ATHLETIC DEPARTMENT
LOUISIANA STATE UNIVERSITY
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA

AGREED-UPON PROCEDURES REPORT
ISSUED FEBRUARY 11, 2009

LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397

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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

January 15, 2009

Independent Accountant's Report on the
Application of Agreed-Upon Procedures

DR. MICHAEL V. MARTIN, CHANCELLOR
LOUISIANA STATE UNIVERSITY
AND A&M COLLEGE
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as chancellor of the university, solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (Statement) of the Louisiana State University and A&M College (LSU) Athletic Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3 for the year ended June 30, 2008, and to assist you in your evaluation of the effectiveness of the university's internal control over financial reporting as of June 30, 2008. LSU's management is responsible for the Statement (unaudited) and related notes (unaudited) and compliance with NCAA requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of LSU. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

STATEMENT OF REVENUES AND EXPENSES

GENERAL PROCEDURES

1. We obtained written representations from management as to the fair presentation of the Statement, completeness of required schedules and related financial information, adequacy of controls, compliance with NCAA rules and regulations, and other information we considered necessary for the year ended June 30, 2008.

In its representation letter, management disclosed minor instances of Level II secondary violations of NCAA rules and regulations, which were self-reported to the NCAA during the year ended June 30, 2008.

We found no exceptions as a result of these procedures.

2. We verified the mathematical accuracy of the amounts on the Statement and agreed the amounts to supporting schedules provided by the university and the university's general ledger.

   We found no exceptions as a result of these procedures.

3. We determined that the university's internal auditor issued no audit reports related to the intercollegiate athletics program during fiscal year 2008.

4. We compared each operating revenue and expense category for June 30, 2007, and June 30, 2008, to identify variances of 5 percent and greater than $50,000 between individual revenue and expense categories that are 5 percent or more of the total.

   As a result of our procedure, we identified variances of 5 percent and greater than $50,000 in the following categories that are 5 percent or more of the total:

   <u>Revenues</u>
   Football:
     Contributions
     NCAA/Conference distributions
   Non-program specific:
     Contributions
     Broadcast, television, radio, and Internet rights

   <u>Expenses</u>
   Football - coaching salaries paid by the university
   Non-program specific:
     Support staff/administrative salaries paid by the university
     Direct facilities, maintenance, and rental
     Other operating expenses

   We obtained and documented the university's explanations for these variances.

   We found no exceptions as a result of these procedures.

5. We compared the budgeted revenues and expenses to actual revenues and expenses related to athletics in the university's general ledger for the year ended June 30, 2008, to identify any variances of 25 percent or greater in individual revenue and expense accounts that are 5 percent or more of the total.

   As a result of our procedure on revenues and expenses, we identified a variance of 25 percent or greater in the following individual revenue account that is 5 percent or more of the total:

   Revenues
   Tradition Fund

   We obtained and documented the university's explanation for this variance.

   We found no exceptions as a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES

1. We obtained the football, baseball, and men's basketball game statements for all home games and compared the amounts reported to the revenue recorded in the general ledger and reported on the Statement to determine if the variances total less than 1 percent. We also selected 10 operating revenue receipts from the ticket sales category and agreed to adequate supporting documentation.

   We found no exceptions as a result of these procedures.

2. For the football, baseball, and men's basketball games with game guarantee settlements, we agreed the amounts recorded in the general ledger to the contractual agreements. We recalculated the settlement reports for the games tested.

   We found no exceptions as a result of these procedures.

3. We obtained information on Tradition Fund contribution revenue. For contributions related to season tickets, this included the contribution amount for each section in the stadium and the number of seats in each section required to make the contribution. For contributions related to parking permits, this included the contribution amount for each type of parking lot and the number of parking permits in each type of lot required to make the contribution. We calculated Tradition Fund contribution revenue using this information and compared to the amount recorded in the general ledger to identify variances of 5 percent or greater.

   We identified no variances that were 5 percent or greater for Tradition Fund contribution revenue.

4. Based on the relevant terms and conditions of agreements related to the university's participation in revenues from football post-season activity during the period, we compared and agreed the related revenues to the general ledger. We recalculated the totals.

   We found no exceptions as a result of these procedures.

5. Based on the relevant terms and conditions of one agreement related to the university's participation in revenues from broadcasts, television, radio, and Internet rights during the period, we compared and agreed the related revenues to the general ledger. We recalculated the totals.

   We found no exceptions as a result of these procedures.

6. We selected two operating revenue receipts from the program sales, concessions, novelty sales, and parking category and agreed to adequate supporting documentation. We recalculated the totals.

   We found no exceptions as a result of this procedure.

7. Based on the relevant terms and conditions of one agreement related to the university's participation in revenues from royalties, licensing, advertisements, and sponsorships during the period, we compared and agreed the related revenues to the general ledger. We recalculated the totals.

   We found no exceptions as a result of these procedures.

8. We selected one operating revenue receipt from each category not previously mentioned and agreed to adequate supporting documentation.

   We found no exceptions as a result of this procedure.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

1. We selected a sample of five athletic scholarship expense transactions, excluding transactions for non-athletes (e.g., band members, student trainers, et cetera), from the general ledger and identified the students included in the transactions. We obtained individual student-account detail for each selection and compared total aid allocated from the related aid award letter to the student's account. We recalculated the totals.

   We found no exceptions as a result of these procedures.

2. We selected the football, baseball, and men's basketball games with game guarantee expenses and agreed the amounts to the general ledger and to the contractual agreements. We recalculated the settlement reports for the games tested.

We found no exceptions as a result of these procedures.

3. We obtained from management a list of coaches and support staff/administrative personnel paid by the university and selected four coaches from football, baseball, and men's and women's basketball, and three support staff/administrative personnel. The following procedures were performed:

   (a) We compared and agreed the financial terms and conditions in the contract of each coach selected to the related coaching salaries, benefits, and other compensation recorded in the university's payroll and accounts payable systems during the reporting period.

   (b) We obtained and inspected W-2s and 1099s for each selection.

   (c) We compared and agreed related W-2s and 1099s for each selection to the related salaries, benefits, and other compensation recorded in the university's payroll and accounts payable systems during the reporting period.

   We found no exceptions as a result of these procedures.

4. We obtained and inspected a listing of coaches' salaries paid by third parties during the reporting period. We compared and agreed the financial terms and conditions in the coaches' contracts to the related coaching other compensation and benefits paid by a third party recorded by the university in the Statement during the reporting period.

   We found no exceptions as a result of these procedures.

5. Using a list prepared by the university, we selected an athletic employee with a severance payment and agreed the severance pay to the related settlement agreement. We recalculated the totals.

   We found no exceptions as a result of these procedures.

6. We compared and agreed the university's recruiting expense policies to existing university and NCAA-related policies. We selected four recruiting expenses and agreed to adequate supporting documentation. We recalculated the totals.

   We found no exceptions as a result of these procedures.

7. We compared and agreed the university's team travel policies to existing university and NCAA-related policies. We selected nine team travel expenses and agreed to adequate supporting documentation. In addition, we obtained documentation of football team travel expenses for the BCS National Championship Game and followed selected transactions through the university's

internal control system to determine adherence to established policies and procedures.

We found no exceptions as a result of these procedures.

8. We selected two equipment, uniforms, and supplies expenses and agreed to adequate supporting documentation. We recalculated the totals.

   We found no exceptions as a result of this procedure.

9. We selected four direct facilities, maintenance, and rental expense transactions and agreed to adequate supporting documentation. We recalculated the totals.

   We found no exceptions as a result of this procedure.

10. We selected two spirit group travel expenses and agreed to adequate supporting documentation. We recalculated the totals.

    We found no exceptions as a result of this procedure.

11. We selected six operating expenses, including two administrative travel expenses, from the other operating expense category and agreed to adequate supporting documentation. We recalculated the totals.

    We found no exceptions as a result of this procedure.

12. We selected one operating expense from each category not previously mentioned above and agreed to adequate supporting documentation. We recalculated the totals.

    We found no exceptions as a result of this procedure.

MINIMUM AGREED-UPON PROCEDURES FOR NOTES AND DISCLOSURES

1. We obtained from university management a list of contributions received by the athletic department to identify any individual contributions that constitute more than 10 percent of total contributions. We obtained and reviewed supporting documentation for such contributions and ensured that the source of funds, goods, and services, as well as the value associated with these items, is disclosed within the notes to the Statement.

   No individuals or outside organizations, other than the Tiger Athletic Foundation, contributed monies, goods, or services for or on behalf of the athletic department that exceeded 10 percent of the total contributions included in Statement A. The value of the contributions from the Tiger Athletic Foundation is disclosed in note 1.

2. We obtained a description of the university's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets along with a schedule of changes in those assets. We agreed the schedule of changes to supporting schedules provided by the university and the university's general ledger. We agreed the Tiger Athletic Foundation's capital asset schedule to its audited financial statements for the year ended December 31, 2007. We ensured that the university's policies and procedures and schedule of changes are properly disclosed within the notes to the Statement.

   We were provided the capital asset information by management (note 2) and found no exceptions as a result of these procedures.

3. We obtained the repayment schedules for all outstanding intercollegiate athletics debt maintained by the university during the reporting period. We recalculated annual maturities and agreed to supporting schedules provided by the university and the university's general ledger. We agreed the Tiger Athletic Foundation's repayment schedules to its audited financial statements for the year ended December 31, 2007. We ensured that the repayment schedules are properly disclosed within the notes to the Statement.

   We found no exceptions as a result of these procedures. The repayment schedules are disclosed in note 3.

MINIMUM AGREED-UPON PROCEDURES FOR AFFILIATED AND OUTSIDE ORGANIZATIONS

1. We obtained written representation from management of the university that the Tiger Athletic Foundation and the LSU Track and Field Officials Association were the only outside organizations created for or on behalf of the athletic department. The LSU Track and Field Officials Association does not make any disbursements on behalf of the athletic department. Instead, the LSU Track and Field Officials Association supports athletics with direct contributions to the Tiger Athletic Foundation. For the year ended December 31, 2007, the LSU Track and Field Officials Association donated $57,000 to the Tiger Athletic Foundation.

2. We obtained from management a summary of revenues and expenses for or on behalf of intercollegiate athletics programs by the Tiger Athletic Foundation to be included with the agreed-upon procedures report. We obtained written representations as to the fair presentation of the summary and agreed the amounts reported to the Tiger Athletic Foundation's general ledger and audited financial statements for the year ended December 31, 2007.

   The following is the summary of revenues and expenses for or on behalf of intercollegiate athletics programs by the Tiger Athletic Foundation for the year ended December 31, 2007:

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
REVENUES						
Contributions	$1,429,287	$81,409	$312,437	$779,086	$6,913,554	$9,515,773
Compensation and benefits provided by a third party	512,000					512,000
Total revenues	1,941,287	81,409	312,437	779,086	6,913,554	10,027,773
EXPENSES						
Coaching other compensation and benefits paid by a third party	512,000					512,000
Severance payments			85,000			85,000
Recruiting	41,910	3,509	8,466	24,808	45,000	123,693
Team travel	234	302	3,078	12,380	1,512	17,506
Equipment, uniforms, and supplies	12,808	770		48,496	1,875	63,949
Game expenses	48,371		710	49,782	2,555	101,418
Fund raising, marketing, and promotion	119,817	5,208	75,948	147,596	349,586	698,155
Spirit groups					48,977	48,977
Membership and dues	26,857		1,628	4,517	3,509	36,511
Other operating expense	1,179,290	71,620	137,607	491,507	6,460,540	8,340,564
Total expenses	1,941,287	81,409	312,437	779,086	6,913,554	10,027,773
EXCESS (Deficiency) OF REVENUES OVER EXPENSES	NONE	NONE	NONE	NONE	NONE	NONE

These amounts include contributions totaling $8,551,984 from the Tiger Athletic Foundation; $1,084,007 from booster clubs; and $391,782 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by the Tiger Athletic Foundation.

3. We obtained the independent auditor's reports for all outside organizations that had an independent audit to identify any significant deficiencies relating to their internal control and made inquiries of management to document any corrective action taken in response to the significant deficiencies.

   The financial statements of the Tiger Athletic Foundation for the year ended December 31, 2007, were audited by an independent certified public accounting firm. The audit report is dated March 20, 2008, and includes no significant deficiencies relating to the outside organization's internal control.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Revenues and Expenses and related notes of the Louisiana State University and A&M College Athletic Department or on its compliance with NCAA Bylaw 6.2.3 or on the effectiveness of the LSU Athletic Department's internal control over financial reporting for the year ended June 30, 2008. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the chancellor of the Louisiana State University and A&M College and is not intended to be, and should not be, used by anyone other than the chancellor. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

Steve J. Theriot, CPA
Legislative Auditor

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Statement A

ATHLETIC DEPARTMENT
LOUISIANA STATE UNIVERSITY AND A&M COLLEGE
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA

Statement of Revenues and Expenses
For the Year Ended June 30, 2008

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON-PROGRAM SPECIFIC	TOTAL
REVENUES						
Operating Revenues:						
Ticket sales	$23,917,424	$1,554,668	$417,358	$1,555,351	$1,074,427	$28,519,228
Game guarantees	1,402,330	96,136				1,498,466
Contributions	14,782,635	131,408	362,437	999,483	6,976,054	23,252,017
Compensation and benefits provided by a third party	616,850	27,350		90,605	81,050	815,855
NCAA/Conference distributions including all tournament revenues	10,222,893	3,033,926	68,339	241,487	611,971	14,178,616
Broadcast, television, radio, and Internet rights					6,841,868	6,841,868
Program sales, concessions, novelty sales, and parking	2,362,431	98,558	13,700	213,470	2,640,618	5,328,777
Royalties, advertisements, and sponsorships					2,345,902	2,345,902
Endowment and investment income					1,176,641	1,176,641
Other					1,060,835	1,060,835
Total operating revenues	53,304,563	4,942,046	861,834	3,100,396	22,809,366	85,018,205
EXPENSES						
Operating Expenses:						
Athletics student aid	2,651,297	383,134	426,018	3,849,392	470,064	7,779,905
Game guarantees	1,470,000	278,500	34,000	60,792		1,843,292
Coaching salaries and benefits paid by the university and related entities	6,032,290	1,877,507	1,158,508	3,741,963		12,810,268
Coaching other compensation and benefits paid by a third party	599,350	27,350		90,605		717,305
Support staff/administrative salaries and benefits paid by the university and related entities	1,261,211	98,489	150,031	307,445	10,875,325	12,692,501
Support staff/administrative other compensation and benefits paid by a third party	17,500				81,050	98,550
Severance payments	30,000	71,159	110,236	27,907	32,433	271,735
Recruiting	425,712	94,333	112,630	397,209	48,303	1,078,187
Team travel	1,261,902	441,263	408,382	2,018,173	12,940	4,142,660
Equipment, uniforms, and supplies	994,209	68,751	90,132	838,465	363,949	2,355,506
Game expenses	518,448	249,567	120,658	394,319	2,756,269	4,039,261
Fund raising, marketing, and promotion	119,817	5,208	75,948	147,654	498,067	846,694
Direct facilities, maintenance, and rental	37,356	4,883	7,914	20,105	15,434,545	15,504,803
Spirit groups					582,238	582,238
Medical expenses and medical insurance	146,617	39,847	33,748	195,794	237,054	653,060
Memberships and dues	28,358	465	2,544	14,453	17,834	63,654
Other operating expense	2,930,961	162,987	387,844	1,292,019	10,897,399	15,671,210
Total operating expenses	18,525,028	3,803,443	3,118,593	13,396,295	42,307,470	81,150,829
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES	$34,779,535	$1,138,603	($2,256,759)	($10,295,899)	($19,498,104)	$3,867,376

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INTRODUCTION

Louisiana State University and A&M College (LSU), a part of the Louisiana State University System, is a publicly supported institution of higher education. The system is a component unit of the State of Louisiana within the executive branch of government. The LSU Athletic Department is a part of the operations of LSU's auxiliary enterprises. LSU uses the fiscal year July 1 through June 30 for financial reporting purposes.

The LSU Athletic Department is supported by the Tiger Athletic Foundation (TAF). TAF was founded on May 17, 1983, as a nonprofit corporation under Louisiana Revised Statute 12:201(7). The foundation's primary objective is to encourage support and raise funds for LSU and its intercollegiate athletics program. Funds are primarily used to defray the costs of scholarships, to help maintain and improve LSU's athletic facilities, and to retire present indebtedness. The foundation is governed by a board of directors elected from its membership. TAF's activities are monitored by the board of directors in cooperation with and approval of the LSU Athletic Department. TAF escrow accounts, which include booster clubs and affiliated chapters, are deposits in which the foundation acts as custodian or fiscal agent on behalf of booster organizations. TAF acts as a nonaffiliated party to oversee the revenues generated by booster clubs and affiliated chapters and to provide institutional control as required by NCAA rules. TAF uses the calendar year for financial reporting purposes.

The accompanying statement of revenues and expenses presents information as to the transactions for the intercollegiate athletics program of both LSU and TAF for their fiscal years ended June 30, 2008, and December 31, 2007, respectively.

1. CONTRIBUTIONS

No individuals or outside organizations, other than TAF, contributed monies, goods, or services for or on behalf of the athletic department that exceeded 10 percent of the total contributions included in Statement A.

The athletic department received contributions totaling $10,027,773 from TAF for the year ended December 31, 2007. Contributions from TAF on Statement A reflect gifts in the form of goods, services, and benefits paid for or on behalf of the athletic department as follows:

Contributions	$9,515,773
Compensation and benefits provided by a third party	512,000
Total	$10,027,773

2. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the university system's capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that total $100,000 or more and significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, and 3 to 10 years for most movable property. All departments within the university follow standardized policies and procedures for acquiring, approving, depreciating, and disposing of capital assets.

Cooperative Endeavors - Expansion of Tiger Stadium

On December 21, 1998, LSU entered into a cooperative endeavor agreement with TAF for an addition to the east side of Tiger Stadium. TAF agrees to lease a parcel of land located adjacent to Tiger Stadium for up to 50 years and to construct additional seats on the land as part of Tiger Stadium, including approximately 70 skyboxes. LSU will lease these stadium improvements from TAF for $2 million per year for a 35-year lease term or until TAF donates such improvements to LSU. The estimated value to LSU of this addition over the term of the agreement is approximately $49 million. The cooperative endeavor agreement will end on April 4, 2049.

On September 26, 2003, LSU entered into a cooperative endeavor agreement with TAF for the expansion and renovation of the west side of Tiger Stadium. TAF agrees to lease land and certain existing improvements for the purpose of expanding and renovating facilities and to complete general stadium improvements. Effective September 1, 2005, LSU leased these improvements from TAF for $2.5 million per year for a 35-year lease term or until TAF donates such improvements to LSU. The estimated value to LSU of this addition over the term of the agreement is approximately $100 million. This agreement is scheduled to expire on March 31, 2041.

Property and Equipment - TAF

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 $500. Property and equipment is depreciated using the straight-line method over estimated useful lives of 5 to 50 years.

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

Capital asset activity for the athletic department for the year ended June 30, 2008, is as follows:

LSU ATHLETIC DEPARTMENT

	Balance June 30, 2007	Prior Period Adjustment	Restated Balance June 30, 2007	Additions	Transfers	Retirements	Balance June 30, 2008
Capital assets not being depreciated:							
Construction-in-progress	$2,420,199	$18,443	$2,438,642	$22,753,070	($175,042)	NONE	$25,016,670
Other capital assets:							
Depreciable land improvements	$1,965,662		$1,965,662	$222,077	$40,193		$2,227,932
Less - accumulated depreciation	(894,495)	($2)	(894,497)	(78,009)			(972,506)
Total land improvements	1,071,167	(2)	1,071,165	144,068	40,193	NONE	1,255,426
Buildings	79,369,693	(198,725)	79,170,968	26,961,738	134,849		106,267,555
Less - accumulated depreciation	(39,781,110)	129,171	(39,651,939)	(2,528,812)			(42,180,751)
Total buildings	39,588,583	(69,554)	39,519,029	24,432,926	134,849	NONE	64,086,804
Equipment	6,222,446		6,222,446	545,978		($927,876)	5,840,548
Less - accumulated depreciation	(5,253,827)		(5,253,827)	(418,674)		927,876	(4,744,625)
Total equipment	968,619	NONE	968,619	127,304	NONE	NONE	1,095,923
Total other capital assets	$41,628,369	($69,556)	$41,558,813	$24,704,298	$175,042	NONE	$66,438,153
Capital asset summary:							
Capital assets not being depreciated	$2,420,199	$18,443	$2,438,642	$22,753,070	($175,042)		$25,016,670
Other capital assets, at cost	87,557,801	(198,725)	87,359,076	27,729,793	175,042	($927,876)	114,336,035
Total cost of capital assets	89,978,000	(180,282)	89,797,718	50,482,863	NONE	(927,876)	139,352,705
Less - accumulated depreciation	(45,929,432)	129,169	(45,800,263)	(3,025,495)	NONE	927,876	(47,897,882)
Capital assets, net	$44,048,568	($51,113)	$43,997,455	$47,457,368	NONE	NONE	$91,454,823

Additions to buildings for the athletic department include $26,881,692 in property donated to the university by TAF during the fiscal year ended June 30, 2008. The additions, which were recorded at fair market value, include the Football Operations Center, Tiger Stadium improvements, and the tiger habitat. TAF presents the donation as a $25,593,284 transfer out of construction-in-progress on its capital asset schedule. The property was valued at cost in TAF's accounting records.

Capital asset activity for TAF for the year ended December 31, 2007, is as follows:

TAF

	Balance December 31, 2006	Prior Period Adjustment	Restated Balance December 31, 2006	Additions	Transfers	Balance December 31, 2007
Capital assets not being depreciated:						
Land	$3,090,000		$3,090,000			$3,090,000
Construction-in-progress	25,796,736	($213,087)	25,583,649	$93,874	($25,600,935)	76,588
Total capital assets not being depreciated	$28,886,736	($213,087)	$28,673,649	$93,874	($25,600,935)	$3,166,588
Other capital assets:						
Land and improvements	$1,612,507		$1,612,507		$7,651	$1,620,158
Less - accumulated depreciation	(272,319)		(272,319)	($58,587)		(330,906)
Total land improvements	1,340,188	NONE	1,340,188	(58,587)	7,651	1,289,252
Buildings	129,008,980	$213,087	129,222,067	767,212		129,989,279
Less - accumulated depreciation	(5,827,389)		(5,827,389)	(2,155,534)		(7,982,923)
Total buildings	123,181,591	213,087	123,394,678	(1,388,322)	NONE	122,006,356
Equipment	395,213		395,213	55,882		451,095
Less - accumulated depreciation	(263,568)		(263,568)	(35,974)		(299,542)
Total equipment	131,645	NONE	131,645	19,908	NONE	151,553
Vehicles	NONE	NONE	NONE	25,580	NONE	25,580
Total vehicles	NONE	NONE	NONE	25,580	NONE	25,580
Total other capital assets	$124,653,424	$213,087	$124,866,511	($1,401,421)	$7,651	$123,472,741
Capital asset summary:						
Capital assets not being depreciated	$28,886,736	($213,087)	$28,673,649	$93,874	($25,600,935)	$3,166,588
Other capital assets, at cost	131,016,700	213,087	131,229,787	848,674	7,651	132,086,112
Total cost of capital assets	159,903,436	NONE	159,903,436	942,548	(25,593,284)	135,252,700
Less - accumulated depreciation	(6,363,276)	NONE	(6,363,276)	(2,250,095)	NONE	(8,613,371)
Capital assets, net	$153,540,160	NONE	$153,540,160	($1,307,547)	($25,593,284)	$126,639,329

UNAUDITED

3. LONG-TERM LIABILITIES

Notes Payable - LSU Athletic Department

The LSU Athletic Department has no installment purchase agreements. LSU had previously entered into a loan agreement with the Louisiana Public Facilities Authority (LPFA) for the improvement and expansion of various athletic facilities. During the year ended June 30, 2008, the loan was refunded using proceeds from the 2008 bond issue below.

Notes Payable - TAF

The following is a summary of notes payable for TAF for the year ended December 31, 2007:

Issue	Date of Issue	Principal Outstanding December 31, 2006	(Redeemed) Issued	Principal Outstanding December 31, 2007	Interest Rates	Maturities
Capital One Term and Revolver Loan	July 26, 2001	$1,736,336	NONE	$1,736,336	Variable	2008-2009

The notes payable is secured by a lien on pledged revenues. On March 15, 2007, an amendment was made to the original loan agreement which waived the principal payment due on September 1, 2007, and amended the payment schedule so that the 2007 principal payment will be paid on September 1, 2008 and 2009, in addition to the already scheduled principal payment.

The following is the amortization schedule for the outstanding notes payable for TAF as of December 31, 2007:

Fiscal Year Ending	Principal	Interest
2008	$868,168	Variable
2009	868,168	Variable
Total	$1,736,336	

Bonds Payable - LSU Athletic Department

The following is a detailed summary of bonds payable for the athletic department for the year ended June 30, 2008:

Issue	Date of Issue	Original Issue	Principal Outstanding June 30, 2007	(Redeemed) Issued	Principal Outstanding June 30, 2008	Interest Rates	Maturities	Interest Outstanding June 30, 2008
2005 A, B	June 2, 2005	$12,325,000	$10,865,000	($6,505,000)	$4,360,000	3.0% to 5.0%	2008-2017	$909,174
2006	August 9, 2006	47,280,000	47,280,000		47,280,000	4.0% to 5.0%	2008-2036	44,810,209
2007	December 11, 2007	24,091,200		23,966,500	23,966,500	4.0% to 5.0%	2008-2037	20,697,757
2008	June 27, 2008	9,095,000		8,950,000	8,950,000	2.0% to 5.0%	2008-2026	3,943,449
Total		$92,791,200	$58,145,000	$26,411,500	$84,556,500			$70,360,589

Originally, the 2005 bond issue consisted of refunding the Series 1996 bonds for $9,995,000 (2005A for $3,965,000 and 2005B for $6,030,000) and of refunding the Series 1997 bonds for $2,330,000. The interest rate structure for the 2005B bonds included a separate interest rate swap agreement. However, the 2008 bond issue refunded the 2005B bonds as well as the 1988 LPFA loan agreement. The interest rate swap was terminated with the refunding of the 2005B bonds.

The 2006 bond issue will fund the construction of the new Alex Box Stadium and the new Women's Softball Complex. The 2007 bond issue will fund renovations and additions to various athletic facilities, including parking facilities.

The following is the amortization schedule for the outstanding bonds payable for the athletic department as of June 30, 2008:

Fiscal Year Ending	Principal	Interest	Total
2009	$2,343,000	$3,984,662	$6,327,662
2010	2,430,900	3,881,659	6,312,559
2011	1,558,800	3,784,423	5,343,223
2012	1,736,700	3,722,071	5,458,771
2013	1,806,700	3,652,603	5,459,303
2014-2018	10,174,900	17,046,413	27,221,313
2019-2023	12,750,600	14,502,287	27,252,887
2024-2028	15,767,400	11,156,080	26,923,480
2029-2033	20,017,700	6,900,490	26,918,190
2034-2037	15,969,800	1,729,901	17,699,701
Total	$84,556,500	$70,360,589	$154,917,089

Bonds Payable - TAF

The following is a detailed summary of bonds payable for TAF for the year ended December 31, 2007:

Issue	Date of Issue	Original Issue	Principal Outstanding December 31, 2006	(Redeemed) Issued	Principal Outstanding December 31, 2007	Interest Rates	Maturities
Series 1999 Bonds	March 4, 1999	$43,575,000	$43,575,000		$43,575,000	Variable	2010-2028
Series 2001 Bonds	July 26, 2001	10,200,000	2,000,000	($1,300,000)	700,000	Variable	2008-2011
Series 2004 Bonds	March 23, 2004	90,000,000	87,000,000		87,000,000	Variable	2008-2034
Total		$143,775,000	$132,575,000	($1,300,000)	$131,275,000		

UNAUDITED

In 1999, the foundation issued $43,575,000 in revenue bonds for financing or reimbursing a portion of the cost of certain improvements and renovations to the East Side Upper Deck of Tiger Stadium at LSU.

In 2001, the foundation issued $10,200,000 in revenue bonds for certain improvements and renovations to the Gym Armory at LSU.

In 2004, the foundation issued $90,000,000 in revenue bonds for financing or reimbursing a portion of the cost of certain improvements and renovations to the West Side Upper Deck at LSU's Tiger Stadium and construction of the Football Operations Center, as well as miscellaneous improvements to Tiger Stadium. On March 15, 2007, an amendment was made to the original loan agreement that 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.

The following is the amortization schedule for the outstanding bonds payable for TAF as of December 31, 2007:

Fiscal Year Ending	Principal	Interest
2008	$2,390,000	Variable
2009	1,775,000	Variable
2010	3,335,000	Variable
2011	3,490,000	Variable
2012	3,660,000	Variable
2013-2017	21,135,000	Variable
2018-2022	26,725,000	Variable
2023-2027	33,820,000	Variable
2028-2032	27,720,000	Variable
2033-2034	7,225,000	Variable
Total	$131,275,000	

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