

TIGER ATHLETIC  
FOUNDATION

Financial Statements

December 31, 2017 and 2016



TIGER ATHLETIC FOUNDATION  
FINANCIAL STATEMENTS, OTHER FINANCIAL INFORMATION, AND  
OTHER SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2017 AND 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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 13, 2018

**TIGER ATHLETIC FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2017 and 2016**

**A S S E T S**

	2017	2016
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 1,633,101	\$ 636,386
Restricted assets:		
Cash and cash equivalents	58,288,873	59,027,735
Investments	4,477,453	4,368,450
Accounts receivable	965,492	1,009,202
Contracts receivable	17,746,337	22,863,476
Unconditional promises to give, net	14,465,841	15,225,530
Prepaid expenses	528,478	539,545
Other current assets	167,875	234,128
Total current assets	98,273,450	103,904,452
 <b><u>NONCURRENT ASSETS</u></b>		
Restricted assets:		
Cash and cash equivalents	24,632,121	21,519,825
Investments	102,808,623	96,444,051
Contracts receivable	28,843,214	27,429,406
Unconditional promises to give, net	4,702,727	6,357,022
Property and equipment, net	220,763,194	217,128,001
Assets held for donation to LSU	15,810,327	4,941,508
Other noncurrent assets	2,891,442	2,982,461
Total noncurrent assets	400,451,648	376,802,274
 Total assets	\$ 498,725,098	\$ 480,706,726

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

**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**DECEMBER 31, 2017 and 2016**

**LIABILITIES AND NET ASSETS**

	<u>2017</u>	<u>2016</u>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 2,420,413	\$ 926,148
Retainage payable	-	15,000
Deferred revenues	35,536,817	35,418,538
Amounts held in custody for others	2,147,243	1,816,536
Bonds payable	8,102,000	8,160,000
Term loan	2,566,270	2,424,508
Total current liabilities	<u>50,772,743</u>	<u>48,760,730</u>
<b><u>NONCURRENT LIABILITIES</u></b>		
Deferred revenues	29,667,766	27,999,884
Amounts held in custody for others	1,921,553	4,179,544
Bonds payable, net of current		
Principal amount	150,308,000	158,410,000
Deferred financing costs	(682,687)	(730,123)
Term loan	22,342,656	24,908,926
Total noncurrent liabilities	<u>203,557,288</u>	<u>214,768,231</u>
Total liabilities	<u>254,330,031</u>	<u>263,528,961</u>
<b><u>NET ASSETS</u></b>		
Unrestricted		
Undesignated	105,861,094	84,771,668
Designated	64,563,085	57,297,722
Temporarily restricted	55,938,106	58,022,280
Permanently restricted	18,032,782	17,086,095
Total net assets	<u>244,395,067</u>	<u>217,177,765</u>
Total liabilities and net assets	<u>\$ 498,725,098</u>	<u>\$ 480,706,726</u>

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

**TIGER ATHLETIC FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
Change in unrestricted net assets:		
Unrestricted revenues:		
Contributions	\$ 35,379,086	\$ 36,134,085
Investment earnings	2,097,707	2,012,231
Other revenues	14,690,945	13,162,551
Total unrestricted revenues	52,167,738	51,308,867
Net assets released from restrictions:		
Satisfaction of program expenses	13,294,608	5,344,229
Total net assets released from restrictions	13,294,608	5,344,229
Total unrestricted revenues and other support	65,462,346	56,653,096
Program expenses:		
Amounts incurred to benefit Louisiana State University for:		
Projects specified by the Board of Directors	14,998,280	21,706,501
Catering and other	2,426,079	2,830,375
Financing costs	29,153	29,153
Interest	4,923,345	5,068,625
Personnel	466,774	396,467
Repairs and maintenance	280,423	223,453
Insurance	507,833	510,445
Depreciation	4,417,405	4,498,431
Other	342,468	363,085
Total program expenses	28,391,760	35,626,535
Supporting services	5,879,579	4,657,668
Fundraising expenses	2,836,218	2,486,109
Total expenses	37,107,557	42,770,312
Change in unrestricted net assets	28,354,789	13,882,784

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



**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF ACTIVITIES (CONTINUED)**

**YEARS ENDED DECEMBER 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Change in temporarily restricted net assets:		
Temporarily restricted revenues:		
Contributions	8,993,110	9,170,389
Investment earnings	<u>2,217,324</u>	<u>728,860</u>
Total temporarily restricted revenues	<u>11,210,434</u>	<u>9,899,249</u>
Net assets released from restrictions:		
Satisfaction of program expenses	<u>(13,294,608)</u>	<u>(5,344,229)</u>
Total temporarily restricted revenues and other support	<u>(2,084,174)</u>	4,555,020
Change in temporarily restricted net assets	<u>(2,084,174)</u>	<u>4,555,020</u>
Change in permanently restricted net assets:		
Permanently restricted revenues:		
Contributions	<u>946,687</u>	<u>2,711,887</u>
Total permanently restricted revenues	<u>946,687</u>	<u>2,711,887</u>
Change in permanently restricted net assets	<u>946,687</u>	<u>2,711,887</u>
Change in net assets	27,217,302	21,149,691
Net assets at beginning of year	<u>217,177,765</u>	<u>196,028,074</u>
Net assets at end of year	<u>\$ 244,395,067</u>	<u>\$ 217,177,765</u>

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

**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2017**

	<b>Program Services</b>			
	<b>Contributions</b>	<b>Contributions</b>	<b>Tiger Den</b>	<b>Stadium</b>
	<b>to LSU</b>	<b>to LSU</b>	<b>Suites</b>	<b>Club</b>
	<b>Athletic</b>	<b>Nonathletic</b>		
Salaries and wages	\$ -	\$ -	\$ 106,487	\$ 147,950
Payroll taxes	-	-	9,558	10,655
Employee benefits	-	-	35,081	57,196
Contributions to LSU	11,689,477	-	-	-
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
<b>Total expenses</b>	<b>\$ 14,502,959</b>	<b>\$ 495,321</b>	<b>\$ 4,133,412</b>	<b>\$ 8,878,077</b>

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

**TIGER ATHLETIC FOUNDATION**

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

	<b><u>Program Services</u></b>			
	<b>Alex Box Suites</b>	<b>Supporting Services</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	69,892	2,009,923	911,702	3,245,954
Payroll taxes	7,893	130,300	69,732	228,138
Employee benefits	22,062	477,928	234,290	826,557
Contributions to LSU	-	-	-	11,689,477
Coaches' supplement	-	-	-	400,000
Scoreboard expenses	-	-	-	260,804
Marketing and publicity	-	-	91,254	127,809
Dues and subscriptions	-	43,838	5,072	58,962
Professional fees	-	148,118	-	214,823
Academic awards	-	-	-	445,321
LSU Campus Transportation and Development Fund	-	-	-	50,000
Tickets purchased	-	-	196,776	196,776
Financing costs	-	-	-	29,153
Licensing rights	140,000	-	-	140,000
Interest expense	-	-	-	4,923,345
Catering and other expenses	111,022	-	-	2,426,079
Management fee	-	-	-	-
Occupancy	-	213,273	24,040	288,313
Event parking	-	46,117	-	130,717
Repairs and maintenance	31,122	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	-	793,098	-	793,098
Special events and other	-	114,409	170,367	315,089
Insurance	-	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
Total expenses	<b>\$ 381,991</b>	<b>\$ 5,879,579</b>	<b>\$ 2,836,218</b>	<b>\$ 37,107,557</b>

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

**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2016**

	<b>Program Services</b>			
	<b>Contributions to LSU Athletic</b>	<b>Contributions to LSU Nonathletic</b>	<b>Tiger Den Suites</b>	<b>Stadium Club</b>
Salaries and wages	\$ -	\$ -	\$ 83,255	\$ 133,906
Payroll taxes	-	-	8,882	11,339
Employee benefits	-	-	33,980	47,402
Contributions to LSU	18,462,045	-	-	-
Coaches' supplement	512,000	-	-	-
Scoreboard expenses	210,810	-	-	-
Marketing and publicity	-	-	31,108	-
Dues and subscriptions	10,585	-	-	-
Professional fees	20,882	-	-	-
Academic awards	-	439,233	-	-
LSU Campus Transportation and Development Fund	-	-	-	-
Tickets purchased	-	-	-	-
Financing costs	-	-	-	29,153
Licensing rights	-	-	-	-
Interest expense	-	-	1,889,561	3,179,064
Catering and other expenses	-	-	1,226,139	1,482,379
Management fee	-	-	10,747	17,242
Occupancy	-	-	1,000	50,000
Event parking	-	-	84,900	-
Repairs and maintenance	-	-	123,063	69,051
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Baseball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	22,341	-
Insurance	-	-	164,880	345,565
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	2,050,946	-	885,783	3,612,648
Total expenses	\$ 21,267,268	\$ 439,233	\$ 4,565,639	\$ 8,977,749

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

**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

**Program Services**

	<b>Alex Box Suites</b>	<b>Supporting Services</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 48,547	\$ 1,927,950	\$ 897,530	\$ 3,091,188
Payroll taxes	5,796	125,514	67,792	219,323
Employee benefits	23,360	423,067	253,237	781,046
Contributions to LSU	-	-	-	18,462,045
Coaches' supplement	-	-	-	512,000
Scoreboard expenses	-	-	-	210,810
Marketing and publicity	-	-	54,221	85,329
Dues and subscriptions	-	40,117	4,528	55,230
Professional fees	-	144,477	-	165,359
Academic awards	-	-	-	439,233
LSU Campus Transportation and Development Fund	-	-	-	-
Tickets purchased	-	-	191,977	191,977
Financing costs	-	-	-	29,153
Licensing rights	140,000	-	-	140,000
Interest expense	-	-	-	5,068,625
Catering and other expenses	121,857	-	-	2,830,375
Management fee	5,747	-	-	33,736
Occupancy	-	209,350	22,191	282,541
Event parking	-	61,788	-	146,688
Repairs and maintenance	31,339	13,830	-	237,283
Travel and entertainment	-	88,686	519,341	608,027
Membership	-	26,097	184,665	210,762
Meeting expense	-	25,071	-	25,071
Basketball	-	-	79,564	79,564
Baseball	-	-	-	-
Supplies and office equipment	-	53,649	34,761	88,410
Printing	-	8,636	-	8,636
Computer	-	93,704	28,419	122,123
Bank charges	-	757,916	-	757,916
Special events and other	-	85,545	110,259	218,145
Insurance	-	137,460	-	647,905
Bad debts and other allowances	-	434,811	-	434,811
Promotional expense	-	-	37,624	37,624
Depreciation	-	-	-	6,549,377
Total expenses	\$ 376,646	\$ 4,657,668	\$ 2,486,109	\$ 42,770,312

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

**TIGER ATHLETIC FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>Operating activities</b>		
Change in net assets	\$ 27,217,302	\$ 21,149,691
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,493,326	6,549,377
Change in allowance for unconditional promises to give	753,334	(406,778)
Net unrealized and realized gains on investments	(1,337,268)	(448,766)
Loss on sale of property and equipment	152,774	-
Transfer of property and equipment to LSU	5,552,768	13,368,932
Contributions restricted for long-term purposes	(946,687)	(2,711,887)
Amortization included in interest expense	47,436	47,436
Decrease (increase) in operating assets:		
Receivables and other prepaid assets	54,777	(776,544)
Unconditional promises to give	1,660,650	65,922
Contracts receivable	3,703,331	7,217,074
Assets held for donation to LSU	-	(5,738,108)
Other assets	157,272	142,764
(Decrease) increase in operating liabilities:		
Accounts payable	1,494,265	(470,360)
Retainage payable	(15,000)	(478,651)
Deferred revenues	1,786,161	(6,270,388)
Amounts held in custody for others	(1,927,284)	129,207
Net cash provided by operating activities	<u>44,847,157</u>	<u>31,368,921</u>
<b>Investing activities</b>		
Increase in restricted cash	(2,373,434)	(7,183,454)
Purchase of investments	(28,128,945)	(16,325,352)
Sales of investments	22,992,638	601,057
Purchase of property and equipment	(27,033,961)	(448,355)
Proceeds from sale of property and equipment	331,081	-
Net cash used in investing activities	<u>(34,212,621)</u>	<u>(23,356,104)</u>
<b>Financing activities</b>		
Proceeds from contributions restricted for investment in permanent endowments	946,687	2,711,887
Principal payments on borrowings	(10,584,508)	(10,763,842)
Net cash used in financing activities	<u>(9,637,821)</u>	<u>(8,051,955)</u>
Net change in cash and cash equivalents	996,715	(39,138)
Cash and cash equivalents, beginning of year	636,386	675,524
Cash and cash equivalents, end of year	<u>\$ 1,633,101</u>	<u>\$ 636,386</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 4,923,345</u>	<u>\$ 5,068,625</u>
Non cash transfer of completed construction in progress to assets held for donation to LSU	<u>\$ 16,421,587</u>	<u>\$ -</u>

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

## **TIGER ATHLETIC FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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.

##### **Investments**

For the year ended December 31, 2017, the Foundation no longer classified its investments as being either available for sale or held-to-maturity. The Foundation did make such a distinction for its measurement at December 31, 2016 and for the year then ended. The Foundation's classification of its debt securities as held-to-maturity in 2016 was based on management's positive intent and the Foundation's ability to hold such securities to maturity. Those debt instruments classified as held-to-maturity are stated at cost, adjusted for amortization of premiums and accretion of discounts, at December 31, 2016 in the statement of financial position. As of and for the year ended December 31, 2016, those investments classified as available-for-sale are reported at their fair value in the statement of financial position with their unrealized gains or losses included in the change in net assets in the statement of activities.

As further presented in Note 4, the Foundation presents its investments at fair value at December 31, 2017 with unrealized gains or losses included in the net assets in the statement of activities. The effect of eliminating any distinction in investments was captured entirely in the Foundation's 2017 financial statements. The effect of measuring those investments previously classified as held-to-maturity at fair value rather than at their net cost resulted in a decrease in value of approximately \$40,000. This decrease in value is recognized in its entirety within investment earnings in the statement of activities for the year ended December 31, 2017.

## **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.



## **TIGER ATHLETIC FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

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

##### **Fair Values of Financial Instruments (Continued)**

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.

##### **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 2018, 2019, 2020, 2021, and 2022 seasons. These receivables result in deferred revenue at December 31st. At December 31, 2017 and 2016, the Foundation's deferred revenue included \$46,589,551 and \$50,292,882, 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 \$18,615,032 and \$13,125,540 as of December 31, 2017 and 2016, 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 temporarily and permanently restricted contributions, because of changes in the amounts of assets expected to be received, are recorded as a loss and are reported within expenses on the 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 unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily or permanently restricted revenue.

It is TAF's policy to capitalize all fixed asset purchases greater than \$1,000. Property and equipment is depreciated using the straight-line method over estimated useful lives of 5 to 50 years.

## **TIGER ATHLETIC FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

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

##### **Property and Equipment (Continued)**

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

##### **Assets Held for Donation to LSU**

Assets held for donation to LSU consist of various capital projects and athletic facility improvements that, upon completion, will be donated to LSU. These assets are not used in the operations of TAF and are, therefore, not included within property and equipment. At December 31, 2017 and 2016, the balance in this account was comprised entirely of construction in progress on capital projects that are expected to be donated to LSU upon completion.

##### **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, 2017 and 2016.

##### **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 \$113,174 and \$65,738 as of December 31, 2017 and 2016, 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 \$1,248,334 and \$1,108,334 as of December 31, 2017 and 2016, 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 \$2,176,781 and \$1,816,586 of amounts held in custody for others as restricted cash within current assets as of December 31, 2017 and 2016, respectively.

The Foundation also has \$1,845,180 and \$3,703,792 of amounts held in custody for others as restricted investments as of December 31, 2017 and 2016, 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**

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

##### **Contributions**

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

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

## **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 Unrestricted Contributions on the statements of activities those amounts recognized relative to the contract terms and the completion of the athletic season associated with the contracts.

##### **Investment Income and Gains**

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

##### **Donated Services**

During the years ended December 31, 2017 and 2016, 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. 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 a 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 May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled when products and services are transferred to customers. ASU 2014-09 will be effective for the Foundation beginning in the year ending December 31, 2019, though early adoption is permitted. The new revenue standard may be applied retrospectively as of the date of adoption. The Foundation is currently evaluating the impact of adopting the new revenue standard on its financial statements.

## **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 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. ASU 2016-14 will be effective for the Foundation in the year ending December 31, 2018. The Foundation is currently evaluating the impact the adoption of this guidance will have on its financial statements.

##### **Reclassifications**

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

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

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

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**3. Restricted Cash and Cash Equivalents and Investments**

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

	December 31, 2017					
	Cash		Investments		Total	
	Current	Noncurrent	Current	Noncurrent		
Donor Restricted	\$ 45,473,360	\$ 93,280	\$ -	\$ 4,430,931	\$ 49,997,571	
Donor Restricted Endowments	-	432,720	-	16,413,063	16,845,783	
By Board for Designated Purposes	-	12,385,480	-	76,544,005	88,929,485	
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>\$ 58,288,873</u>	<u>\$ 24,632,121</u>	<u>\$ 4,477,453</u>	<u>\$ 102,808,623</u>	<u>\$ 190,207,070</u>	

  

	December 31, 2016					
	Cash		Investments		Total	
	Current	Noncurrent	Current	Noncurrent		
Donor Restricted	\$ 46,626,691	\$ -	\$ -	\$ 4,872,928	\$ 51,499,619	
Donor Restricted Endowments	-	-	-	14,107,028	14,107,028	
By Board for Designated Purposes	-	12,976,165	4,368,450	70,271,807	87,616,422	
Amounts Held in Custody for Others	1,816,536	-	-	3,703,792	5,520,328	
Contractually by Bond and Leases	10,584,508	8,543,660	-	3,488,496	22,616,664	
	<u>\$ 59,027,735</u>	<u>\$ 21,519,825</u>	<u>\$ 4,368,450</u>	<u>\$ 96,444,051</u>	<u>\$ 181,360,061</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.

**4. Investments**

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
	<u>\$ 105,825,517</u>	<u>\$ 107,286,076</u>	<u>\$ 1,460,559</u>

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**4. Investments (Continued)**

Investments at December 31, 2016 consist of the following:

	<b>Amortization / Cost Value</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>
<b>Held-to-maturity</b>			
Certificates of deposit	\$ 2,046,567	\$ 2,046,567	\$ - *
Debt securities, held in custody for others	3,703,791	3,693,549	(10,242) *
Debt securities	80,469,964	80,076,207	(393,757) *
	<u>\$ 86,220,322</u>	<u>\$ 85,816,323</u>	<u>\$ (403,999)</u>
<b>Available-for-sale</b>			
LSU Foundation investment pool	\$ 13,968,888	\$ 14,107,028	\$ 138,140
Equities	500,000	485,151	(14,849)
	<u>\$ 14,468,888</u>	<u>\$ 14,592,179</u>	<u>\$ 123,291</u>

\* Unrealized gain (loss) not recorded for investments held-to-maturity. Investment recorded at Amortization Value.

Held-to-maturity investments consist of debt securities which the Foundation intended to hold until maturity as of December 31, 2016.

As of December 31, 2016, available-for-sale investments include investments with the LSU Foundation investment pool, which consists primarily of equity funds, corporate bonds, collateralized mortgage obligations, and government agency securities. All available-for-sale investments are stated at fair value. The LSU Foundation investments are classified as noncurrent due to being restricted as of December 31, 2017 and 2016.

Investment return is summarized as follows:

	<b><u>2017</u></b>	<b><u>2016</u></b>
Interest and dividend income	<b>\$ 2,977,763</b>	\$ 2,292,324
Net unrealized and realized gains (losses)	<b><u>1,337,268</u></b>	<u>448,767</u>
Total investment return	<b><u>\$ 4,315,031</u></b>	<b><u>\$ 2,741,091</u></b>

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



**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**5. Unconditional Promises to Give**

Unconditional promises to give at December 31, 2017 and 2016 were as follows:

	<b>2017</b>	2016
Receivable in less than one year	<b>\$ 14,465,841</b>	\$ 15,225,530
Receivable in one to five years	<b>9,583,101</b>	10,288,364
Receivable in more than five years	<b>76,779</b>	272,477
Total contributions receivable	<b>24,125,721</b>	25,786,371
Less discount to net present value (discount rate was 4% as of December 31, 2017 and December 31, 2016)	<b>(1,445,553)</b>	(1,481,319)
Less allowance for unfulfilled pledges	<b>(3,511,600)</b>	(2,722,500)
Net contributions receivable	<b>\$ 19,168,568</b>	\$ 21,582,552

**6. Property and Equipment**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Ending Balance</b>
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
	<b>258,204,061</b>	<b>9,145</b>	<b>(1,160,584)</b>	<b>2,976,297</b>	<b>260,028,919</b>
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	<b>\$ 217,128,001</b>	<b>\$ 20,540,635</b>	<b>\$ (483,855)</b>	<b>\$ (16,421,587)</b>	<b>\$ 220,763,194</b>

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.

The Foundation's investment in property and equipment consisted of the following at December 31, 2016:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Ending Balance</b>
Land	\$ 4,740,000	\$ -	\$ -	\$ -	\$ 4,740,000
Leaseholds and other improvements	4,568,038	-	-	-	4,568,038
Stadium expansion and scoreboard	248,794,311	(344,262)	-	-	248,450,049
Furniture and equipment	373,396	22,356	-	-	395,752
Vehicles	50,081	28,119	(27,978)	-	50,222
	<b>258,525,826</b>	<b>(293,787)</b>	<b>(27,978)</b>	<b>-</b>	<b>258,204,061</b>
Less accumulated depreciation	(35,299,050)	(6,549,377)	27,978	-	(41,820,449)
Construction in progress	2,247	742,142	-	-	744,389
Property and equipment, net	<b>\$ 223,229,023</b>	<b>\$ (6,101,022)</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 217,128,001</b>

## TIGER ATHLETIC FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### **6. Property and Equipment (Continued)**

Additions of \$1,037,710 to stadium expansion and scoreboard during the year ended December 31, 2016 were offset by a \$1,280,973, net sales tax rebate received on property purchased in prior years that reduced the costs basis of those assets. This transaction combined with other additions that occurred during the year resulted in a net additions balance of (\$344,262).

Depreciation expense totaled \$6,493,326 and \$6,549,377 for the years ended December 31, 2017 and 2016, respectively.

#### **7. Bonds and Note Payable**

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

	<u>December 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
Revenue Bonds Series 2012	\$ 70,000,000	\$ 70,000,000
Revenue Bonds Series 2015	45,820,000	48,980,000
Revenue Bonds Series 2015A	42,590,000	47,590,000
Term Loan	24,908,926	27,333,434
Less Deferred Financing Costs	(682,687)	(730,123)
	<u>\$ 182,636,239</u>	<u>\$ 193,173,311</u>

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.

## TIGER ATHLETIC FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### **7. Bonds and Note Payable (Continued)**

As described more fully in Note 11, the Foundation committed to expending \$100,000,000 on the financing, design, development, performance, and construction of the Facilities/South and Olympic Sports Improvements in accordance with the plans and specifications approved by LSU.

In order to finance this commitment, the Foundation initiated two different debt instruments in October 2012.

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. From its origination through December 31, 2016, the Foundation has drawn \$70,000,000 of funds against its aggregate principal. 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, 2017 and 2016, the interest rate was 2.796% and 2.357%, 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. From its origination through December 31, 2017, the Foundation has drawn \$30,000,000 of funds provided by this term loan. 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, 2017 and 2016 was 3.361% and 3.630%, respectively.

## TIGER ATHLETIC FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### **7. Bonds and Note Payable (Continued)**

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.

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, 2017 and 2016.

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**7. Bonds and Note Payable (Continued)**

The scheduled maturities of the debt outstanding at December 31, 2017 are as follows:

	<b>Bonds and Note Payable</b>
2018	\$ 10,668,270
2019	10,691,441
2020	10,691,606
2021	10,703,069
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	(682,687)
Total	<u>\$ 182,636,239</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, 2017 are as follows:

<b><u>ASSETS</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Net Balance</u></b>
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>

**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, 2016 are as follows:

<u>ASSETS</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Balance</u>
Investments, available-for-sale				
Equities	\$ 485,151	\$ -	\$ -	\$ 485,151
Capital One Endowment Cash	569,563			569,563
Investments measured at NAV per share*	-	-	-	13,537,465
Total	<u>\$ 1,054,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,592,179</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, 2017 and 2016.

**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, 2017 and 2016, respectively.

<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
<u>December 31, 2016</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	\$ 13,537,465	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. Temporarily Restricted Net Assets**

Temporarily restricted net assets, which are comprised of cash and unconditional promises to give, are available for the following purposes:

	<b>December 31, 2017</b>	December 31, 2016
Donor restrictions		
Football Complex	\$ 12,133,795	\$ 9,457,579
Nutrition Center	11,667,274	11,862,400
Capital Programs	11,581,195	14,886,700
Annual Scholarship Fund	4,654,843	5,060,793
Preservation of Tiger Stadium	4,274,977	7,501,715
Baseball Building	2,950,150	857,824
Unappropriated Endowment Earnings	1,716,383	416,627
Make Your Pitch	1,393,670	1,322,048
Softball Complex	1,261,915	1,284,428
Tennis	1,130,198	1,147,761
Unallocated Interest	608,832	498,932
Tiger Den - Mike's Habitat	286,465	976,724
LSU Golf Facility	266,437	887,518
Academic Center	245,315	244,957
Soccer Complex	241,742	236,569
Gymnastics Facility	227,306	235,915
Women's Basketball Building	186,603	180,529
Volleyball Building	151,297	118,906
PMAC Restoration	130,475	138,326
L Club Renovations	106,376	106,176
Athletic Trainer Research	104,983	-
Swimming Building	99,818	96,891
LSU Greats - Statue Fund	92,500	108,850
Basketball Bleachers	83,400	78,145
Athletic Trainer's Equipment	82,740	85,730
Track and Field Building	75,642	48,935
Band Hall	59,517	55,053
Tigerama	51,694	25,763
Jeff Boss Honorarium	24,584	24,184
LSU Employee Assistance	15,250	250
Women's Golf Building	14,803	9,610
Football Strength Equipment	6,987	6,987
Basketball Building	4,115	4,115
Hall of Fame	3,050	3,300
Beach Volleyball	1,200	-
AD's Annual Fund	1,094	1,094
Sue Gunter Fund	806	806
TAF Employee Assistance	675	140
Golf Restricted Fund	-	50,000
Total temporarily restricted funds	<b><u>\$ 55,938,106</u></b>	<b><u>\$ 58,022,280</u></b>

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

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



**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**10. Endowment Composition (Continued)**

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (1,508,650)	\$ 1,716,383	\$ 18,032,782	\$ 18,240,515
Total	<u>\$ (1,508,650)</u>	<u>\$ 1,716,383</u>	<u>\$ 18,032,782</u>	<u>\$ 18,240,515</u>

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (1,508,650)	\$ 416,627	\$ 17,086,095	\$ 15,994,072
Investment return:				
Investment income	-	565,920	-	565,920
Net appreciation (realized and unrealized)	-	1,298,164	-	1,298,164
Total investment return	-	1,864,084	-	1,864,084
Contributions	-	-	946,687	946,687
Appropriation of endowment assets for expenditure	-	(564,328)	-	(564,328)
Endowment net assets, end of year	<u>\$ (1,508,650)</u>	<u>\$ 1,716,383</u>	<u>\$ 18,032,782</u>	<u>\$ 18,240,515</u>

The Foundation's endowment net asset composition by fund type as of December 31, 2016 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (1,508,650)	\$ 416,627	\$ 17,086,095	\$ 15,994,072
Total	<u>\$ (1,508,650)</u>	<u>\$ 416,627</u>	<u>\$ 17,086,095</u>	<u>\$ 15,994,072</u>

A summary of the changes in the Foundation's endowment net assets for the year ended December 31, 2016 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (1,508,650)	\$ -	\$ 14,374,208	\$ 12,865,558
Investment return:				
Investment income	-	51,484	-	51,484
Net appreciation (realized and unrealized)	-	415,214	-	415,214
Total investment return	-	466,698	-	466,698
Contributions	-	-	2,711,887	2,711,887
Appropriation of endowment assets for expenditure	-	(50,071)	-	(50,071)
Endowment net assets, end of year	<u>\$ (1,508,650)</u>	<u>\$ 416,627</u>	<u>\$ 17,086,095</u>	<u>\$ 15,994,072</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.

As mentioned in Note 7, 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 Foundation shall expend a total amount, including for both hard and soft costs, of \$100,000,000 for the financing, design, development, performance and construction of the Facilities/South and Olympic Sports Improvements in accordance with the plans and specifications approved by LSU. The expenditures necessary for the South End Zone Scoreboards will be outside of and in addition to the \$100,000,000. This commitment was fully filled by the Foundation during the year ended December 31, 2016.

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.

#### **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. The revenue received and recognized by the Foundation was \$5,512,500 and \$3,750,000 for the years ended December 31, 2017 and 2016, respectively.

## **TIGER ATHLETIC FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **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 \$219,000 and \$225,000 for the years ended December 31, 2017 and 2016, 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 13, 2018, 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



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**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, 2017 and 2016, and have issued our report thereon, dated April 13, 2018, 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 13, 2018.

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 13, 2018

**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF NET ASSETS**

**DECEMBER 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,633,101	\$ 636,386
Restricted assets:		
Cash and cash equivalents	58,288,873	59,027,735
Investments	4,477,453	4,368,450
Investments	-	-
Accounts receivable	965,492	1,009,202
Contracts receivable	17,746,337	22,863,476
Pledges receivable	14,465,841	15,225,530
Due from other campuses	-	-
Due from State Treasury	-	-
Inventories	-	-
Prepaid expenses	528,478	539,545
Notes receivable	-	-
Other current assets	167,875	234,128
Total current assets	<u>98,273,450</u>	<u>103,904,452</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	24,632,121	21,519,825
Investments	102,808,623	96,444,051
Accounts receivable, net	-	-
Notes receivable	-	-
Other	-	-
Investments	-	-
Contracts receivable	28,843,214	27,429,406
Pledges receivable, net	4,702,727	6,357,022
Notes receivable	-	-
Capital assets, net	220,763,194	217,128,001
Assets held for donation to LSU	15,810,327	4,941,508
Assets under capital leases, net	-	-
Other noncurrent assets	2,891,442	2,982,461
Total noncurrent assets	<u>400,451,648</u>	<u>376,802,274</u>
Total assets	<u>\$ 498,725,098</u>	<u>\$ 480,706,726</u>

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**  
**STATEMENTS OF NET ASSETS (CONTINUED)**  
**DECEMBER 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,420,413	\$ 926,148
Accounts payable - construction in progress	-	15,000
Due to other campuses	-	-
Due to State Treasury	-	-
Deferred revenues	35,536,817	35,418,538
Amounts held in custody for others	2,147,243	1,816,536
Compensated absences payable	-	-
Capital lease obligations	-	-
Line-of-credit	-	-
Note payable	-	-
Contracts payable	-	-
Bonds payable	8,102,000	8,160,000
Term loan	2,566,270	2,424,508
Other current liabilities	-	-
Total current liabilities	<u>50,772,743</u>	<u>48,760,730</u>
Noncurrent liabilities:		
Amounts held in custody for others	1,921,553	4,179,544
Compensated absences payable	-	-
Capital lease obligations	-	-
Note payable	-	-
Contracts payable	-	-
Deferred revenues	29,667,766	27,999,884
Bonds payable		
Principal amount	150,308,000	158,410,000
Deferred financing costs	(682,687)	(730,123)
Term loan	22,342,656	24,908,926
Other noncurrent liabilities	-	-
Total noncurrent liabilities	<u>203,557,288</u>	<u>214,768,231</u>
Total liabilities	<u>254,330,031</u>	<u>263,528,961</u>
Net assets:		
Invested in capital assets, net of related debt	37,444,268	23,224,567
Restricted for:		
Nonexpendable	18,032,782	17,086,095
Expendable	55,938,106	58,022,280
Unrestricted	132,979,911	118,844,823
Total net assets	<u>244,395,067</u>	<u>217,177,765</u>
Total liabilities and net assets	<u>\$ 498,725,098</u>	<u>\$ 480,706,726</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Student tuition and fees	\$ -	\$ -
Less scholarship allowances	-	-
Net student tuition and fees	-	-
Gifts received by the Foundation	<b>44,372,196</b>	45,304,474
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	<b>14,690,945</b>	13,162,551
Total operating revenues	<b><u>59,063,141</u></b>	<u>58,467,025</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	<b>17,185,932</b>	15,995,186
Total operating expenses	<b><u>17,185,932</u></b>	<u>15,995,186</u>
Operating income	<b><u>41,877,209</u></b>	<u>42,471,839</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Nonoperating revenues and (expenses):		
State appropriations	-	-
Gifts	-	-
Net investment income (loss)	<b>4,315,031</b>	2,741,091
Interest expense	<b>(4,923,345)</b>	(5,068,625)
Payments to or on behalf of the university	<b>(14,998,280)</b>	(21,706,501)
Other nonoperating revenues (expenses)	-	-
Net nonoperating revenues (expenses)	<u><b>(15,606,594)</b></u>	<u>(24,034,035)</u>
Income before other revenues, expenses, gains, and losses	<u><b>26,270,615</b></u>	<u>18,437,804</u>
Capital appropriations	-	-
Capital gifts and grants	-	-
Additions to permanent endowments	<b>946,687</b>	2,711,887
Other additions, net	-	-
Increase in net assets	<u><b>27,217,302</b></u>	<u>21,149,691</u>
Net assets, beginning of year	<b>217,177,765</b>	196,028,074
Change in fair value of investments, available-for-sale	-	-
Net assets, end of year	<u><u><b>\$ 244,395,067</b></u></u>	<u><u>\$ 217,177,765</u></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, 2017, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$14,998,280, \$1,140,599 from booster clubs, and \$331,361 from affiliated chapters. During the year ended December 31, 2016, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$21,706,501, \$1,397,104 from booster clubs, and \$305,390 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by Tiger Athletic Foundation.

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

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

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

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

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF CAPITAL ASSETS**  
**YEAR ENDED DECEMBER 31, 2017**

	<b>Balance 12/31/2016</b>	<b>Additions</b>	<b>Transfers</b>	<b>Retirements</b>	<b>Balance 12/31/2017</b>
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 CAPITAL ASSETS**  
**YEAR ENDED DECEMBER 31, 2016**

	Balance 12/31/2015	Additions	Transfers	Retirements	Balance 12/31/2016
Capital assets not being depreciated:					
Land	\$ 4,740,000	\$ -	\$ -	\$ -	\$ 4,740,000
Capitalized collections	-	-	-	-	-
Livestock	-	-	-	-	-
Construction in progress	2,247	742,142	-	-	744,389
Total capital assets not being depreciated	\$ 4,742,247	\$ 742,142	\$ -	\$ -	\$ 5,484,389
Other capital assets:					
Land improvements	\$ 4,568,038	\$ -	\$ -	\$ -	\$ 4,568,038
Less accumulated depreciation	(538,576)	(40,570)	-	-	(579,146)
Total land improvements	4,029,462	(40,570)	-	-	3,988,892
Buildings	248,794,311	(344,262)	-	-	248,450,049
Less accumulated depreciation	(34,418,343)	(6,482,528)	-	-	(40,900,871)
Total buildings	214,375,968	(6,826,790)	-	-	207,549,178
Equipment	373,396	22,356	-	-	395,752
Less accumulated depreciation	(311,211)	(19,046)	-	-	(330,257)
Total equipment	62,185	3,310	-	-	65,495
Vehicles	50,081	28,119	-	(27,978)	50,222
Less accumulated depreciation	(30,920)	(7,233)	-	27,978	(10,175)
Total vehicles	19,161	20,886	-	-	40,047
Total other capital assets	\$ 218,486,776	\$ (6,843,164)	\$ -	\$ -	\$ 211,643,612
Capital asset summary:					
Capital assets not being depreciated	\$ 4,742,247	\$ 742,142	\$ -	\$ -	\$ 5,484,389
Other capital assets, at cost	253,785,826	(293,787)	-	(27,978)	253,464,061
Total cost of capital assets	258,528,073	448,355	-	(27,978)	258,948,450
Less accumulated depreciation	(35,299,050)	(6,549,377)	-	27,978	(41,820,449)
Capital assets, net	\$ 223,229,023	\$ (6,101,022)	\$ -	\$ -	\$ 217,128,001

\* Additions of \$1,037,710 to stadium expansion and scoreboard during the year ended December 31, 2016 were offset by a \$1,280,973, net sales tax rebate received on property purchased in prior years that reduced the costs basis of those assets. This resulted in a net additions balance of (\$344,262).

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

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

**DECEMBER 31, 2017**

	<b>Balance at December 31, 2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance at December 31, 2017</b>	<b>Amounts Due Within One Year</b>
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 AND CAPITAL LEASES**

**DECEMBER 31, 2016**

	<b>Balance at December 31, 2015</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance at December 31, 2016</b>	<b>Amounts Due Within One Year</b>
Bonds and notes payable and capital leases:					
Bonds payable	\$ 175,045,000	\$ -	\$ 8,475,000	\$ 166,570,000	\$ 8,160,000
Note payable	29,622,276	-	2,288,842	27,333,434	2,424,508
Capital lease obligations	-	-	-	-	-
Less deferred financing costs	(777,559)	-	(47,436)	(730,123)	(47,436)
Total bonds, notes, and capital leases	<u>\$ 203,889,717</u>	<u>\$ -</u>	<u>\$ 10,716,406</u>	<u>\$ 193,173,311</u>	<u>\$ 10,537,072</u>
Other liabilities:					
Amounts held in custody for others	\$ 5,866,873	\$ 1,518,559	\$ 1,389,352	\$ 5,996,080	\$ 1,816,536
Deferred revenue	69,688,810	29,699,202	35,969,590	63,418,422	35,418,538
Other liabilities	-	-	-	-	-
Total other liabilities	<u>\$ 75,555,683</u>	<u>\$ 31,217,761</u>	<u>\$ 37,358,942</u>	<u>\$ 69,414,502</u>	<u>\$ 37,235,074</u>

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF BONDS AND NOTE PAYABLE**

**DECEMBER 31, 2017**

<b>Issue</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Principal Outstanding 12/31/2016</b>	<b>(Redeemed) Issued</b>	<b>Principal Outstanding 12/31/2017</b>	<b>Interest Rates</b>	<b>Interest Outstanding 12/31/2017</b>
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	Variable	-
Series 2015A Bonds	November 1, 2015	53,045,000	47,590,000	(5,000,000)	42,590,000	Variable	-
Less deferred financing costs		(795,861)	(730,123)	47,436	(682,687)		-
<b>Total Bonds Payable</b>		<b>109,349,139</b>	<b>165,839,877</b>	<b>(8,112,564)</b>	<b>157,727,313</b>		<b>-</b>
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 AND NOTE PAYABLE**

**DECEMBER 31, 2016**

<b>Issue</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Principal Outstanding 12/31/2015</b>	<b>(Redeemed) Issued</b>	<b>Principal Outstanding 12/31/2016</b>	<b>Interest Rates</b>	<b>Interest Outstanding 12/31/2016</b>
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	52,000,000	(3,020,000)	48,980,000	2.49%	-
Series 2015A Bonds	November 1, 2015	53,045,000	53,045,000	(5,455,000)	47,590,000	2.42%	-
Less deferred financing costs		(795,861)	(777,559)	47,436	(730,123)		-
<b>Total Bonds Payable</b>		<b>109,349,139</b>	<b>174,267,441</b>	<b>(8,427,564)</b>	<b>165,839,877</b>		<b>-</b>
Term Loan	October 23, 2012	808,731	29,622,276	(2,288,842)	27,333,434	Variable	-
		<u>\$ 110,157,870</u>	<u>\$ 203,889,717</u>	<u>\$ (10,716,406)</u>	<u>\$ 193,173,311</u>		<u>\$ -</u>

See independent auditor's report on other financial information.



**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF BONDS PAYABLE AMORTIZATION**  
**YEAR ENDED DECEMBER 31, 2017**

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 8,102,000	Fixed/Variable	\$ 8,102,000
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>\$ 158,410,000</u>		<u>\$ 158,410,000</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, 2017 and 2016, and have issued our report thereon, dated April 13, 2018, 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 13, 2018.

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 13, 2018

**TIGER ATHLETIC FOUNDATION**

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

**YEARS ENDED DECEMBER 31, 2017 and DECEMBER 31, 2016**

	<u>2017</u>	<u>2016</u>
Rent expense	\$ 94,824	\$ 114,886
Telephone/Communications expenses	70,972	87,886
Ground lease payments	51,100	86,100
Security expenses	49,923	37,186
Compensation for LSU contract staff	47,483	111,468
Computing services contract payment	30,947	30,712
Parking expenses	29,490	38,566
Postage expense	23,806	21,629
Handling/Service fees	18,158	24,158
Miscellaneous expense	9,639	8,003
Repairs and maintenance expenses	9,200	50,094
Supplies expense	8,702	8,198
Travel for TAF staff/donors (lodging/airfare)	8,292	-
Club card printing and readers/equipment for stadium club	5,936	3,902
Fuel expense	1,700	1,700
Printing expense	1,520	1,440
	<u>\$ 461,692</u>	<u>\$ 625,928</u>

See independent auditor's report on other financial information.

OTHER SUPPLEMENTARY INFORMATION

**TIGER ATHLETIC FOUNDATION**

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2017</u>
Revenues and gains:				
Donations - TAF members	\$ 35,379,086	\$ 8,993,110	\$ 946,687	\$ 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 income	2,138,694	839,069	-	2,977,763
Net realized and unrealized gains	(40,987)	1,378,255	-	1,337,268
Merchandise revenue	-	-	-	-
Other revenue	436,783	-	-	436,783
Total revenues and gains	<u>52,167,738</u>	<u>11,210,434</u>	<u>946,687</u>	<u>64,324,859</u>
Net assets released from restrictions	13,294,608	(13,294,608)	-	-
Expenses:				
Program services:				
Contribution to LSU - athletic department	14,502,959	-	-	14,502,959
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	5,879,579	-	-	5,879,579
Fundraising	2,836,218	-	-	2,836,218
Total expenses	<u>37,107,557</u>	<u>-</u>	<u>-</u>	<u>37,107,557</u>
Increase (decrease) in net assets	<u>\$ 28,354,789</u>	<u>\$ (2,084,174)</u>	<u>\$ 946,687</u>	<u>\$ 27,217,302</u>

See independent auditor's report.

**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2016</u>
Revenues and gains:				
Donations - TAF members	\$ 36,134,085	\$ 9,170,389	\$ 2,711,887	\$ 48,016,361
Restricted revenue	-	-	-	-
Scoreboard sponsorships	3,750,000	-	-	3,750,000
Rents - University Club and LSU	8,739,203	-	-	8,739,203
Investment income	2,012,231	728,860	-	2,741,091
Net realized and unrealized gains	-	-	-	-
Merchandise revenue	-	-	-	-
Other revenue	673,348	-	-	673,348
Total revenues and gains	<u>51,308,867</u>	<u>9,899,249</u>	<u>2,711,887</u>	<u>63,920,003</u>
Net assets released from restrictions	5,344,229	(5,344,229)	-	-
Expenses:				
Program services:				
Contribution to LSU - athletic department	21,267,268	-	-	21,267,268
Contribution to LSU - non-athletic	439,233	-	-	439,233
Tiger Den Suites	4,565,639	-	-	4,565,639
Stadium Club	8,977,749	-	-	8,977,749
Alex Box Suites	376,646	-	-	376,646
Supporting activities:				
General and administrative	4,657,668	-	-	4,657,668
Fundraising	2,486,109	-	-	2,486,109
Total expenses	<u>42,770,312</u>	<u>-</u>	<u>-</u>	<u>42,770,312</u>
Increase in net assets	<u>\$ 13,882,784</u>	<u>\$ 4,555,020</u>	<u>\$ 2,711,887</u>	<u>\$ 21,149,691</u>

See independent auditor's report.

**TIGER ATHLETIC FOUNDATION**  
**STATEMENT OF REVENUES AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS**  
**YEAR ENDED DECEMBER 31, 2017**

	<b><u>Football</u></b>	<b><u>Men's Basketball</u></b>	<b><u>Women's Basketball</u></b>	<b><u>Other Sports</u></b>	<b><u>Non-Program Specific</u></b>	<b><u>Total</u></b>
<b>Revenues</b>						
Contributions	\$ 6,893,841	\$ 1,063,744	\$ 45,285	\$ 1,222,534	\$ 6,614,238	\$ 15,839,642
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>\$ 6,615,190</u>	<u>\$ 16,470,240</u>
<b>Expenses</b>						
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	6,068,437	13,195,635
Total expenses	<u>\$ 7,451,933</u>	<u>\$ 1,094,249</u>	<u>\$ 47,426</u>	<u>\$ 1,261,442</u>	<u>\$ 6,615,190</u>	<u>\$ 16,470,240</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 \$14,998,280; \$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**  
**STATEMENT OF REVENUES AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Football</u>	<u>Men's Basketball</u>	<u>Women's Basketball</u>	<u>Other Sports</u>	<u>Non-Program Specific</u>	<u>Total</u>
<b>Revenues</b>						
Contributions	\$ 1,491,420	\$ 385,315	\$ 26,109	\$ 14,196,415	\$ 6,301,665	\$ 22,400,924
Compensations and benefits provided by a third party	948,392	13,646	34,452	10,591	990	1,008,071
Total revenues	<u>\$ 2,439,812</u>	<u>\$ 398,961</u>	<u>\$ 60,561</u>	<u>\$ 14,207,006</u>	<u>\$ 6,302,655</u>	<u>\$ 23,408,995</u>
<b>Expenses</b>						
Coaching other compensation and benefits	\$ 644,929	\$ 13,646	\$ 6,435	\$ 10,591	\$ 991	\$ 676,592
Severance payments	303,463	-	28,017	-	-	331,480
Recruiting	277,397	39,028	3,598	72,398	-	392,421
Team travel	6,991	76	553	197,201	3,012	207,833
Equipment, uniforms, and supplies	4,604	7,097	312	76,874	833	89,720
Game expenses	146,770	7,093	-	94,067	-	247,930
Fundraising, marketing, and promotion	120,559	84,569	9,984	172,835	493,736	881,683
Direct facilities, maintenance, and rental	-	-	-	-	-	-
Spirit groups	-	-	-	-	2,456	2,456
Membership and dues	20,967	3,814	-	12,972	12,304	50,057
Other operating expenses	914,132	243,638	11,662	13,570,068	5,789,323	20,528,823
Total expenses	<u>\$ 2,439,812</u>	<u>\$ 398,961</u>	<u>\$ 60,561</u>	<u>\$ 14,207,006</u>	<u>\$ 6,302,655</u>	<u>\$ 23,408,995</u>

During the year ended December 31, 2016, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$21,706,501; \$1,397,104 from booster clubs; and \$305,390 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by Tiger Athletic Foundation.

See independent auditor's report.



**TIGER ATHLETIC FOUNDATION**

**PHILANTHROPIC ACTIVITY SUMMARY REPORT**

<b>Years</b>	<b><i>Unrestricted Contributions Team TAF Championship Donations</i></b>	<b><i>Temporarily Restricted Contributions</i></b>	<b><i>Permanently Restricted Contributions</i></b>	<b>Grand Total</b>	<b><i>Temporarily and Permanently Restricted Collections</i></b>
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, 2017 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, 2017 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 13, 2018

**TIGER ATHLETIC FOUNDATION**

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

**YEAR ENDED DECEMBER 31, 2017**

**Available Revenues**

Total unrestricted revenues of \$53,240,006 less total expenses (\$29,119,940 minus depreciation of \$6,493,326, amortization of \$140,000 and discretionary expenses of \$10,953,350). \$ 41,706,742

**Debt Service Requirements** \$ 15,537,006

Debt Service Coverage Ratio 2.68

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.