(1,356,614)
Total	<u>\$ (1,356,614)</u>	<u>\$ 830,009</u>	<u>\$ 9,194,775</u>	<u>\$ 8,668,170</u>

A summary of the changes in the Foundation's Endowment Net Assets for the year ended December 31, 2011 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (1,356,614)	\$ 1,691,788	\$ 8,266,184	\$ 8,601,358
Investment return				
Investment income	-	597	-	597
Net appreciation (realized and unrealized)	-	(580,527)	-	(580,527)
Total investment return	-	(579,930)	-	(579,930)
Contributions	-	-	928,591	928,591
Reclassification due to change in law	-	-	-	-
Appropriation of endowment assets for expenditure	-	(281,849)	-	(281,849)
Endowment net assets, end of year	<u>\$ (1,356,614)</u>	<u>\$ 830,009</u>	<u>\$ 9,194,775</u>	<u>\$ 8,668,170</u>

The Foundation's Endowment Net Asset Composition by fund type as of December 31, 2010 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,691,788	\$ 8,266,184	\$ 9,957,972
Undesignated funds	(1,356,614)	-	-	(1,356,614)
Total	<u>\$ (1,356,614)</u>	<u>\$ 1,691,788</u>	<u>\$ 8,266,184</u>	<u>\$ 8,601,358</u>

**TIGER ATHLETIC FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**13. Endowment Composition (continued)**

A summary of the changes in the Foundation's Endowment Net Assets for the year ended December 31, 2010 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,974	\$ -	\$ 6,726,947	\$ 6,728,921
Investment return:				
Investment income	-	103	-	103
Net appreciation (realized and unrealized)	-	344,299	-	344,299
Total investment return	-	344,402	-	344,402
Contributions	-	-	1,539,237	1,539,237
Reclassification due to change in law	(1,358,588)	1,358,588	-	-
Appropriation of endowment assets for expenditure	-	(11,202)	-	(11,202)
Endowment net assets, end of year	<u>\$ (1,356,614)</u>	<u>\$ 1,691,788</u>	<u>\$ 8,266,184</u>	<u>\$ 8,601,358</u>

**14. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued March 16, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**15. Uncertain Tax Position**

For the year ended December 31, 2009, the Foundation adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC (FIN 48). The implementation of FIN 48 had no impact on the entity's statement of financial position or statement of activities.

All tax returns have been appropriately filed by the Foundation. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Foundation's tax filings are subject to audit by various taxing authorities. The Foundation's open audit periods are 2008 through 2010. Management evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

## OTHER FINANCIAL INFORMATION



LaPorte, APAC  
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LaPorte.com

**Independent Auditor's Report on  
Other Financial Information -  
Office of Statewide Reporting and  
Accounting Policy for State of Louisiana**

To the Executive Committee of the Board of Directors  
Tiger Athletic Foundation

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 28 through 39 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Metairie, LA  
March 16, 2012

**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF NET ASSETS**  
**DECEMBER 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,047,680	\$ 2,791,816
Restricted cash	29,768,367	54,599,432
Investments, held-to-maturity	870,984	-
Accounts receivable, net	1,957,308	2,072,507
Contracts receivable	12,316,944	11,832,265
Pledges receivable	10,521,779	9,629,420
Due from other campuses	-	-
Due from State Treasury	-	-
Inventories	-	-
Deferred charges and prepaid expenses	912,720	916,855
Notes receivable	-	-
Other current assets	256,232	179,792
Total current assets	<u>57,652,014</u>	<u>82,022,087</u>
Noncurrent assets		
Restricted assets:		
Cash and cash equivalents	3,027,036	45,653
Investments, available-for-sale	7,923,119	7,832,449
Investments, held-to-maturity	44,026,437	-
Accounts receivable, net	-	-
Notes receivable	-	-
Other	-	-
Investments	-	-
Contracts receivable	16,740,176	27,522,847
Pledges receivable	3,864,886	1,982,341
Notes receivable	-	-
Capital assets, net	135,650,312	137,855,929
Assets held for donation to LSU	2,167,446	3,460,103
Assets under capital leases, net	-	-
Other noncurrent assets	4,497,281	4,677,073
Total noncurrent assets	<u>217,896,693</u>	<u>183,376,395</u>
Total assets	<u>\$ 275,548,707</u>	<u>\$ 265,398,482</u>

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF NET ASSETS (CONTINUED)**

**DECEMBER 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 470,442	\$ 218,594
Accounts payable - construction in progress	110,625	79,259
Due to other campuses	-	-
Due to State Treasury	-	-
Deferred revenues	22,693,825	21,251,636
Amounts held in custody for others	7,507,889	7,836,526
Compensated absences payable	-	-
Capital lease obligations	-	-
Line-of-credit	-	-
Note payable	-	-
Contracts payable	-	-
Bonds payable	3,660,000	3,490,000
Other current liabilities	313	2,574
Total current liabilities	<u>34,443,094</u>	<u>32,878,589</u>
Noncurrent liabilities:		
Amounts held in custody for others	-	-
Compensated absences payable	-	-
Capital lease obligations	-	-
Note payable	-	-
Contracts payable	-	-
Deferred revenues	16,890,588	27,639,847
Bonds payable	116,625,000	120,285,000
Other noncurrent liabilities	7,743,391	4,107,608
Total noncurrent liabilities	<u>141,258,979</u>	<u>152,032,455</u>
Total liabilities	<u>175,702,073</u>	<u>184,911,044</u>
Net assets		
Invested in capital assets, net of related debt	15,365,312	14,080,929
Restricted for:		
Nonexpendable	9,194,775	8,266,184
Expendable	32,420,686	21,777,410
Unrestricted	42,865,861	36,362,915
Total net assets	<u>99,846,634</u>	<u>80,487,438</u>
Total liabilities and net assets	<u>\$ 275,548,707</u>	<u>\$ 265,398,482</u>

See independent auditor's report on other financial information

**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Operating revenues		
Student tuition and fees	\$ -	\$ -
Less scholarship allowances	-	-
Net student tuition and fees	-	-
Gifts received by the Foundation	41,311,178	26,812,028
Earnings on Foundation endowments	-	-
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 as security for bond issues	-	-
Less scholarship allowances	-	-
Net auxiliary revenues	-	-
Other operating revenues	7,046,724	6,926,822
Total operating revenues	<u>48,357,902</u>	<u>33,738,850</u>
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	12,321,701	10,937,433
Total operating expenses	<u>12,321,701</u>	<u>10,937,433</u>
Operating income	<u>36,036,201</u>	<u>22,801,417</u>

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Nonoperating revenues and (expenses).		
State appropriations	\$ -	\$ -
Gifts	-	-
Net investment (loss) income	(53,864)	736,243
Interest expense	(1,815,215)	(1,939,192)
Payments to or on behalf of the university	(12,096,404)	(8,416,359)
Other nonoperating revenues (expenses)	-	-
Net nonoperating revenues (expenses)	<u>(13,965,483)</u>	<u>(9,619,308)</u>
Income before other revenues, expenses, gains, and losses	<u>22,070,718</u>	<u>13,182,109</u>
Capital appropriations	-	-
Capital gifts and grants	-	-
Additions to permanent endowments	928,591	1,539,237
Other additions, net	-	-
Increase in net assets	<u>22,999,309</u>	<u>14,721,346</u>
Net assets, beginning of year	80,487,438	66,389,465
Change in fair value of interest rate swap agreement	(3,640,113)	(623,373)
Net assets, end of year	<u>\$ 99,846,634</u>	<u>\$ 80,487,438</u>

See independent auditor's report on other financial information

## **TIGER ATHLETIC FOUNDATION**

### **COMPONENT UNIT DESCRIPTION**

#### **Component Unit Description**

The Tiger Athletic Foundation is a legally separate, tax-exempt organization supporting the LSU System, specifically the following campus: Louisiana State University - Baton Rouge. This Foundation was included in the University's financial statements because its assets equaled 3% or more of the assets of the university system it supports.

During the year ended December 31, 2011, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$12,096,411, \$1,723,847 from booster clubs, and \$367,654 from affiliated chapters. During the year ended December 31, 2010, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$8,416,359, \$1,371,196 from booster clubs, and \$469,513 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by Tiger Athletic Foundation.

Complete financial statements for the Tiger Athletic Foundation can be obtained from:

Tiger Athletic Foundation  
P.O. Box 711  
Baton Rouge, Louisiana 70821

Or from the foundation's website at: [www.lsutaf.org](http://www.lsutaf.org)

The Tiger Athletic Foundation is a nonprofit organization that reports under the *Financial Reporting for Not-for-Profit Organizations* Topic of the FASB ASC. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to the Foundation's financial information in the University's financial report for these differences.

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2011**

	Balance 12/31/2010	Additions	Transfers	Retirements	Balance 12/31/2011
Capital assets not being depreciated					
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ 3,090,000
Capitalized collections	-	-	-	-	-
Livestock	-	-	-	-	-
Construction in progress	-	91,170	-	-	91,170
Total capital assets not being depreciated	\$ 3,090,000	\$ 91,170	\$ -	\$ -	\$ 3,181,170
Land improvements	\$ 4,368,758	\$ 4,734	\$ -	\$ -	\$ 4,373,492
Less accumulated depreciation	(508,874)	(57,584)	-	184,974	(381,484)
Total land improvements	3,859,884	(52,850)	-	184,974	3,992,008
Buildings	146,437,771	405,117	-	-	146,842,888
Less accumulated depreciation	(15,602,529)	(2,813,003)	-	-	(18,415,532)
Total buildings	130,835,242	(2,407,886)	-	-	128,427,356
Equipment	295,488	6,547	-	-	302,035
Less accumulated depreciation	(235,955)	(22,006)	-	-	(257,961)
Total equipment	59,533	(15,459)	-	-	44,074
Vehicles	27,978	-	-	-	27,978
Less accumulated depreciation	(16,708)	(5,596)	-	-	(22,304)
Total vehicles	11,270	(5,596)	-	-	5,674
Total other capital assets	\$ 134,765,929	\$ (2,390,621)	\$ -	\$ 184,974	\$ 132,469,112
Capital asset summary					
Capital assets not being depreciated	\$ 3,090,000	\$ 91,170	\$ -	\$ -	\$ 3,181,170
Other capital assets, at cost	151,129,995	416,398	-	-	151,546,393
Total cost of capital assets	154,219,995	507,568	-	-	154,727,563
Less accumulated depreciation	(16,364,066)	(2,713,185)	-	-	(19,077,251)
Capital assets, net	\$ 137,855,929	\$ (2,205,617)	\$ -	\$ -	\$ 135,650,312

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010**

	Balance 12/31/2009	Additions	Transfers	Retirements	Balance 12/31/2010
Capital assets not being depreciated					
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ 3,090,000
Capitalized collections	-	-	-	-	-
Livestock	-	-	-	-	-
Construction in progress	515,998	3,412,854	(3,870,815)	(58,037)	-
Total capital assets not being depreciated	\$ 3,605,998	\$ 3,412,854	\$ (3,870,815)	\$ (58,037)	\$ 3,090,000
Land improvements	\$ 1,625,410	\$ -	\$ 3,640,165	\$ (896,817)	\$ 4,368,758
Less accumulated depreciation	(449,422)	(59,452)	-	-	(508,874)
Total land improvements	1,175,988	(59,452)	3,640,165	(896,817)	3,859,884
Buildings	146,203,535	3,586	230,650	-	146,437,771
Less accumulated depreciation	(12,786,658)	(2,815,871)	-	-	(15,602,529)
Total buildings	133,416,877	(2,812,285)	230,650	-	130,835,242
Equipment	294,427	1,061	-	-	295,488
Less accumulated depreciation	(208,699)	(27,256)	-	-	(235,955)
Total equipment	85,728	(26,195)	-	-	59,533
Vehicles	27,978	-	-	-	27,978
Less accumulated depreciation	(11,112)	(5,596)	-	-	(16,708)
Total vehicles	16,866	(5,596)	-	-	11,270
Total other capital assets	\$ 134,695,459	\$ (2,903,528)	\$ 3,870,815	\$ (896,817)	\$ 134,765,929
Capital asset summary					
Capital assets not being depreciated	\$ 3,605,998	\$ 3,412,854	\$ (3,870,815)	\$ (58,037)	\$ 3,090,000
Other capital assets, at cost	148,151,350	4,647	3,870,815	(896,817)	151,129,995
Total cost of capital assets	151,757,348	3,417,501	-	(954,854)	154,219,995
Less accumulated depreciation	(13,455,891)	(2,908,175)	-	-	(16,364,066)
Capital assets, net	\$ 138,301,457	\$ 509,326	\$ -	\$ (954,854)	\$ 137,855,929

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF BONDS AND NOTES PAYABLE AND CAPITAL LEASES**

**December 31, 2011**

	Balance at December 31, 2010	Additions	Reductions	Balance at December 31, 2011	Amounts Due Within One Year
Bonds and notes payable and capital leases					
Bonds payable	\$ 123,775,000	\$ -	\$ 3,490,000	\$ 120,285,000	\$ 3,660,000 00
Note payable	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
<b>Total bonds, notes, and capital leases</b>	<b>\$ 123,775,000</b>	<b>\$ -</b>	<b>\$ 3,490,000</b>	<b>\$ 120,285,000</b>	<b>\$ 3,660,000 00</b>
<b>Other liabilities:</b>					
Amounts held in custody for others	\$ 7,836,526	\$ 978,562	\$ 1,307,199	\$ 7,507,889	\$ 7,507,889
Compensated absences payable	-	-	-	-	-
Contracts payable	-	-	-	-	-
Deferred revenue	48,891,483	12,256,133	21,563,203	39,584,413	22,693,825
Other liabilities	4,110,182	3,807,791	174,269	7,743,704	313
<b>Total other liabilities</b>	<b>\$ 60,838,191</b>	<b>\$ 17,042,486</b>	<b>\$ 23,044,671</b>	<b>\$ 54,836,006</b>	<b>\$ 30,202,027</b>

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF BONDS AND NOTES PAYABLE AND CAPITAL LEASES**

**December 31, 2010**

	Balance at December 31, 2009	Additions	Reductions	Balance at December 31, 2010	Amounts Due Within One Year
Bonds and notes payable and capital leases:					
Bonds payable	\$ 127,110,000	\$ -	\$ 3,335,000	\$ 123,775,000	\$ 3,490,000
Note payable	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
<b>Total bonds, notes, and capital leases</b>	<b>\$ 127,110,000</b>	<b>\$ -</b>	<b>\$ 3,335,000</b>	<b>\$ 123,775,000</b>	<b>\$ 3,490,000</b>
<b>Other liabilities</b>					
Amounts held in custody for others	\$ 6,567,649	\$ 1,974,323	\$ 705,446	\$ 7,836,526	\$ 7,836,526
Compensated absences payable	-	-	-	-	-
Contracts payable	-	-	-	-	-
Deferred revenue	57,515,297	13,837,888	22,461,702	48,891,483	21,251,636
Other liabilities	3,489,355	699,909	79,082	4,110,182	2,574
<b>Total other liabilities</b>	<b>\$ 67,572,301</b>	<b>\$ 16,512,120</b>	<b>\$ 23,246,230</b>	<b>\$ 60,838,191</b>	<b>\$ 29,090,736</b>

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF BONDS PAYABLE**

**December 31, 2011**

<b>Issue</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Principal Outstanding 12/31/2010</b>	<b>(Redeemed) Issued</b>	<b>Principal Outstanding 12/31/2011</b>	<b>Interest Rates</b>	<b>Interest Outstanding 12/31/2011</b>
Series 1999 Bonds	March 4, 1999	\$ 43,575,000	\$ 42,100,000	\$ (1,540,000)	\$ 40,560,000	Variable	\$ -
Series 2004 Bonds	March 23, 2004	90,000,000	81,675,000	(1,950,000)	79,725,000	Variable	-
		<u>\$ 133,575,000</u>	<u>\$ 123,775,000</u>	<u>\$ (3,490,000)</u>	<u>\$ 120,285,000</u>		<u>\$ -</u>

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF BONDS PAYABLE**

**December 31, 2010**

<b>Issue</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Principal Outstanding 12/31/2009</b>	<b>(Redeemed) Issued</b>	<b>Principal Outstanding 12/31/2010</b>	<b>Interest Rates</b>	<b>Interest Outstanding 12/31/2010</b>
Series 1999 Bonds	March 4, 1999	\$ 43,575,000	\$ 43,575,000	\$ (1,475,000)	\$ 42,100,000	Variable	\$ -
Series 2004 Bonds	March 23, 2004	90,000,000	83,535,000	(1,860,000)	81,675,000	Variable	-
		<u>\$ 133,575,000</u>	<u>\$ 127,110,000</u>	<u>\$ (3,335,000)</u>	<u>\$ 123,775,000</u>		<u>\$ -</u>

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF BONDS PAYABLE AMORTIZATION**

**Year Ended December 31, 2011**

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 3,660,000	Variable	\$ 3,660,000
2013	3,840,000	Variable	3,840,000
2014	4,025,000	Variable	4,025,000
2015	4,215,000	Variable	4,215,000
2016	4,420,000	Variable	4,420,000
2017	4,635,000	Variable	4,635,000
2018	4,855,000	Variable	4,855,000
2019	5,085,000	Variable	5,085,000
2020	5,335,000	Variable	5,335,000
2021	5,590,000	Variable	5,590,000
2022	5,860,000	Variable	5,860,000
2023	6,140,000	Variable	6,140,000
2024	5,440,000	Variable	5,440,000
2025	5,750,000	Variable	5,750,000
2026	6,075,000	Variable	6,075,000
2027	6,415,000	Variable	6,415,000
2028	6,770,000	Variable	6,770,000
2029	4,635,000	Variable	4,635,000
2030	4,860,000	Variable	4,860,000
2031	5,100,000	Variable	5,100,000
2032	5,355,000	Variable	5,355,000
2033	5,615,000	Variable	5,615,000
2034	1,610,000	Variable	1,610,000
2035	1,000,000	Variable	1,000,000
2036	1,000,000	Variable	1,000,000
2037	1,000,000	Variable	1,000,000
2038	1,000,000	Variable	1,000,000
2039	1,000,000	Variable	1,000,000
Total	<u>\$ 120,285,000</u>		<u>\$ 120,285,000</u>

See independent auditor's report on other financial information.



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**Independent Auditor's Report on**  
**Other Financial Information -**  
**Tiger Athletic Foundation**  
**Uniform Affiliation Agreement**  
**with Louisiana State University**

To the Executive Committee of the Board of Directors  
Tiger Athletic Foundation

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 41 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Metairie, LA  
March 16, 2012

**TIGER ATHLETIC FOUNDATION**

**SUMMARY OF EXPENSES PAID TO LOUISIANA STATE UNIVERSITY**

**FOR THE YEAR ENDED DECEMBER 31, 2011 AND DECEMBER 31, 2010**

	<u>2011</u>	<u>2010</u>
Rent expense	\$ 83,035	\$ 89,532
Compensation for LSU contract staff	77,465	44,200
Ground lease payments	61,100	26,000
Telephone/communications expenses	35,905	37,683
Parking expenses	32,645	30,474
Handling/service fees	26,229	26,500
Security expenses	23,775	46,172
Computing services contract payment	20,970	20,970
Postage expense	17,115	19,411
Travel for TAF staff/donors (lodging/airfare)	14,572	17,610
Printing expense	9,100	10,505
Supplies expense	5,618	8,062
Computer expense for LSU contract staff	4,167	6,675
Club card printing and readers/equipment for Stadium Club	4,082	3,984
Fuel expense	700	1,400
Repairs and maintenance expenses	-	6,686
Meals/catering expense	-	877
	<u>\$ 416,478</u>	<u>\$ 396,741</u>

See independent auditor's report on other financial information.

**OTHER SUPPLEMENTARY INFORMATION**

**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2011</u>
Revenues and gains:				
Donations - TAF members	\$ 23,452,197	\$ 17,858,981	\$ 928,591	\$ 42,239,769
Restricted revenue	-	-	-	-
Scoreboard sponsorships	2,025,000	-	-	2,025,000
Rents - University Club and LSU	4,634,984	-	-	4,634,984
Investment income (loss)	526,066	(579,930)	-	(53,864)
Net realized and unrealized gains	-	-	-	-
Merchandise revenue	-	-	-	-
Other revenue	386,740	-	-	386,740
Total revenues and gains	<u>31,024,987</u>	<u>17,279,051</u>	<u>928,591</u>	<u>49,232,629</u>
Net assets realized from restrictions	6,635,775	(6,635,775)	-	-
Expenses:				
Program services:				
Contribution to LSU - athletic department	11,800,106	-	-	11,800,106
Contribution to LSU - non-athletic	296,298	-	-	296,298
Tiger Den suites	3,951,709	-	-	3,951,709
Stadium Club	4,639,101	-	-	4,639,101
Alex Box Suites	242,694	-	-	242,694
Supporting activities				
General and administrative	3,784,926	-	-	3,784,926
Fundraising	1,518,486	-	-	1,518,486
Total expenses	<u>26,233,320</u>	<u>-</u>	<u>-</u>	<u>26,233,320</u>
Increase in net assets	<u>\$ 11,427,442</u>	<u>\$ 10,643,276</u>	<u>\$ 928,591</u>	<u>\$ 22,999,309</u>

See independent auditor's report.

**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2010</u>
Revenues and gains:				
Donations - TAF members	\$ 21,961,773	\$ 4,850,255	\$ 1,539,237	\$ 28,351,265
Restricted revenue	-	-	-	-
Scoreboard sponsorships	2,000,000	-	-	2,000,000
Rents - University Club and LSU	4,566,857	-	-	4,566,857
Investment income	391,841	344,402	-	736,243
Net realized and unrealized gains	-	-	-	-
Merchandise revenue	-	-	-	-
Other revenue	359,965	-	-	359,965
Total revenues and gains	<u>29,280,436</u>	<u>5,194,657</u>	<u>1,539,237</u>	<u>36,014,330</u>
Net assets realized from restrictions	3,199,223	(3,199,223)	-	-
Expenses:				
Program services:				
Contribution to LSU - athletic department	8,252,758	-	-	8,252,758
Contribution to LSU - non-athletic	163,601	-	-	163,601
Tiger Den suites	4,055,554	-	-	4,055,554
Stadium Club	5,047,246	-	-	5,047,246
Alex Box Suites	239,356	-	-	239,356
Supporting activities:				
General and administrative	2,316,335	-	-	2,316,335
Fundraising	1,218,134	-	-	1,218,134
Total expenses	<u>21,292,984</u>	<u>-</u>	<u>-</u>	<u>21,292,984</u>
Increase in net assets	<u>\$ 11,186,675</u>	<u>\$ 1,995,434</u>	<u>\$ 1,539,237</u>	<u>\$ 14,721,346</u>

See independent auditor's report.

**TIGER ATHLETIC FOUNDATION**  
**STATEMENT OF REVENUES AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS**  
**YEAR ENDED DECEMBER 31, 2011**

	<u>Football</u>	<u>Men's Basketball</u>	<u>Women's Basketball</u>	<u>Other Sports</u>	<u>Non-Program Specific</u>	<u>Total</u>
<b>Revenues</b>						
Contributions	\$ 2,737,385	\$ 2,359,735	\$ 103,856	\$ 4,667,148	\$ 3,766,587	\$ 13,634,711
Compensations and benefits provided by a third party	512,000	-	-	-	41,200	553,200
<b>Total revenues</b>	<b>\$ 3,249,385</b>	<b>\$ 2,359,735</b>	<b>\$ 103,856</b>	<b>\$ 4,667,148</b>	<b>\$ 3,807,787</b>	<b>\$ 14,187,911</b>
<b>Expenses</b>						
Coaching other compensation and benefits	512,000	-	-	-	41,200	553,200
Severance payments	-	-	-	-	-	-
Recruiting	57,718	3,219	1,278	10,114	-	72,329
Team travel	604	130,352	-	151,691	7,500	290,147
Equipment, uniforms, and supplies	2,775	-	6,000	121,718	-	130,493
Game expenses	206,032	195	72	96,900	9,500	312,699
Fundraising, marketing, and promotion	191,182	22,094	18,250	136,274	462,215	830,015
Direct facilities, maintenance, and rental	-	-	-	-	-	-
Spirit groups	-	-	-	-	58,851	58,851
Membership and dues	21,690	300	6,390	30,053	9,786	68,219
Other operating expenses	2,257,384	2,203,575	71,866	4,120,398	3,218,735	11,871,958
<b>Total expenses</b>	<b>\$ 3,249,385</b>	<b>\$ 2,359,735</b>	<b>\$ 103,856</b>	<b>\$ 4,667,148</b>	<b>\$ 3,807,787</b>	<b>\$ 14,187,911</b>

During the year ended December 31, 2011, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$12,096,411; \$1,723,847 from booster clubs, and \$367,654 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by Tiger Athletic Foundation.

See independent auditor's report.

**TIGER ATHLETIC FOUNDATION**  
**STATEMENT OF REVENUES AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS**

**YEAR ENDED DECEMBER 31, 2010**

	Men's		Women's		Other Sports	Non-Program Specific	Total
	Football	Basketball	Basketball	Basketball			
<b>Revenues</b>							
Contributions	\$ 2,524,504	\$ 98,658	\$ 91,757	\$ 91,757	\$ 3,070,220	\$ 3,842,413	\$ 9,627,552
Compensations and benefits provided by a third party	512,000	-	-	-	-	117,516	629,516
<b>Total revenues</b>	<b>\$ 3,036,504</b>	<b>\$ 98,658</b>	<b>\$ 91,757</b>	<b>\$ 91,757</b>	<b>\$ 3,070,220</b>	<b>\$ 3,959,929</b>	<b>\$ 10,257,068</b>
<b>Expenses</b>							
Coaching other compensation and benefits	512,000	-	-	-	-	117,516	629,516
Severance payments	-	-	-	-	-	-	-
Recruiting	57,589	4,054	4,159	4,159	6,875	-	72,677
Team travel	3,469	12	494	494	46,427	-	50,402
Equipment, uniforms, and supplies	-	4,528	270	270	43,377	974	49,149
Game expenses	54,717	-	5,200	5,200	201,470	-	261,387
Fund-raising, marketing, and promotion	206,293	8,738	42,336	42,336	150,281	405,279	812,927
Direct facilities, maintenance, and rental	-	-	-	-	-	-	-
Spirit groups	-	-	-	-	98	62,345	62,443
Membership and dues	27,517	300	7,483	7,483	4,981	4,703	44,984
Other operating expenses	2,174,919	81,026	31,815	31,815	2,616,711	3,369,112	8,273,583
<b>Total expenses</b>	<b>\$ 3,036,504</b>	<b>\$ 98,658</b>	<b>\$ 91,757</b>	<b>\$ 91,757</b>	<b>\$ 3,070,220</b>	<b>\$ 3,959,929</b>	<b>\$ 10,257,068</b>

During the year ended December 31, 2010, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$8,416,359, \$1,371,196 from booster clubs, and \$469,513 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by Tiger Athletic Foundation

See independent auditor's report.

**TIGER ATHLETIC FOUNDATION**

**PHILANTHROPIC ACTIVITY SUMMARY REPORT**

<b>Years</b>	<b>Unrestricted Contributions Team TAF Championship Donations</b>	<b>Temporarily Restricted Contributions</b>	<b>Permanently Restricted Contributions</b>	<b>Grand Total</b>	<b>Temporarily and Permanently Restricted Collections</b>
2011	\$ 1,039,856	\$ 17,858,891	\$ 936,058	\$ 19,834,805	\$ 16,524,469
2010	\$ 1,034,329	\$ 4,850,255	\$ 1,494,008	\$ 7,378,592	\$ 11,553,087
2009	\$ 1,195,858	\$ 11,469,901	\$ 633,870	\$ 13,299,629	\$ 9,499,205
2008	\$ 2,755,892	\$ 7,854,335	\$ 917,795	\$ 11,528,022	\$ 7,991,332
2007	\$ 678,445	\$ 5,879,055	\$ 3,962,733	\$ 10,520,233	\$ 8,132,382
2006	\$ 558,706	\$ 5,000,858	\$ 724,830	\$ 6,284,394	\$ 5,262,677

See independent auditor's report.



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**Report of Independent Accountants  
on Schedule of Debt Service Coverage Ratio**

To the Executive Committee of the Board of Directors  
Tiger Athletic Foundation

We have reviewed the accompanying *Schedule of Debt Service Coverage Ratio* for the year ended December 31, 2011 of Tiger Athletic Foundation (the Foundation). A review includes primarily applying analytical procedures to management's financial data and making inquires of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the *Schedule of Debt Service Coverage Ratio* in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the *Schedule of Debt Service Coverage Ratio*.

The *Schedule of Debt Service Coverage Ratio* is prescribed by the Revenue Bond Resolution relating to the \$90,000,000 Revenue Bonds (Series 2004) reflecting the provisions of resolutions adopted by Tiger Athletic Foundation on March 1, 2004.

Based on our review, we are not aware of any material modification that should be made to the accompanying *Schedule of Debt Service Coverage Ratio* in order for it to be in conformity with accounting principles generally accepted in the United States.

Our review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the *Schedule of Debt Service Coverage Ratio* in order of it to be in conformity with accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Executive Committee of the Board of Directors, management, and the bond trustee, and is not intended to be and should not be used by anyone other than these specified parties.

A Professional Accounting Corporation

Metairie, LA  
March 16, 2012

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF DEBT SERVICE COVERAGE RATIO**

**YEAR ENDED DECEMBER 31, 2011**

**Available Revenues**

Total unrestricted revenues of \$31,024,987 less total expenses (\$19,623,186 minus depreciation of \$2,713,185, amortization of \$140,000 and discretionary expenses of \$9,566,369).

\$ 23,821,355

**Debt Service Requirements**

Debt service requirement including remarketing fees of \$103,457 and letter of credit fees of \$2,643,722

\$ 8,092,186

Debt Service Coverage Ratio

2.94

Minimum required debt service coverage. If in default, TAF will incur an increased interest rate of Prime plus 2%.

1.25

Minimum required debt service coverage ratio to maintain current letter of credit fees.

1.50

Minimum required debt service coverage ratio to incur additional debt.

1.75

**TIGER ATHLETIC FOUNDATION**

**NOTE TO SCHEDULE OF DEBT SERVICE COVERAGE RATIO**

**1. Basis of Presentation**

The computation in the *Schedule of Debt Service Coverage Ratio*, is prescribed by the Revenue bond Resolution relating to the \$90,000,000 revenue Bonds (Series 2004) reflecting the provisions of Resolutions adopted by Tiger Athletic Foundation on March 1, 2004.

See independent accountants report.