

TIGER ATHLETIC
FOUNDATION

Financial Statements

December 31, 2018 and 2017



TIGER ATHLETIC FOUNDATION
FINANCIAL STATEMENTS, OTHER FINANCIAL INFORMATION, AND
OTHER SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of the Board of Directors
Tiger Athletic Foundation
Baton Rouge, LA

Report on the Financial Statements

We have audited the accompanying financial statements of Tiger Athletic Foundation (a nonprofit organization) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 50 through 54 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit 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 presented on pages 50 through 54 is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

A Professional Accounting Corporation

Metairie, LA
April 25, 2019

TIGER ATHLETIC FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 and 2017

A S S E T S

	<u>2018</u>	<u>2017</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 14,696,728	\$ 15,300,092
Investments	13,966,994	13,331,357
Restricted assets:		
Cash and cash equivalents	47,474,491	55,148,534
Investments	3,937,272	4,477,453
Other receivables	3,387,601	965,492
Contracts receivable	15,819,816	17,746,337
Unconditional promises to give, net	6,238,078	14,465,841
Prepaid expenses	448,838	528,478
Other current assets	173,042	167,875
Total current assets	<u>106,142,860</u>	<u>122,131,459</u>
<u>NONCURRENT ASSETS</u>		
Restricted assets:		
Cash and cash equivalents	17,206,503	14,105,469
Investments	85,826,440	89,477,266
Other receivables	6,667,580	-
Contracts receivable	13,639,922	28,843,214
Unconditional promises to give, net	5,124,372	4,702,727
Property and equipment, net	234,225,787	220,763,194
Assets held for donation to LSU	12,061,748	15,810,327
Other noncurrent assets	2,752,548	2,891,442
Total noncurrent assets	<u>377,504,900</u>	<u>376,593,639</u>
Total assets	<u>\$ 483,647,760</u>	<u>\$ 498,725,098</u>

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

TIGER ATHLETIC FOUNDATION

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2018 and 2017

LIABILITIES AND NET ASSETS

	<u>2018</u>	<u>2017</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 4,867,531	\$ 2,420,413
Retainage payable	719,565	-
Deferred revenues	18,635,413	35,536,817
Amounts held in custody for others	2,085,683	2,147,243
Bonds payable	7,969,000	8,102,000
Term loan	2,722,442	2,566,270
Total current liabilities	<u>36,999,634</u>	<u>50,772,743</u>
<u>NONCURRENT LIABILITIES</u>		
Deferred revenues	13,801,021	29,667,766
Amounts held in custody for others	1,387,481	1,921,553
Bonds payable, net of current		
Principal amount	142,339,000	150,308,000
Deferred financing costs	(635,251)	(682,687)
Term loan	19,620,214	22,342,656
Total noncurrent liabilities	<u>176,512,465</u>	<u>203,557,288</u>
Total liabilities	<u>213,512,099</u>	<u>254,330,031</u>
<u>NET ASSETS</u>		
Without donor restrictions		
Undesignated	135,706,189	106,141,173
Designated by the Board for operating reserves	67,700,246	64,563,085
	<u>203,406,435</u>	<u>170,704,258</u>
With donor restrictions	66,729,226	73,690,809
Total net assets	<u>270,135,661</u>	<u>244,395,067</u>
Total liabilities and net assets	<u>\$ 483,647,760</u>	<u>\$ 498,725,098</u>

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

TIGER ATHLETIC FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2018 and 2017

	2018	2017
Change in net assets without donor restrictions:		
Revenues without donor restrictions:		
Contributions	\$ 35,185,806	\$ 35,379,086
Investment return, net	1,740,334	1,906,944
Other revenues	27,193,832	14,690,945
Total revenues without donor restrictions	64,119,972	51,976,975
Net assets released from donor restrictions:		
Satisfaction of purpose restrictions	14,472,742	13,296,200
Total net assets released from donor restrictions	14,472,742	13,296,200
Total revenues and other support without donor restrictions	78,592,714	65,273,175
Program expenses:		
Amounts incurred to benefit Louisiana State University for:		
Projects specified by the Board of Directors	22,423,226	14,987,247
Catering and other	2,846,158	2,426,079
Financing costs	29,153	29,153
Interest	5,287,966	4,923,345
Personnel	488,030	466,774
Repairs and maintenance	87,983	280,423
Insurance	525,440	507,833
Depreciation	4,528,394	4,417,405
Other	377,769	342,468
Total program expenses	36,594,119	28,380,727
Supporting services	6,511,207	5,688,816
Fundraising expenses	2,785,211	2,836,218
Total expenses	45,890,537	36,905,761
Change in net assets without donor restrictions	32,702,177	28,367,414

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

TIGER ATHLETIC FOUNDATION
STATEMENTS OF ACTIVITIES (CONTINUED)
YEARS ENDED DECEMBER 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Change in net assets with donor restrictions:		
Revenues with donor restrictions:		
Contributions	8,744,708	9,939,797
Investment return, net	<u>(1,233,549)</u>	<u>2,206,291</u>
Total revenues with donor restrictions	<u>7,511,159</u>	<u>12,146,088</u>
Net assets released from donor restrictions:		
Satisfaction of purpose restrictions	<u>(14,472,742)</u>	<u>(13,296,200)</u>
Total revenues and other support with donor restrictions	<u>(6,961,583)</u>	<u>(1,150,112)</u>
Change in net assets with donor restrictions:	<u>(6,961,583)</u>	<u>(1,150,112)</u>
Change in net assets	25,740,594	27,217,302
Net assets at beginning of year	<u>244,395,067</u>	<u>217,177,765</u>
Net assets at end of year	<u><u>\$ 270,135,661</u></u>	<u><u>\$ 244,395,067</u></u>

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program Services			
	Contributions to LSU Athletic	Contributions to LSU Nonathletic	Tiger Den Suites	Stadium Club
Salaries and wages	\$ -	\$ -	\$ 97,240	\$ 154,925
Payroll taxes	-	-	10,083	14,662
Employee benefits	-	-	42,966	63,958
Contributions to LSU	17,961,240	-	-	-
Coaches' supplement	400,000	-	-	-
Scoreboard expenses	265,394	-	-	-
Marketing and publicity	-	-	36,240	-
Dues and subscriptions	7,762	-	-	-
Professional fees	92,019	-	-	-
Academic awards	-	453,282	-	-
LSU Campus Transportation and Development Fund	-	-	-	-
Tickets purchased	-	-	-	-
Financing costs	-	-	-	29,153
Licensing rights	-	-	-	-
Interest expense	-	-	1,729,178	3,558,788
Catering and other expenses	-	-	1,273,692	1,464,337
Management fee	-	-	10,879	17,242
Occupancy	-	-	1,000	50,000
Event parking	-	-	84,900	-
Repairs and maintenance	-	-	47,216	27,528
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Baseball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	17,961	-
Insurance	-	-	169,935	355,505
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	3,243,529	-	933,475	3,594,919
Total expenses	\$ 21,969,944	\$ 453,282	\$ 4,454,765	\$ 9,331,017

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Program Services					
	Alex Box Suites	Total	Supporting Services	Fundraising	Total
Salaries and wages	\$ 77,259	\$ 329,424	\$ 2,114,369	\$ 823,465	\$ 3,267,258
Payroll taxes	7,655	32,400	138,706	63,959	235,065
Employee benefits	19,282	126,206	512,966	202,186	841,358
Contributions to LSU	-	17,961,240	-	-	17,961,240
Coaches' supplement	-	400,000	-	-	400,000
Scoreboard expenses	-	265,394	-	-	265,394
Marketing and publicity	-	36,240	-	112,378	148,618
Dues and subscriptions	-	7,762	35,492	4,811	48,065
Professional fees	-	92,019	133,977	-	225,996
Academic awards	-	453,282	-	-	453,282
LSU Campus Transportation and Development Fund	-	-	-	-	-
Tickets purchased	-	-	-	178,063	178,063
Financing costs	-	29,153	-	-	29,153
Licensing rights	140,000	140,000	-	-	140,000
Interest expense	-	5,287,966	-	-	5,287,966
Catering and other expenses	108,129	2,846,158	-	-	2,846,158
Management fee	5,747	33,868	-	-	33,868
Occupancy	13,800	64,800	234,261	27,688	326,749
Event parking	-	84,900	53,364	-	138,264
Repairs and maintenance	13,239	87,983	11,530	-	99,513
Travel and entertainment	-	-	80,830	476,914	557,744
Membership	-	-	23,072	551,007	574,079
Meeting expense	-	-	26,963	-	26,963
Basketball	-	-	-	98,111	98,111
Baseball	-	-	-	-	-
Supplies and office equipment	-	-	51,006	31,434	82,440
Printing	-	-	5,467	-	5,467
Computer	-	-	108,196	47,903	156,099
Bank charges	-	-	524,866	-	524,866
Special events and other	-	17,961	93,803	161,988	273,752
Insurance	-	525,440	117,158	-	642,598
Bad debts and other allowances	-	-	2,245,181	-	2,245,181
Promotional expense	-	-	-	5,304	5,304
Depreciation	-	7,771,923	-	-	7,771,923
Total expenses	\$ 385,111	\$ 36,594,119	\$ 6,511,207	\$ 2,785,211	\$ 45,890,537

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	<u>Program Services</u>			
	<u>Contributions to LSU Athletic</u>	<u>Contributions to LSU Nonathletic</u>	<u>Tiger Den Suites</u>	<u>Stadium Club</u>
Salaries and wages	\$ -	\$ -	\$ 106,487	\$ 147,950
Payroll taxes	-	-	9,558	10,655
Employee benefits	-	-	35,081	57,196
Contributions to LSU	11,678,444	-	-	-
Coaches' supplement	400,000	-	-	-
Scoreboard expenses	260,804	-	-	-
Marketing and publicity	-	-	36,555	-
Dues and subscriptions	10,052	-	-	-
Professional fees	66,705	-	-	-
Academic awards	-	445,321	-	-
LSU Campus Transportation and Development Fund	-	50,000	-	-
Tickets purchased	-	-	-	-
Financing costs	-	-	-	29,153
Licensing rights	-	-	-	-
Interest expense	-	-	1,667,691	3,255,654
Catering and other expenses	-	-	1,036,601	1,278,456
Management fee	-	-	-	-
Occupancy	-	-	1,000	50,000
Event parking	-	-	84,600	-
Repairs and maintenance	-	-	105,938	143,363
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Baseball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	30,313	-
Insurance	-	-	164,168	343,665
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	2,075,921	-	855,420	3,561,985
Total expenses	<u>\$ 14,491,926</u>	<u>\$ 495,321</u>	<u>\$ 4,133,412</u>	<u>\$ 8,878,077</u>

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

	<u>Program Services</u>				
	<u>Alex Box</u>		<u>Supporting</u>		
	<u>Suites</u>	<u>Total</u>	<u>Services</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 69,892	\$ 324,329	\$ 2,009,923	\$ 911,702	\$ 3,245,954
Payroll taxes	7,893	28,106	130,300	69,732	228,138
Employee benefits	22,062	114,339	477,928	234,290	826,557
Contributions to LSU	-	11,678,444	-	-	11,678,444
Coaches' supplement	-	400,000	-	-	400,000
Scoreboard expenses	-	260,804	-	-	260,804
Marketing and publicity	-	36,555	-	91,254	127,809
Dues and subscriptions	-	10,052	43,838	5,072	58,962
Professional fees	-	66,705	148,118	-	214,823
Academic awards	-	445,321	-	-	445,321
LSU Campus Transportation and Development Fund	-	50,000	-	-	50,000
Tickets purchased	-	-	-	196,776	196,776
Financing costs	-	29,153	-	-	29,153
Licensing rights	140,000	140,000	-	-	140,000
Interest expense	-	4,923,345	-	-	4,923,345
Catering and other expenses	111,022	2,426,079	-	-	2,426,079
Management fee	-	-	-	-	-
Occupancy	-	51,000	213,273	24,040	288,313
Event parking	-	84,600	46,117	-	130,717
Repairs and maintenance	31,122	280,423	17,527	-	297,950
Travel and entertainment	-	-	101,022	441,503	542,525
Membership	-	-	31,243	538,825	570,068
Meeting expense	-	-	36,869	-	36,869
Basketball	-	-	-	74,109	74,109
Baseball	-	-	-	-	-
Supplies and office equipment	-	-	61,734	34,600	96,334
Printing	-	-	3,457	-	3,457
Computer	-	-	143,327	40,259	183,586
Bank charges	-	-	602,335	-	602,335
Special events and other	-	30,313	114,409	170,367	315,089
Insurance	-	507,833	113,775	-	621,608
Bad debts and other allowances	-	-	1,393,621	-	1,393,621
Promotional expense	-	-	-	3,689	3,689
Depreciation	-	6,493,326	-	-	6,493,326
Total expenses	\$ 381,991	\$ 28,380,727	\$ 5,688,816	\$ 2,836,218	\$ 36,905,761

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

TIGER ATHLETIC FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Operating activities		
Change in net assets	\$ 25,740,594	\$ 27,217,302
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,771,923	6,493,326
Change in allowance for accounts receivable	562,272	-
Change in allowance for unconditional promises to give	(717,893)	753,334
Net unrealized and realized losses (gains) on investments	3,055,260	(1,337,268)
Loss on sale of property and equipment	-	152,774
Transfer of property and equipment to LSU	8,197,529	5,552,768
Contributions restricted for long-term purposes	(1,242,157)	(946,687)
Amortization included in interest expense	47,436	47,436
(Increase) decrease in operating assets:		
Receivables and other prepaid assets	(9,572,321)	54,777
Unconditional promises to give	8,524,011	1,660,650
Contracts receivable	17,129,813	3,703,331
Other assets	133,727	157,272
Increase (decrease) in operating liabilities:		
Accounts payable	2,447,118	1,494,265
Retainage payable	719,565	(15,000)
Deferred revenues	(32,768,149)	1,786,161
Amounts held in custody for others	(595,632)	(1,927,284)
Net cash provided by operating activities	<u>29,433,096</u>	<u>44,847,157</u>
Investing activities		
Decrease (increase) in restricted cash	4,573,009	(2,420,866)
Purchase of investments	(38,495,322)	(28,128,945)
Sales of investments	38,995,432	22,992,638
Purchase of property and equipment	(25,683,466)	(27,033,961)
Proceeds from sale of property and equipment	-	331,081
Net cash used in investing activities	<u>(20,610,347)</u>	<u>(34,260,053)</u>
Financing activities		
Proceeds from contributions restricted for investment in perpetual endowments	1,242,157	946,687
Principal payments on borrowings	(10,668,270)	(10,584,508)
Net cash used in financing activities	<u>(9,426,113)</u>	<u>(9,637,821)</u>
Net change in cash and cash equivalents	(603,364)	949,283
Cash and cash equivalents, beginning of year	15,300,092	14,350,809
Cash and cash equivalents, end of year	<u>\$ 14,696,728</u>	<u>\$ 15,300,092</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 5,287,966</u>	<u>\$ 4,923,345</u>
Non cash transfer of completed construction in progress to assets held for donation to LSU	<u>\$ 4,448,950</u>	<u>\$ 16,421,587</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 also oversees the management of the Tiger Den Suites, Stadium Club, and Alex Box Suites for LSU. The Foundation is governed by a board of directors who are elected from the membership.

Although established to support LSU and its athletic program, TAF is separate and distinct from LSU in law and in fact. As a nonprofit corporation established to support a Louisiana public higher education institution and meeting criteria established in Louisiana R.S. 17:3390B(1)-(3), TAF may not be deemed an agent for LSU and TAF funds are considered private. Neither LSU nor the State of Louisiana has any liability for the obligations, whether financial or otherwise, incurred by TAF.

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

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.

Concentration on Credit Risk for Cash Held in Bank

TAF periodically maintains cash in bank accounts in excess of insured limits. At December 31, 2018 and 2017, the Foundation had \$72,489,148 and \$77,957,387, respectively, in excess of the FDIC insured limit. Custodial credit risk for these deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to cover these deposits.

Investments

As further presented in Note 4, the Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expense.

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 approximate fair value.

The Foundation follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*. Under FASB ASC 820, 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.

FASB ASC 820 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.

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

Investments - The Foundation invests in certificates of deposit through various financial institutions, which generally mature within one year, and are reported at cost, which approximates fair value. Interest income on certificates of deposit is accrued at each month end. The fair value of equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. The fair value of debt securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. The fair value of pooled investments is valued at net asset value of the participation units owned by the Foundation. The net asset value is based on the fair value of the underlying investments held by the portfolio fund less its liabilities.

The preceding methods described may produce a fair value calculation that may not be reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market investments, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Contracts Receivable and Deferred Revenue

Included within the statements of financial position are contracts receivable that represent the Foundation's right to receive cash under contracts with its members in exchange for the members' right to purchase tickets for future LSU athletic events, primarily the right to purchase certain "premium seating" football tickets in Tiger Stadium. The Foundation's receivables include contracts for the 2019, 2020, 2021, and 2022 seasons. These receivables result in deferred revenue at December 31st. At December 31, 2018 and 2017, the Foundation's deferred revenue included \$29,459,738 and \$46,589,551, respectively, of receivables related to these contracts. The revenue from these contracts will be recognized in the year that the athletic season associated with the ticket(s) is completed. Deferred revenue also included \$2,976,696 and \$18,615,032 as of December 31, 2018 and 2017, respectively, that is related to payments received by the Foundation in advance of the activities associated with those cash receipts having occurred. The amount of the above totals that is specific to those contractual donations for the right to purchase certain "premium seating" football tickets in Tiger Stadium is pledged for the payment of debt service mentioned in Note 7.

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 donor 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 statements 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 revenues without donor restrictions 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 revenues with donor restrictions.

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.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Assets Held for Donation to LSU

Assets held for donation to LSU consist of various capital projects and athletic facility improvements that are completed and will be donated to LSU within one year of the statement of financial position date. These assets are not used in the operations of TAF and are, therefore, not included within property and equipment. At December 31, 2018 and 2017, the balance in this account was comprised entirely of construction in progress on capital projects that were completed and expected to be donated to LSU within one year of the statement of financial position date.

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, 2018 and 2017.

Deferred Financing Costs

The Foundation follows the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*, which requires that debt issuance costs related to a recognized debt liability be presented as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts.

Deferred financing costs of \$795,861, associated with the Revenue Bonds Series 2012, Revenue Bonds Series 2015, and Revenue Bonds Series 2015A, are being amortized over the respective lives of the bond agreements. These costs are presented net of accumulated amortization of \$160,610 and \$113,174 as of December 31, 2018 and 2017, respectively. Amortization of the costs is recorded as a component of interest expense.

Capitalized Licensing Rights

Other assets includes \$4,200,000 of licensing rights associated with the construction of Alex Box baseball stadium. These costs are presented net of accumulated amortization of \$1,388,334 and \$1,248,334 as of December 31, 2018 and 2017, respectively. These costs will be amortized over the life of the stadium. Amortization of the costs is recorded as a component of operating expenses.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Amounts Held in Custody for Others

The amounts held in custody for others are disclosed in Note 3 and 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 \$2,097,714 and \$2,176,781 of amounts held in custody for others as restricted cash within current assets as of December 31, 2018 and 2017, respectively.

The Foundation also has \$1,322,977 and \$1,845,180 of amounts held in custody for others as restricted investments as of December 31, 2018 and 2017, respectively. These amounts, in total, are offset by a liability, current and non-current dependent on the maturity date, in the same amount.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, the Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions include those net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for operating reserves that may be drawn upon in the event of financial distress or an immediate liquidity need in line with TAF's mission. Net assets with donor restrictions are those net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions

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 net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, these contributions are recognized as changes in net assets without donor restrictions.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Contributions (Continued)

As mentioned in Contracts Receivable and Deferred Revenue above, the Foundation has rights to receive cash under contracts with its members in exchange for the members right to purchase, primarily, certain “premium seating” football tickets in Tiger Stadium. The Foundation includes within contributions without donor restrictions on the statements of activities those amounts recognized relative to the contract terms and the completion of the athletic season associated with the contracts.

Donated Services

During the years ended December 31, 2018 and 2017, 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 12.

Rents - LSU and University Club

In 1999, the Foundation entered into a Bond Purchase Agreement that provided \$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 agreement stipulates that LSU shall pay \$2,000,000 to the Foundation as annual rent for the facilities. In 2015, the lease was amended to include the 2015 revenue bonds (see Note 7).

In 2004, the Foundation entered into a Bond Purchase Agreement that provided \$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 agreement stipulates that LSU shall pay \$2,500,000 to the Foundation as annual rent for these facilities. In 2015, the lease was amended to include the 2015A revenue bonds (see Note 7).

In 2012, the Foundation entered into a Bond Purchase Agreement that provided \$75,000,000 in revenue bonds for the purpose of financing or reimbursing a portion of the cost of the construction of the South End Zone (SEZ) at LSU’s Tiger Stadium. The Bond Purchase Agreement was amended in 2014 to provide \$70,000,000 in revenue bonds for the same purpose. The Foundation also entered into a \$30,000,000 term loan in 2012, of which a portion was also used for the purpose of financing or reimbursing a portion of the cost of the construction of the SEZ. The agreement stipulates that LSU shall pay \$4,000,000 to the Foundation as annual rent for these facilities.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Rents - LSU and University Club (Continued)

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. The University Club serves as the home course for the LSU golf teams and is also used for LSU hosted events.

Functional Expenses

Functional expenses are allocated between program services and supporting activities, which include fundraising and general and administrative activities, on the basis of estimates of time and effort. 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.

Advertising

The Foundation's policy is to expense advertising costs as the costs are incurred.

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.

Significant New Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, net assets with donor restrictions and net assets without donor restrictions, and expands disclosures about the nature and amount of any donor restrictions. During the year ended December 31, 2018, the Foundation implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which increased net assets without donor restrictions by \$278,487 and decreased net assets with donor restrictions by \$278,487 from amounts previously reported at December 31, 2017 resulting from the reclassifications of underwater endowment funds as required under ASU 2016-14.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Significant New Accounting Pronouncements (Continued)

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 will be effective for the Foundation beginning in the year ending December 31, 2020. Management is currently evaluating the impact ASU 2016-02 will have on the financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* to supersede nearly all existing revenue recognition under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process under existing U.S. GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each performance obligation. ASU 2014-09 is effective for the Foundation's annual reporting period beginning January 1, 2019, and for its interim reporting periods beginning January 1, 2020. The Foundation may use one of two methods for applying ASU 2014-09: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within the scope of ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined within ASU 2014-09. The Foundation currently anticipates adopting the standard using the retrospective method with the cumulative effect of initially applying ASU 2014-09 recognized as a change in beginning net assets at the date of initial application. The Foundation is utilizing a comprehensive approach to assess the impact of the guidance on each of its operating segments' revenue streams, including assessment of our performance obligations, principal versus agent considerations and variable considerations. Additionally, the Foundation is evaluating the impact of the new guidance on disclosures, as well as the impact on controls to support the recognition. Based on the foregoing, the Foundation does not currently anticipate this standard having a material impact on its financial statements.

Reclassifications

Certain reclassifications have been made to the prior year balances in order to comply with current year presentation.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	December 31, 2018	December 31, 2017
Cash and cash equivalents	\$ 14,696,728	\$ 15,300,092
Investments	13,966,994	13,331,357
Other receivables	3,387,601	965,492
Contracts receivable	15,819,816	17,746,337
Unconditional promises to give, net	<u>21,060</u>	<u>6,252,561</u>
	<u>\$ 47,892,199</u>	<u>\$ 53,595,839</u>

As part of the Foundation's liquidity management plan, the Foundation invests balances in excess of daily requirements in U.S. domiciled money market mutual funds; certificates of deposit; direct obligations of the U.S. government; investment grade U.S. government agency obligations, corporate notes, bonds, commercial paper, mutual funds, and pooled investment vehicles; and common stocks and the writing of covered calls on those stock holdings subject to a 10% of portfolio maximum. The board designates on an annual basis as operating reserves, that may be drawn upon in the event of financial distress or an immediate liquidity need, in line with TAF's mission: 10% of available cash after debt service as shown in TAF's operating budget, any interest savings on annual TAF debt service (calculated as annual budgeted interest less annual actual interest expense), and revenues derived from the University Club Lease and License Agreement (lease payments and annual University Club membership contributions).

3. Restricted Cash and Cash Equivalents and Investments

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

	December 31, 2018					
	Cash		Investments		Total	
	Current	Noncurrent	Current	Noncurrent		
Donor Restricted Purposes	\$ 34,697,366	\$ 364,090	\$ -	\$ 3,891,656	\$ 38,953,112	
Donor Restricted Endowments	-	1,880,457	-	15,192,864	17,073,321	
By Board for Designated Purposes	-	5,951,902	-	62,302,983	68,254,885	
Amounts Held in Custody for Others	2,085,683	12,031	-	1,322,977	3,420,691	
Contractually by Bond and Leases	10,691,442	8,998,023	3,937,272	3,115,960	26,742,697	
	<u>\$ 47,474,491</u>	<u>\$ 17,206,503</u>	<u>\$ 3,937,272</u>	<u>\$ 85,826,440</u>	<u>\$ 154,444,706</u>	
	December 31, 2017					
	Cash		Investments		Total	
	Current	Noncurrent	Current	Noncurrent		
Donor Restricted Purposes	\$ 42,333,021	\$ 93,280	\$ -	\$ 4,430,931	\$ 46,857,232	
Donor Restricted Endowments	-	432,720	-	16,413,063	16,845,783	
By Board for Designated Purposes	-	1,858,828	-	63,212,648	65,071,476	
Amounts Held in Custody for Others	2,147,243	29,538	-	1,845,180	4,021,961	
Contractually by Bond and Leases	10,668,270	11,691,103	4,477,453	3,575,444	30,412,270	
	<u>\$ 55,148,534</u>	<u>\$ 14,105,469</u>	<u>\$ 4,477,453</u>	<u>\$ 89,477,266</u>	<u>\$ 163,208,722</u>	

The above totals are classified as current and noncurrent on the statements of financial position based on the nature of the restriction and the timeframe with which they will be released from restriction.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

4. Investments

Investments at December 31, 2018 consist of the following:

	Amortization / Cost Value	Fair Value	Unrealized Gain (Loss)
Certificates of deposit	\$ 2,085,605	\$ 2,085,605	\$ -
LSU Foundation investment pool	14,976,759	15,192,864	216,105
Debt securities, held in custody for others	1,346,645	1,322,977	(23,668)
Debt securities	85,897,951	84,072,008	(1,825,943)
Equities	466,263	502,613	36,350
	\$ 104,773,223	\$ 103,176,067	\$ (1,597,156)

Investments at December 31, 2017 consist of the following:

	Amortization / Cost Value	Fair Value	Unrealized Gain (Loss)
Certificates of deposit	\$ 2,062,754	\$ 2,062,754	\$ -
LSU Foundation investment pool	14,976,759	16,413,063	1,436,304
Debt securities, held in custody for others	1,843,359	1,845,180	1,821
Debt securities	86,458,712	86,415,904	(42,808)
Equities	483,933	549,175	65,242
	\$ 105,825,517	\$ 107,286,076	\$ 1,460,559

Investments include investments with the LSU Foundation investment pool, which consists primarily of equity funds, corporate bonds, collateralized mortgage obligations, and government agency securities. All investments are stated at fair value. The LSU Foundation investments are classified as noncurrent due to being restricted as of December 31, 2018 and 2017.

5. Unconditional Promises to Give

Unconditional promises to give at December 31, 2018 and 2017 were as follows:

	2018	2017
Receivable in less than one year	\$ 6,238,078	\$14,465,841
Receivable in one to five years	9,048,130	9,583,101
Receivable in more than five years	315,502	76,779
Total contributions receivable	15,601,710	24,125,721
Less discount to net present value (discount rate was 4% as of December 31, 2018 and December 31, 2017)	(1,315,760)	(1,445,553)
Less allowance for unfulfilled pledges	(2,923,500)	(3,511,600)
Net contributions receivable	\$ 11,362,450	\$ 19,168,568

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

6. Property and Equipment

The Foundation's investment in property and equipment consisted of the following at December 31, 2018:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Land	\$ 4,740,000	\$ -	\$ -	\$ -	\$ 4,740,000
Leaseholds and other improvements	4,784,451	-	-	575,510	5,359,961
Stadium expansion and scoreboard	250,053,472	-	(135,000)	5,279,976	255,198,448
Furniture and equipment	400,774	7,824	(93,003)	-	315,595
Vehicles	50,222	-	-	-	50,222
	<u>260,028,919</u>	<u>7,824</u>	<u>(228,003)</u>	<u>5,855,486</u>	<u>265,664,226</u>
Less accumulated depreciation	(47,320,513)	(7,771,923)	228,003	-	(54,864,433)
Construction in progress	8,054,788	25,675,642	-	(10,304,436)	23,425,994
Property and equipment, net	<u>\$ 220,763,194</u>	<u>\$ 17,911,543</u>	<u>\$ -</u>	<u>\$ (4,448,950)</u>	<u>\$ 234,225,787</u>

During the year ended December 31, 2018, \$4,448,950 of completed construction in progress was transferred out of capital assets and into assets held for donation to LSU.

The Foundation's investment in property and equipment consisted of the following at December 31, 2017:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Land	\$4,740,000	\$ -	\$ -	\$ -	\$ 4,740,000
Leaseholds and other improvements	4,568,038	-	(15,000)	231,413	4,784,451
Stadium expansion and scoreboard	248,450,049	4,123	(1,145,584)	2,744,884	250,053,472
Furniture and equipment	395,752	5,022	-	-	400,774
Vehicles	50,222	-	-	-	50,222
	<u>258,204,061</u>	<u>9,145</u>	<u>(1,160,584)</u>	<u>2,976,297</u>	<u>260,028,919</u>
Less accumulated depreciation	(41,820,449)	(6,493,326)	993,262	-	(47,320,513)
Construction in progress	744,389	27,024,816	(316,533)	(19,397,884)	8,054,788
Property and equipment, net	<u>\$ 217,128,001</u>	<u>\$ 20,540,635</u>	<u>\$ (483,855)</u>	<u>(16,421,587)</u>	<u>\$ 220,763,194</u>

During the year ended December 31, 2017, \$16,421,587 of completed construction in progress was transferred out of capital assets and into assets held for donation to LSU.

Depreciation expense totaled \$7,771,923 and \$6,493,326 for the years ended December 31, 2018 and 2017, respectively.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable

A summary of the Foundation's outstanding debt is as follows:

	December 31, 2018	December 31, 2017
Revenue Bonds Series 2012	\$ 67,238,000	\$ 70,000,000
Revenue Bonds Series 2015	42,520,000	45,820,000
Revenue Bonds Series 2015A	40,550,000	42,590,000
Term Loan	22,342,656	24,908,926
Less Deferred Financing Costs	(635,251)	(682,687)
	\$ 172,015,405	\$ 182,636,239

Revenue Bonds Series 1999 consisted 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 donations for the right to purchase certain "premium seating" football tickets in Tiger Stadium is pledged for the payment of the debt service. See Note 1 for more details. Bond indentures contain requirements for annual debt service and flow of funds through various restricted accounts. The bonds carried a floating interest rate, established through weekly remarketing. Effective November 2009, the bonds were reissued as a single fully registered bond without coupons, maturing September 2033. Effective July 2015, the 1999 revenue bonds were refunded into the 2015 revenue bonds discussed below.

In March 2004, the Foundation issued Revenue Bonds Series 2004 for a principal amount of \$90,000,000. The proceeds of the loan were 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 revenue bonds. The bonds have a floating interest rate based on the SIFMA Index. Annual payments began on September 1, 2005.

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 with a maturity of September 2039. Effective July 2015, the 2004 revenue bonds were partially refunded into the 2015 revenue bonds discussed below. Effective November 2015, the remaining 2004 revenue bonds were refunded into the 2015A revenue bonds discussed below.

In order to finance the design, development, performance, and construction of the Facilities/South and Olympic Sports Improvements in accordance with the plans and specifications approved by LSU, the Foundation initiated two different debt instruments in October 2012.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (Continued)

The Foundation entered into a Bond Purchase Agreement, and a resulting Loan Agreement, so that it could borrow from the proceeds of the sale of Series 2012 Revenue Bonds, an aggregate principal of \$75,000,000. The Bond Purchase Agreement was amended in 2014 to an aggregate principal of \$70,000,000. These bond indentures contain requirements for annual debt service and flow of funds through various restricted accounts. Beginning in 2018, the Foundation must establish a mandatory sinking fund, with annual installments due through 2037. The annual installments range from a low of \$2,762,000 in 2018 to a high of \$4,350,000 in 2037. As security for payments to be made by the Foundation, pursuant to the Loan Agreement, the Foundation has entered into an Act of Assignment of Pledged Revenues and Security Agreement, on parity with the Series 1999 and 2004 revenue bonds. For the period from the loan's closing date in 2012 through, but not including, October 1, 2022, this loan shall bear interest at the Special Bank Variable rate. This variable rate is equal to 65% of the 90 day LIBOR Index rate plus 2.25% or, the higher of 65% of the Federal Funds rate plus 2.625% or 65% of the Prime Rate on the Adjustment Date. The Bond Purchase Agreement was amended in 2015 to state for the period from the amendments closing date in 2015 through, but not including, October 1, 2022, this loan shall bear interest at the Special Bank Variable rate of 65% of the 90 day LIBOR Index rate plus 1.75% or, the higher of 65% of the Federal Funds rate plus 2.625% or 65% of the Prime Rate on the Adjustment Date. At December 31, 2018 and 2017, the interest rate was approximately 3.570% and 2.769%, respectively.

As long as the Series 2012 Revenue Bonds are in the Special Bank Variable rate, the Bonds shall be subject to tender at the election of the Purchaser on the last day of each Special Bank Rate Period (optional Tender Date) upon the Purchaser providing written notice of their election not less than twelve months prior to each Optional Tender Date. During any Special Bank Rate Period, in the event the Purchaser has not elected to tender the Bonds pursuant to the terms of the Indenture, at the option of the Foundation, this Bond will bear interest at the Special Bank Variable Rate or the Special Bank Fixed Rate pursuant to the provisions in the Indenture and Purchase Agreement.

To finance the balance of the commitment, the Foundation issued a non-revolving taxable term loan for a principal amount of \$25,000,000. In 2014, the loan agreement was amended to a principal amount of \$30,000,000. As security for payments to be made by the Foundation, the Foundation has entered into an Act of Assignment of Pledged Revenues and Security Agreement on parity with the Series 1999 and 2004 revenue bonds. The term loan will bear interest at an Elective Interest Rate, which was initially set at the 30 day LIBOR Index Rate plus 3.00%. The Foundation has the right to change the Elected Interest Rate to the greater of the New York Prime Rate or the Federal Funds Rate plus 3.50%. Effective February 2017, the interest rate formula on the term loan was reduced by 1%, changing the Elective Interest Rate to the 30 day LIBOR Index Rate plus 2.00%. The interest rate at December 31, 2018 and 2017 was 4.520% and 3.361%, respectively.

Interest only shall be payable through October 1, 2015. Effective November 1, 2015, the Foundation began paying regular monthly installments of accrued interest, plus monthly installments of principal. This term loan matures no later than October 1, 2025.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (Continued)

In July 2015, the Foundation entered into a Bond Purchase Agreement, and a resulting Loan Agreement, so that it could borrow the proceeds of the sale of Series 2015 Revenue Bonds for a principal amount of \$52,000,000. The Series 2015 Revenue Bonds were issued for the purpose of current refunding of all of the Series 1999 Bonds and a portion of the Series 2004 Bonds. The Series 2015 Revenue Bonds are secured by the pledged revenues on parity with the Series 2012 Revenue Bonds. The Bonds bear interest from their date until paid, at the rate of 2.49% per annum payable on the first calendar day of each month, commencing August 1, 2015 and shall mature, unless sooner paid, on September 1, 2028. The Bonds shall be subject to mandatory sinking fund redemption prior to maturity at the principal amount of such Bonds to be redeemed plus accrued interest to the date of redemption without premium on each September 1, beginning September 1, 2016 through September 1, 2028.

In November 2015, the Foundation entered into a Bond Purchase Agreement, and a resulting Loan Agreement, so that it could borrow, from the proceeds of the sale of Series 2015A Revenue Bonds for a principal amount of \$53,045,000. The Series 2015A Revenue Bonds were issued for the purpose of current refunding all of the outstanding Series 2004 Bonds. The Series 2015A Revenue Bonds are secured by the pledged revenues on parity with the Series 2012 revenue bonds. The Bonds bear interest from their date until paid, at a rate of 2.416% per annum payable on the first business day of each month, commencing December 1, 2015 and shall mature, unless sooner paid, on September 2, 2039. The Bonds shall be subject to mandatory sinking fund redemption prior to maturity at the principal amount of such Bonds to be redeemed plus accrued interest to the date of redemption without premium on each September 1, beginning September 1, 2016 through September 2, 2039. The Purchaser of the Bonds has the right to tender the Bonds to the Foundation for purchase on November 1, 2022 (Put Date), pursuant to the Bond Purchase Agreement. In the event the Bonds are not remarketed by the Foundation by the Put Date, the Bonds will be retained by the Purchaser for a period of one year following the Put Date (the Special Holding Period). At the end of the Special Holding Period, the outstanding principal of the Bonds, together with accrued interest, shall become due and payable in full by the Foundation.

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, 2018 and 2017.

TIGER ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (Continued)

The scheduled maturities of the debt outstanding at December 31, 2018 are as follows:

	Bonds and Note Payable
2019	\$ 10,691,442
2020	10,691,606
2021	10,703,068
2022	10,695,692
2023 - 2027	54,679,848
2028 - 2032	46,035,000
2033 - 2037	27,654,000
2038 - 2039	1,500,000
Less deferred financing costs	<u>(635,251)</u>
Total	<u><u>\$ 172,015,405</u></u>

As mentioned above, the outstanding debt of the Foundation is secured by the assignment and pledge of revenues derived from donations for the right to purchase certain football tickets in Tiger Stadium. As mentioned in Note 1, while established to support LSU and its athletic program, the Foundation is separate and distinct from LSU in law and in fact. As a nonprofit corporation established to support a Louisiana public higher education institution and meeting criteria established in Louisiana R.S. 17:3390B(1)-(3), the Foundation may not be deemed an agent for LSU and the Foundation's funds are considered private. Neither LSU nor the State of Louisiana has any liability for the obligations, whether financial or otherwise, incurred by the Foundation, including the above mentioned debt.

8. Fair Value Measurements

The valuation of the Foundation's assets measured at fair value on a recurring basis at December 31, 2018 are as follows:

<u>ASSETS</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Balance</u>
Certificates of Deposit	\$ 2,085,605	\$ -	\$ -	\$ 2,085,605
Equities	503,112	(499)	-	502,613
Debt securities, held in custody for others	1,050,206	272,771	-	1,322,977
Debt securities	64,425,277	19,646,731	-	84,072,008
Investments measured at NAV per share*	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,192,864</u>
Total	<u><u>\$ 68,064,200</u></u>	<u><u>\$ 19,919,003</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 103,176,067</u></u>

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

8. Fair Value Measurements (Continued)

The valuation of the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2017 are as follows:

<u>ASSETS</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Balance</u>
Certificates of Deposit	\$ 2,062,754	\$ -	\$ -	\$ 2,062,754
Equities	549,376	(201)	-	549,175
Debt securities, held in custody for others	1,113,821	731,359	-	1,845,180
Debt securities	50,113,691	36,302,213	-	86,415,904
Investments measured at NAV per share*	-	-	-	16,413,063
Total	<u>\$ 53,839,642</u>	<u>\$ 37,033,371</u>	<u>\$ -</u>	<u>\$ 107,286,076</u>

*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value to another. In such instances, the transfer is reported at the beginning of the reporting period. As presented in the tables above, there were no transfers in or out of Level 3 for the years ended December 31, 2018 and 2017.

Fair Value of Investments that Calculate Net Asset Value per Share

The FASB issued a standards update pertaining to *Fair Value Measurements and Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share*. Fair values are determined by the use of calculated net asset value per ownership share.

The following table summarizes investments measured at fair value based on net asset value (NAV) per share as of December 31, 2018 and 2017, respectively.

<u>December 31, 2018</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
LSU Foundation Investment Pool	\$ 15,192,864	None	N/A	30 days
<u>December 31, 2017</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
LSU Foundation Investment Pool	\$ 16,413,063	None	N/A	30 days

The LSU Foundation Investment Pool invests in a variety of funds including, private market funds, hedge funds, commodity and natural resource funds, and equity funds. The asset allocation rate is reviewed by the LSU Foundation at a minimum of every 3 years. The target rate of return for the pool is 8%.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

9. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Subject to expenditure for a specified purpose:		
Capital Programs	\$ 12,668,861	\$ 11,581,195
Nutrition Center	8,778,947	11,667,274
Football Complex	7,392,210	12,133,795
Baseball Building	6,009,662	2,950,150
Annual Scholarship Fund	4,345,000	4,654,843
Preservation of Tiger Stadium	3,216,513	4,274,977
Softball Complex	1,243,856	1,261,915
Tennis	964,721	1,130,198
Tiger Den - Mike's Habitat	366,581	286,465
Gymnastics Facility	324,281	227,306
LSU Golf Facility	298,263	266,437
Academic Center	241,510	245,315
Women's Basketball Building	182,358	186,603
Basketball Bleachers	167,757	83,400
Volleyball Building	161,365	151,297
Soccer Complex	156,199	241,742
L Club Renovations	108,118	106,376
Swimming Building	102,993	99,818
Athletic Trainer's Equipment	85,520	82,740
Basketball Building	84,754	4,115
Band Hall	79,001	59,517
Track and Field Building	62,809	75,642
Tigerama	59,291	51,694
PMAC Restoration	42,149	130,475
Jeff Boss Honorarium	30,536	24,584
LSU Greats - Statue Fund	16,015	92,500
LSU Employee Assistance	15,303	15,250
Women's Golf Building	14,884	14,803
Football Strength Equipment	7,104	6,987
Beach Volleyball	5,613	1,200
Hall of Fame	3,272	3,050
AD's Annual Fund	2,163	1,094
Sue Gunter Fund	844	806
TAF Employee Assistance	691	675
Athletic Trainer Research	-	104,983
Unallocated Interest	-	608,832
Make Your Pitch	(962)	1,393,670
	<u>47,238,182</u>	<u>54,221,723</u>
Endowments:		
Subject to TAF's spending policy and appropriation:		
Investment in perpetuity (including amounts above original investment of (\$216,105 and \$1,436,304 at December 31, 2018 and 2017, respectively), which, once appropriated, is expendable to support annual scholarships	17,118,398	16,923,692
Unconditional promises to give, net	2,372,646	2,545,394
	<u>19,491,044</u>	<u>19,469,086</u>
Total net assets with donor restrictions	<u>\$ 66,729,226</u>	<u>\$ 73,690,809</u>

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

10. Endowment Composition

The Foundation follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA), 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 restricted net assets meet the definition of endowment funds under UPMIFA.

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 have 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 retains in perpetuity (a) the original value of gift amounts donated to the endowment, and (b) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor restricted amounts not retained in perpetuity are subject to appropriation 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.

The Foundation's endowment net asset composition by fund type as of December 31, 2018 is as follows:

	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 19,491,044</u>	<u>\$ 19,491,044</u>
Total	<u>\$ 19,491,044</u>	<u>\$ 19,491,044</u>

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

10. Endowment Composition (Continued)

A summary of the changes in the Foundation's endowment net assets for the year ended December 31, 2018 is as follows:

	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 19,469,086	\$ 19,469,086
Investment return, net	(619,050)	(619,050)
Contributions	1,242,157	1,242,157
Appropriation of endowment assets for expenditure	(601,149)	(601,149)
Endowment net assets, end of year	<u>\$ 19,491,044</u>	<u>\$ 19,491,044</u>

The Foundation's endowment net asset composition by fund type as of December 31, 2017 is as follows:

	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 19,469,086</u>	<u>\$ 19,469,086</u>
Total	<u>\$ 19,469,086</u>	<u>\$ 19,469,086</u>

A summary of the changes in the Foundation's endowment net assets for the year ended December 31, 2017 is as follows:

	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ 17,224,235</u>	<u>\$ 17,224,235</u>
Investment return, net	1,862,492	1,862,492
Contributions	946,687	946,687
Appropriation of endowment assets for expenditure	<u>(564,328)</u>	<u>(564,328)</u>
Endowment net assets, end of year	<u>\$ 19,469,086</u>	<u>\$ 19,469,086</u>

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

11. 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.

The Foundation entered into a Cooperative Endeavor and Lease Agreement (Cooperative Endeavor) with the Board of Supervisors of LSU. The Agreement stipulates that the Foundation will lease from LSU certain land (Ground Lease) and existing improvements thereon (Facilities Lease) in order to provide necessary, new, expanded and renovated Facilities/South, South End Zone Scoreboards and Olympic Sports Improvements, all as defined, for LSU. The Foundation entered into the Cooperative Endeavor for the purpose of, and shall have the continuing obligation of, developing and constructing the Facilities/South and South End Zone Scoreboards in accordance with plans and specifications approved by LSU, and shall ensure the maintenance, operation, management and replacement of the Facilities/South and South End Zone Scoreboards.

The term of the Ground Lease between LSU and the Foundation is fifty years; however, it will terminate, together with the Cooperative Endeavor, when, and if, the Facilities/South is donated by the Foundation to LSU. The Facilities Lease is scheduled to terminate June 30, 2049; however, LSU may terminate the lease at any time after the Bonds, referred to in Note 7, are paid in full or legally defeased. The Foundation is committed to an annual rent of \$25,000 for the land.

On February 9, 2018, the Foundation entered into a construction agreement for the Louisiana State University Football Operations Center Renovation and Expansion - Phase II project with a guaranteed maximum price of \$20,320,204. As of December 31, 2018, \$7,841,121 of those project funds had been capitalized as construction in progress on the statement of financial position.

12. 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 Outfront Media Sports, whereby the Foundation leased its rights to the scoreboards to Viacom in return for an annual guaranteed rental payment. In November 2010, the lease agreement was amended extending the term for a period of one year through June 30, 2016, and increasing the compensation paid to the Foundation by \$500,000. Additionally, the amendment required the Foundation to expend an additional \$3-5 million over the next three years to construct, install, upgrade, maintain, service and replace scoreboards. This commitment was made by the Foundation in 2014. In June 2016, the Foundation entered into a new lease agreement with Outfront Media Sports through June 30, 2026. Annual compensation beginning at \$3,500,000, and increasing \$25,000 each subsequent year is paid in equal quarterly installments. The amended agreement also requires an additional \$2 million in compensation for the first three years of the agreement.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

12. Scoreboard Sponsorships (Continued)

The revenue received and recognized by the Foundation was \$5,537,500 and \$5,512,500 for the years ended December 31, 2018 and 2017, respectively, and is included in other revenues on the statements of activities.

13. 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% of the participants' elective deferrals that do not exceed 6% 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% of the participants' annual compensation as an Employer Discretionary Contribution. Employees are vested in the Employer Safe Harbor Matching Contributions at a rate of 100%, and are vested in the Employer Discretionary Contribution at a rate of 20% per year after reaching one year of service, as defined.

The Foundation made matching contributions of approximately \$223,000 and \$219,000 for the years ended December 31, 2018 and 2017, respectively.

14. Uncertain Tax Position

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in operating expenses.

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued April 25, 2019, 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.

OTHER FINANCIAL INFORMATION

**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
Baton Rouge, LA

We have audited the financial statements of Tiger Athletic Foundation as of and for the years ended December 31, 2018 and 2017, and have issued our report thereon, dated April 25, 2019, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to April 25, 2019.

The accompanying Statements of Net Assets, Statements of Revenues, Expenses, and Changes in Net Assets, Component Unit Description, Schedules of Capital Assets, Schedules of Bonds and Note Payable and Capital Leases, Schedules of Bonds and Note Payable, and Schedule of Bonds Payable Amortization are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 Professional Accounting Corporation

Metairie, LA
April 25, 2019

TIGER ATHLETIC FOUNDATION

STATEMENTS OF NET ASSETS
DECEMBER 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,696,728	\$ 15,300,092
Restricted assets:		
Cash and cash equivalents	47,474,491	55,148,534
Investments	3,937,272	4,477,453
Investments	13,966,994	13,839,748
Other receivables	3,387,601	965,492
Contracts receivable	15,819,816	17,746,337
Pledges receivable	6,238,078	14,465,841
Due from other campuses	-	-
Due from State Treasury	-	-
Inventories	-	-
Prepaid expenses	448,838	528,478
Notes receivable	-	-
Other current assets	173,042	167,875
Total current assets	<u>106,142,860</u>	<u>122,639,850</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	17,206,503	14,105,463
Investments	85,826,440	88,968,881
Notes receivable	-	-
Other	-	-
Investments	-	-
Other receivables	6,667,580	-
Contracts receivable	13,639,922	28,843,214
Pledges receivable, net	5,124,372	4,702,727
Notes receivable	-	-
Capital assets, net	234,225,787	220,763,194
Assets held for donation to LSU	12,061,748	15,810,327
Assets under capital leases, net	-	-
Other noncurrent assets	2,752,548	2,891,442
Total noncurrent assets	<u>377,504,900</u>	<u>376,085,248</u>
Total assets	<u>\$ 483,647,760</u>	<u>\$ 498,725,098</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

STATEMENTS OF NET ASSETS (CONTINUED)

DECEMBER 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,867,531	\$ 2,420,413
Accounts payable - construction in progress	719,565	-
Due to other campuses	-	-
Due to State Treasury	-	-
Deferred revenues	18,635,413	35,536,817
Amounts held in custody for others	2,085,683	2,147,243
Compensated absences payable	-	-
Capital lease obligations	-	-
Line-of-credit	-	-
Note payable	-	-
Contracts payable	-	-
Bonds payable	7,969,000	8,102,000
Term loan	2,722,442	2,566,270
Other current liabilities	-	-
Total current liabilities	<u>36,999,634</u>	<u>50,772,743</u>
Noncurrent liabilities:		
Amounts held in custody for others	1,387,481	1,921,553
Compensated absences payable	-	-
Capital lease obligations	-	-
Note payable	-	-
Contracts payable	-	-
Deferred revenues	13,801,021	29,667,766
Bonds payable		
Principal amount	142,339,000	150,308,000
Deferred financing costs	(635,251)	(682,687)
Term loan	19,620,214	22,342,656
Other noncurrent liabilities	-	-
Total noncurrent liabilities	<u>176,512,465</u>	<u>203,557,288</u>
Total liabilities	<u>213,512,099</u>	<u>254,330,031</u>
Net assets:		
Invested in capital assets, net of related debt	61,575,131	37,444,268
Restricted for:		
Nonexpendable	19,274,939	18,032,782
Expendable	47,454,287	55,659,619
Unrestricted	141,831,304	133,258,398
Total net assets	<u>270,135,661</u>	<u>244,395,067</u>
Total liabilities and net assets	<u>\$ 483,647,760</u>	<u>\$ 498,725,098</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenues:		
Student tuition and fees	\$ -	\$ -
Less scholarship allowances	-	-
Net student tuition and fees	-	-
Gifts received by the Foundation	42,688,357	44,372,196
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	27,193,832	14,690,945
Total operating revenues	<u>69,882,189</u>	<u>59,063,141</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	18,179,345	16,995,169
Total operating expenses	<u>18,179,345</u>	<u>16,995,169</u>
Operating income	<u>51,702,844</u>	<u>42,067,972</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Nonoperating revenues and (expenses):		
State appropriations	-	-
Gifts	-	-
Net investment income (loss)	506,785	4,113,235
Interest expense	(5,287,966)	(4,923,345)
Payments to or on behalf of the university	(22,423,226)	(14,987,247)
Other nonoperating revenues (expenses)	-	-
Net nonoperating revenues (expenses)	<u>(27,204,407)</u>	<u>(15,797,357)</u>
Income before other revenues, expenses, gains, and losses	<u>24,498,437</u>	<u>26,270,615</u>
Capital appropriations	-	-
Capital gifts and grants	-	-
Additions to permanent endowments	1,242,157	946,687
Other additions, net	-	-
Increase in net assets	<u>25,740,594</u>	<u>27,217,302</u>
Net assets, beginning of year	244,395,067	217,177,765
Change in fair value of investments, available-for-sale	-	-
Net assets, end of year	<u>\$ 270,135,661</u>	<u>\$ 244,395,067</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 Louisiana State University - Baton Rouge, which is a component unit of the LSU System. 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, 2018, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$22,423,226, \$1,415,393 from booster clubs, and \$249,983 from affiliated chapters. During the year ended December 31, 2017, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$14,987,247, \$1,140,599 from booster clubs, and \$331,361 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

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
YEAR ENDED DECEMBER 31, 2018

	Balance				Balance
	12/31/2017	Additions	Transfers	Retirements	12/31/2018
Capital assets not being depreciated:					
Land	\$ 4,740,000	\$ -	\$ -	\$ -	\$ 4,740,000
Capitalized collections	-	-	-	-	-
Livestock	-	-	-	-	-
Construction in progress	8,054,788	25,675,642	(10,304,436)	-	23,425,994
Total capital assets not being depreciated	<u>\$ 12,794,788</u>	<u>\$ 25,675,642</u>	<u>\$ (10,304,436)</u>	<u>\$ -</u>	<u>\$ 28,165,994</u>
Other capital assets:					
Land improvements	\$ 4,784,451	\$ -	\$ 575,510	\$ -	\$ 5,359,961
Less accumulated depreciation	(619,716)	(107,713)	-	-	(727,429)
Total land improvements	<u>4,164,735</u>	<u>(107,713)</u>	<u>575,510</u>	<u>-</u>	<u>4,632,532</u>
Buildings	250,053,472	-	5,279,976	(135,000)	255,198,448
Less accumulated depreciation	(46,330,225)	(7,638,818)	-	135,000	(53,834,043)
Total buildings	<u>203,723,247</u>	<u>(7,638,818)</u>	<u>5,279,976</u>	<u>-</u>	<u>201,364,405</u>
Equipment	400,774	7,824	-	(93,003)	315,595
Less accumulated depreciation	(350,353)	(15,347)	-	93,003	(272,697)
Total equipment	<u>50,421</u>	<u>(7,523)</u>	<u>-</u>	<u>-</u>	<u>42,898</u>
Vehicles	50,222	-	-	-	50,222
Less accumulated depreciation	(20,219)	(10,045)	-	-	(30,264)
Total vehicles	<u>30,003</u>	<u>(10,045)</u>	<u>-</u>	<u>-</u>	<u>19,958</u>
Total other capital assets	<u>\$ 207,968,406</u>	<u>\$ (7,764,099)</u>	<u>\$ 5,855,486</u>	<u>\$ -</u>	<u>\$ 206,059,793</u>
Capital asset summary:					
Capital assets not being depreciated	\$ 12,794,788	\$ 25,675,642	\$ (10,304,436)	\$ -	\$ 28,165,994
Other capital assets, at cost	255,288,919	7,824	5,855,486	(228,003)	260,924,226
Total cost of capital assets	<u>268,083,707</u>	<u>25,683,466</u>	<u>(4,448,950)</u>	<u>(228,003)</u>	<u>289,090,220</u>
Less accumulated depreciation	(47,320,513)	(7,771,923)	-	228,003	(54,864,433)
Capital assets, net	<u>\$ 220,763,194</u>	<u>\$ 17,911,543</u>	<u>\$ (4,448,950) *</u>	<u>\$ -</u>	<u>\$ 234,225,787</u>

* During the year ended December 31, 2018, \$4,448,950 of completed construction in progress was transferred out of capital assets and into assets held for donation to LSU.

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2017

	Balance					Balance
	12/31/2016	Additions	Transfers	Retirements		12/31/2017
Capital assets not being depreciated:						
Land	\$ 4,740,000	\$ -	\$ -	\$ -		\$ 4,740,000
Capitalized collections	-	-	-	-		-
Livestock	-	-	-	-		-
Construction in progress	744,389	27,024,816	(19,397,884)	(316,533)		8,054,788
Total capital assets not being depreciated	<u>\$ 5,484,389</u>	<u>\$ 27,024,816</u>	<u>\$ (19,397,884)</u>	<u>\$ (316,533)</u>		<u>\$ 12,794,788</u>
Other capital assets:						
Land improvements	\$ 4,568,038	\$ -	\$ 231,413	\$ (15,000)		\$ 4,784,451
Less accumulated depreciation	(579,146)	(40,570)	-	-		(619,716)
Total land improvements	<u>3,988,892</u>	<u>(40,570)</u>	<u>231,413</u>	<u>(15,000)</u>		<u>4,164,735</u>
Buildings	248,450,049	4,123	2,744,884	(1,145,584)		250,053,472
Less accumulated depreciation	(40,900,871)	(6,422,616)	-	993,262		(46,330,225)
Total buildings	<u>207,549,178</u>	<u>(6,418,493)</u>	<u>2,744,884</u>	<u>(152,322)</u>		<u>203,723,247</u>
Equipment	395,752	5,022	-	-		400,774
Less accumulated depreciation	(330,257)	(20,096)	-	-		(350,353)
Total equipment	<u>65,495</u>	<u>(15,074)</u>	<u>-</u>	<u>-</u>		<u>50,421</u>
Vehicles	50,222	-	-	-		50,222
Less accumulated depreciation	(10,175)	(10,044)	-	-		(20,219)
Total vehicles	<u>40,047</u>	<u>(10,044)</u>	<u>-</u>	<u>-</u>		<u>30,003</u>
Total other capital assets	<u>\$ 211,643,612</u>	<u>\$ (6,484,181)</u>	<u>\$ 2,976,297</u>	<u>\$ (167,322)</u>		<u>\$ 207,968,406</u>
Capital asset summary:						
Capital assets not being depreciated	\$ 5,484,389	\$ 27,024,816	\$ (19,397,884)	\$ (316,533)		\$ 12,794,788
Other capital assets, at cost	253,464,061	9,145	2,976,297	(1,160,584)		255,288,919
Total cost of capital assets	<u>258,948,450</u>	<u>27,033,961</u>	<u>(16,421,587)</u>	<u>(1,477,117)</u>		<u>268,083,707</u>
Less accumulated depreciation	(41,820,449)	(6,493,326)	-	993,262		(47,320,513)
Capital assets, net	<u>\$ 217,128,001</u>	<u>\$ 20,540,635</u>	<u>\$ (16,421,587)</u>	<u>\$ (483,855)</u>		<u>\$ 220,763,194</u>

* During the year ended December 31, 2017, \$16,421,587 of completed construction in progress was transferred out of capital assets and into assets held for donation to LSU.

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE AND CAPITAL LEASES

DECEMBER 31, 2018

	Balance at December 31, 2017	Additions	Reductions	Balance at December 31, 2018	Amounts Due Within One Year
Bonds and notes payable and capital leases:					
Bonds payable	\$ 158,410,000	\$ -	\$ 8,102,000	\$ 150,308,000	\$ 7,969,000
Note payable	24,908,926	-	2,566,270	22,342,656	2,722,442
Capital lease obligations	-	-	-	-	-
Less deferred financing costs	(682,687)	-	(47,436)	(635,251)	(47,436)
Total bonds, notes, and capital leases	<u>\$ 182,636,239</u>	<u>\$ -</u>	<u>\$ 10,620,834</u>	<u>\$ 172,015,405</u>	<u>\$ 10,644,006</u>
Other liabilities:					
Amounts held in custody for others	\$ 4,068,796	\$ 1,531,275	\$ 2,126,907	\$ 3,473,164	\$ 2,085,683
Deferred revenue	65,204,583	4,527,899	37,296,048	32,436,434	18,635,413
Other liabilities	-	-	-	-	-
Total other liabilities	<u>\$ 69,273,379</u>	<u>\$ 6,059,174</u>	<u>\$ 39,422,955</u>	<u>\$ 35,909,598</u>	<u>\$ 20,721,096</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE AND CAPITAL LEASES

DECEMBER 31, 2017

	Balance at December 31, 2016	Additions	Reductions	Balance at December 31, 2017	Amounts Due Within One Year
Bonds and notes payable and capital leases:					
Bonds payable	\$ 166,570,000	\$ -	\$ 8,160,000	\$ 158,410,000	\$ 8,102,000
Note payable	27,333,434	-	2,424,508	24,908,926	2,566,270
Capital lease obligations	-	-	-	-	-
Less deferred financing costs	(730,123)	-	(47,436)	(682,687)	(47,436)
Total bonds, notes, and capital leases	<u>\$ 193,173,311</u>	<u>\$ -</u>	<u>\$ 10,537,072</u>	<u>\$ 182,636,239</u>	<u>\$ 10,620,834</u>
Other liabilities:					
Amounts held in custody for others	\$ 5,996,080	\$ 1,115,617	\$ 3,042,901	\$ 4,068,796	\$ 2,147,243
Deferred revenue	63,418,422	47,601,161	45,815,000	65,204,583	35,536,817
Other liabilities	-	-	-	-	-
Total other liabilities	<u>\$ 69,414,502</u>	<u>\$ 48,716,778</u>	<u>\$ 48,857,901</u>	<u>\$ 69,273,379</u>	<u>\$ 37,684,060</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE

DECEMBER 31, 2018

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2017	(Redeemed) Issued	Principal Outstanding 12/31/2018	Interest Rates	Interest Outstanding 12/31/2018
Series 2012 Bonds	October 23, 2012	\$ 5,100,000	\$ 70,000,000	\$ (2,762,000)	\$ 67,238,000	Variable	\$ -
Series 2015 Bonds	July 1, 2015	52,000,000	45,820,000	(3,300,000)	42,520,000	2.49%	-
Series 2015A Bonds	November 1, 2015	53,045,000	42,590,000	(2,040,000)	40,550,000	2.42%	-
Less deferred financing costs		(795,861)	(682,687)	47,436	(635,251)		-
Total Bonds Payable		109,349,139	157,727,313	(8,054,564)	149,672,749		-
Term Loan	October 23, 2012	808,731	24,908,926	(2,566,270)	22,342,656	Variable	-
		<u>\$ 110,157,870</u>	<u>\$ 182,636,239</u>	<u>\$ (10,620,834)</u>	<u>\$ 172,015,405</u>		<u>\$ -</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE

DECEMBER 31, 2017

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2016	(Redeemed) Issued	Principal Outstanding 12/31/2017	Interest Rates	Interest Outstanding 12/31/2017
Series 2012 Bonds	October 23, 2012	\$ 5,100,000	\$ 70,000,000	\$ -	\$ 70,000,000	Variable	\$ -
Series 2015 Bonds	July 1, 2015	52,000,000	48,980,000	(3,160,000)	45,820,000	2.49%	-
Series 2015A Bonds	November 1, 2015	53,045,000	47,590,000	(5,000,000)	42,590,000	2.42%	-
Less deferred financing costs		(795,861)	(730,123)	47,436	(682,687)		-
Total Bonds Payable		109,349,139	165,839,877	(8,112,564)	157,727,313		-
Term Loan	October 23, 2012	808,731	27,333,434	(2,424,508)	24,908,926	Variable	-
		<u>\$ 110,157,870</u>	<u>\$ 193,173,311</u>	<u>\$ (10,537,072)</u>	<u>\$ 182,636,239</u>		<u>\$ -</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS PAYABLE AMORTIZATION
YEAR ENDED DECEMBER 31, 2018

Fiscal Year Ending	Principal	Interest	Total
2019	\$ 7,969,000	Fixed/Variable	\$ 7,969,000
2020	7,807,000	Fixed/Variable	7,807,000
2021	7,647,000	Fixed/Variable	7,647,000
2022	7,459,000	Fixed/Variable	7,459,000
2023	7,483,000	Fixed/Variable	7,483,000
2024	7,753,000	Fixed/Variable	7,753,000
2025	8,025,000	Fixed/Variable	8,025,000
2026	10,320,000	Fixed/Variable	10,320,000
2027	10,656,000	Fixed/Variable	10,656,000
2028	10,669,000	Fixed/Variable	10,669,000
2029	10,614,000	Fixed/Variable	10,614,000
2030	10,796,000	Fixed/Variable	10,796,000
2031	6,835,000	Fixed/Variable	6,835,000
2032	7,121,000	Fixed/Variable	7,121,000
2033	7,405,000	Fixed/Variable	7,405,000
2034	5,251,000	Fixed/Variable	5,251,000
2035	4,899,000	Fixed/Variable	4,899,000
2036	4,999,000	Fixed/Variable	4,999,000
2037	5,100,000	Fixed/Variable	5,100,000
2038	750,000	Fixed/Variable	750,000
2039	750,000	Fixed/Variable	750,000
Total	<u>\$ 150,308,000</u>		<u>\$ 150,308,000</u>

See independent auditor's report on other financial information.

**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
Baton Rouge, LA

We have audited the financial statements of Tiger Athletic Foundation as of and for the years ended December 31, 2018 and 2017, and have issued our report thereon, dated April 25, 2019, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to April 25, 2019.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 Professional Accounting Corporation

Metairie, LA
April 25, 2019

TIGER ATHLETIC FOUNDATION

SUMMARIES OF EXPENSES PAID TO LOUISIANA STATE UNIVERSITY

YEARS ENDED DECEMBER 31, 2018 and DECEMBER 31, 2017

	<u>2018</u>	<u>2017</u>
Ground lease payments	\$ 122,325	\$ 51,100
Rent expense	94,732	94,824
Telephone/Communications expenses	85,720	70,972
Security expenses	63,541	49,923
Compensation for LSU contract staff	52,881	47,483
Repairs and maintenance expenses	47,054	9,200
Parking expenses	34,108	29,490
Computing services contract payment	31,215	30,947
Postage expense	27,165	23,806
Handling/Service fees	18,331	18,158
Supplies expense	10,852	8,702
Club card printing and readers/equipment for stadium club	6,562	5,936
Travel for TAF staff/donors (lodging/airfare)	377	8,292
Miscellaneous expense	-	9,639
Fuel expense	-	1,700
Printing expense	-	1,520
	<u>\$ 594,863</u>	<u>\$ 461,692</u>

See independent auditor's report on other financial information.

OTHER SUPPLEMENTARY INFORMATION

TIGER ATHLETIC FOUNDATION

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u> <u>2018</u>
Revenues and gains:			
Donations - TAF members	\$ 35,185,806	\$ 8,744,708	\$ 43,930,514
Restricted revenue	-	-	-
Scoreboard sponsorships	5,537,500	-	5,537,500
Rents - University Club and LSU	8,744,187	-	8,744,187
Investment return, net	3,548,959	745,556	4,294,515
Net realized and unrealized losses	(1,808,625)	(1,979,105)	(3,787,730)
Merchandise revenue	-	-	-
Other revenue	12,912,145	-	12,912,145
Total revenues and gains	<u>64,119,972</u>	<u>7,511,159</u>	<u>71,631,131</u>
 Net assets released from restrictions	 14,472,742	 (14,472,742)	 -
 Expenses:			
Program services:			
Contribution to LSU - athletic department	21,969,944	-	21,969,944
Contribution to LSU - non-athletic	453,282	-	453,282
Tiger Den Suites	4,454,765	-	4,454,765
Stadium Club	9,331,017	-	9,331,017
Alex Box Suites	385,111	-	385,111
 Supporting activities:			
General and administrative	6,511,207	-	6,511,207
Fundraising	2,785,211	-	2,785,211
Total expenses	<u>45,890,537</u>	<u>-</u>	<u>45,890,537</u>
Increase (decrease) in net assets	<u>\$ 32,702,177</u>	<u>\$ (6,961,583)</u>	<u>\$ 25,740,594</u>

See independent auditor's report.

TIGER ATHLETIC FOUNDATION

STATEMENT OF ACTIVITIES **YEAR ENDED DECEMBER 31, 2017**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2017</u>
Revenues and gains:			
Donations - TAF members	\$ 35,379,086	\$ 9,939,797	\$ 45,318,883
Restricted revenue	-	-	-
Scoreboard sponsorships	5,512,500	-	5,512,500
Rents - University Club and LSU	8,741,662	-	8,741,662
Investment return, net	1,947,931	828,036	2,775,967
Net realized and unrealized (losses) gains	(40,987)	1,378,255	1,337,268
Merchandise revenue	-	-	-
Other revenue	436,783	-	436,783
Total revenues and gains	<u>51,976,975</u>	<u>12,146,088</u>	<u>64,123,063</u>
Net assets released from restrictions	13,294,608	(13,294,608)	-
Expenses:			
Program services:			
Contribution to LSU - athletic department	14,491,926	-	14,491,926
Contribution to LSU - non-athletic	495,321	-	495,321
Tiger Den Suites	4,133,412	-	4,133,412
Stadium Club	8,878,077	-	8,878,077
Alex Box Suites	381,991	-	381,991
Supporting activities:			
General and administrative	5,688,816	-	5,688,816
Fundraising	2,836,218	-	2,836,218
Total expenses	<u>36,905,761</u>	<u>-</u>	<u>36,905,761</u>
Increase (decrease) in net assets	<u>\$ 28,365,822</u>	<u>\$ (1,148,520)</u>	<u>\$ 27,217,302</u>

See independent auditor's report.

TIGER ATHLETIC FOUNDATION

STATEMENT OF REVENUES AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS

YEAR ENDED DECEMBER 31, 2018

	<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>
Revenues						
Contributions	\$ 6,634,702	\$ 949,943	\$ 66,873	\$ 1,620,473	\$ 14,255,083	\$ 23,527,074
Compensations and benefits provided by a third party	451,336	-	5,032	14,553	90,607	561,528
Total revenues	<u>\$ 7,086,038</u>	<u>\$ 949,943</u>	<u>\$ 71,905</u>	<u>\$ 1,635,026</u>	<u>\$ 14,345,690</u>	<u>\$ 24,088,602</u>
Expenses						
Coaching other compensation and benefits	\$ 418,836	\$ -	\$ 5,032	\$ 14,553	\$ 90,607	\$ 529,028
Severance payments	32,500	-	-	-	-	32,500
Recruiting	561,046	356,573	14,273	66,050	2,439	1,000,381
Team travel	3,662	12,479	7,774	201,761	-	225,676
Equipment, uniforms, and supplies	733	6,800	1,626	150,359	-	159,518
Game expenses	344,802	37,858	11,815	136,035	-	530,510
Fundraising, marketing, and promotion	100,289	76,794	10,465	232,872	427,641	848,061
Direct facilities, maintenance, and rental	-	-	-	-	-	-
Spirit groups	-	-	-	-	5,587	5,587
Membership and dues	16,056	3,031	-	38,195	7,762	65,044
Other operating expenses	5,608,114	456,408	20,920	795,201	13,811,654	20,692,297
Total expenses	<u>\$ 7,086,038</u>	<u>\$ 949,943</u>	<u>\$ 71,905</u>	<u>\$ 1,635,026</u>	<u>\$ 14,345,690</u>	<u>\$ 24,088,602</u>

During the year ended December 31, 2018, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$22,423,226; \$1,415,393 from booster clubs; and \$249,983 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, 2017

	<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>
Revenues						
Contributions	\$ 6,893,841	\$ 1,063,744	\$ 45,285	\$ 1,222,534	\$ 6,603,205	\$ 15,828,609
Compensations and benefits provided by a third party	558,092	30,505	2,141	38,908	952	630,598
Total revenues	<u>\$ 7,451,933</u>	<u>\$ 1,094,249</u>	<u>\$ 47,426</u>	<u>\$ 1,261,442</u>	<u>\$ 6,604,157</u>	<u>\$ 16,459,207</u>
Expenses						
Coaching other compensation and benefits	\$ 416,634	\$ 30,505	\$ 2,141	\$ 38,908	\$ 952	\$ 489,140
Severance payments	141,458	-	-	-	-	141,458
Recruiting	469,442	289,679	6,301	85,910	-	851,332
Team travel	1,314	36	-	156,276	227	157,853
Equipment, uniforms, and supplies	63,872	8,786	780	107,280	4,845	185,563
Game expenses	356,579	11,086	326	102,994	-	470,985
Fundraising, marketing, and promotion	136,728	47,403	11,666	201,207	518,759	915,763
Direct facilities, maintenance, and rental	-	-	-	13,108	-	13,108
Spirit groups	-	-	-	-	11,918	11,918
Membership and dues	21,823	5,610	-	-	10,052	37,485
Other operating expenses	5,844,083	701,144	26,212	555,759	6,057,404	13,184,602
Total expenses	<u>\$ 7,451,933</u>	<u>\$ 1,094,249</u>	<u>\$ 47,426</u>	<u>\$ 1,261,442</u>	<u>\$ 6,604,157</u>	<u>\$ 16,459,207</u>

During the year ended December 31, 2017, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$14,987,247; \$1,140,599 from booster clubs; and \$331,361 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

Years	<i>Contributions without Donor Restrictions - Team TAF Championship Donations</i>	<i>Contributions with Donor Restrictions - Restrictions for Purpose</i>	<i>Contributions with Donor Restrictions - Restrictions that are Perpetual in Nature</i>	Grand Total	<i>Total Donor Restricted Collections</i>
2018	\$ 1,470,025	\$ 7,502,551	\$ 1,242,157	\$ 10,214,733	\$ 8,643,553
2017	\$ 1,469,043	\$ 8,993,110	\$ 946,687	\$ 11,408,840	\$ 9,861,017
2016	\$ 1,254,668	\$ 9,170,389	\$ 2,711,887	\$ 13,136,944	\$ 11,081,205
2015	\$ 1,021,009	\$ 9,177,735	\$ 2,559,668	\$ 12,758,412	\$ 11,230,310
2014	\$ 1,057,022	\$ 12,079,537	\$ 1,104,993	\$ 14,241,552	\$ 12,524,077
2013	\$ 993,252	\$ 13,575,008	\$ 574,919	\$ 15,143,179	\$ 10,665,991
2012	\$ 1,039,329	\$ 23,073,388	\$ 939,853	\$ 25,052,570	\$ 17,439,330
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

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
Baton Rouge, LA

We have reviewed the accompanying *Schedule of Debt Service Coverage Ratio* for the year ended December 31, 2018 of Tiger Athletic Foundation (the Foundation). A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the *Schedule of Debt Service Coverage Ratio*. Accordingly, we do not express such an opinion.

The *Schedule of Debt Service Coverage Ratio* is prescribed by and related to the \$52,000,000 Revenue Bonds (Series 2015) reflecting the provisions of resolutions adopted by Tiger Athletic Foundation and issued July 1, 2015; the \$53,045,000 Revenue Bonds (Series 2015A) reflecting the provisions of resolutions adopted by Tiger Athletic Foundation and issued on November 1, 2015; and, the \$75,000,000 Revenue Bonds (Series 2012) reflecting the provisions of resolutions adopted by Tiger Athletic Foundation and issued on October 22, 2012, amended to \$70,000,000 in revenue on June 22, 2014.

Management's Responsibility for the *Schedule of Debt Service Coverage Ratio*

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; this includes the design, implementation and maintenance of internal control relevant to the preparations and fair presentation of the *Schedule of Debt Service Coverage Ratio* that is free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the *Schedule of Debt Service Coverage Ratio* for it to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying *Schedule of Debt Service Coverage Ratio* of Tiger Athletic Foundation for the year ended December 31, 2018 in order for it to be in accordance 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 handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
April 25, 2019

TIGER ATHLETIC FOUNDATION

**SCHEDULE OF DEBT SERVICE COVERAGE RATIO - SERIES 2012, SERIES 2015,
AND SERIES 2015A**

YEAR ENDED DECEMBER 31, 2018

Available Revenues

Total revenues without donor restrictions of \$66,129,658 less
total expenses (\$36,941,812 minus depreciation of \$7,771,923,
amortization of \$140,000 and discretionary expenses of \$17,234,801). \$ 54,334,570

Debt Service Requirements \$ 15,985,389

Debt Service Coverage Ratio 3.40

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 incur
additional debt. 1.75

See independent accountants report.

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 - Series 2012, Series 2015, and Series 2015A*, is prescribed by the Revenue Bond Resolution relating to the \$75,000,000 Revenue Bonds (Series 2012) reflecting the provisions of Resolutions adopted by Tiger Athletic Foundation on October 22, 2012, amended to \$70,000,000 in revenue on June 22, 2014; \$52,000,000 Revenue Bonds (Series 2015) reflecting the provisions of Resolutions adopted by Tiger Athletic Foundation on July 1, 2015; and the Revenue Bond Resolution relating to the \$53,045,000 Revenue Bonds (Series 2015A) reflecting the provisions of Resolutions adopted by Tiger Athletic Foundation on November 1, 2015.

See independent accountants report.