

TIGER ATHLETIC
FOUNDATION

Financial Statements

December 31, 2008 and 2007

TIGER ATHLETIC FOUNDATION
FINANCIAL STATEMENTS, OTHER FINANCIAL INFORMATION, AND
SUPPLEMENTAL INFORMATION
DECEMBER 31, 2008 AND 2007

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of Tiger Athletic Foundation (a nonprofit organization) as of December 31, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Tiger Athletic Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tiger Athletic Foundation as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

A Professional Accounting Corporation

Baton Rouge, Louisiana
March 9, 2009

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TIGER ATHLETIC FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2008 and 2007

ASSETS

	<u>2008</u>	<u>2007</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 2,695,865	\$ 1,553,228
Restricted cash	47,410,067	39,188,694
Accrued interest receivable	-	-
Investments	-	-
Accounts receivable, net	2,479,256	1,527,466
Unconditional promises to give, net	5,675,522	3,233,091
Inventories	-	-
Deferred charges and prepaid expenses	569,770	577,208
Notes receivable	-	-
Other current assets	10,946,118	7,216,250
Total current assets	<u>69,776,598</u>	<u>53,295,937</u>
<u>NONCURRENT ASSETS</u>		
Restricted assets:		
Cash and cash equivalents	106,358	98,250
Investments	3,552,927	3,631,307
Accounts receivable, net	-	-
Notes receivable	-	-
Other	-	-
Investments	-	-
Unconditional promises to give, net	8,768,397	5,396,129
Notes receivable	-	-
Property and equipment, net	129,979,869	126,639,329
Assets under capital leases, net	-	-
Other noncurrent assets	16,641,439	12,454,271
Total noncurrent assets	<u>159,048,990</u>	<u>148,219,286</u>
Total assets	<u>\$ 228,825,588</u>	<u>\$ 201,515,223</u>

The accompanying notes are an integral part of these statements.

LIABILITIES AND NET ASSETS

	2008	2007
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 2,091,490	\$ 308,275
Accounts payable - construction in progress	1,455,066	1,364,952
Deferred revenues	19,830,232	7,397,560
Amounts held in custody for others	6,012,347	4,008,456
Compensated absences payable	-	-
Capital lease obligations	-	-
Line-of-credit	-	-
Note payable	-	868,168
Contracts payable	-	-
Bonds payable	1,775,000	2,390,000
Other current liabilities	286,431	2,991
Total current liabilities	31,450,566	16,340,402
<u>NONCURRENT LIABILITIES</u>		
Amounts held in custody for others	-	-
Compensated absences payable	-	-
Capital lease obligations	-	-
Note payable	-	868,168
Contracts payable	-	-
Bonds payable	127,110,000	128,885,000
Other noncurrent liabilities	17,465,610	9,156,323
Total noncurrent liabilities	144,575,610	138,909,491
Total liabilities	176,026,176	155,249,893
<u>NET ASSETS</u>		
Unrestricted		
Undesignated	10,392,572	10,247,351
Designated	21,887,701	16,438,556
Temporarily restricted	14,497,135	14,410,967
Permanently restricted	6,022,004	5,168,456
Total net assets	52,799,412	46,265,330
Total liabilities and net assets	\$ 228,825,588	\$ 201,515,223

Tiger Athletic Foundation

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Change in unrestricted net assets		
Unrestricted Revenues:		
Contributions	\$ 19,508,821	\$ 16,712,660
Investment earnings	(289,316)	1,399,503
Service fees	-	-
Other revenues	6,705,127	6,581,580
Total unrestricted revenues	<u>25,924,632</u>	<u>24,693,743</u>
Net assets released from restrictions:		
Satisfaction of program expenses	7,768,168	2,659,154
Total net assets released from restrictions	<u>7,768,168</u>	<u>2,659,154</u>
Total unrestricted revenues and other support	<u>33,692,800</u>	<u>27,352,897</u>
Program expenses:		
Amounts paid to benefit Louisiana State University for:		
Projects specified by donors	-	-
Projects specified by the Board of Directors	10,648,537	34,145,272
Other	9,257,534	10,295,516
Total program expenses	<u>19,906,071</u>	<u>44,440,788</u>
Supporting services:		
Salaries and benefits	1,648,247	1,408,751
Occupancy	137,663	166,118
Office operations	115,545	118,688
Travel	-	-
Professional services	64,245	73,816
Dues and subscriptions	22,211	27,887
Meetings and development	17,946	16,758
Depreciation	-	-
Provision for uncollectible accounts	-	-
Loss on sale of assets	-	-
Other	530,612	696,751
Total supporting services	<u>2,536,469</u>	<u>2,508,769</u>
Fund-raising expenses	<u>1,648,786</u>	<u>645,032</u>
Total expenses	<u>24,091,326</u>	<u>47,594,589</u>
Change in unrestricted net assets	<u>9,601,474</u>	<u>(20,241,692)</u>

The accompanying notes are an integral part of these statements.

Tiger Athletic Foundation

STATEMENTS OF ACTIVITIES CONTINUED
YEARS ENDED DECEMBER 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Change in temporarily restricted net assets:		
Temporarily Restricted Revenues:		
Contributions, net of provision for uncollectible accounts	\$ 7,854,336	\$ 5,879,055
Investment earnings	-	-
Total temporarily restricted revenues	<u>7,854,336</u>	<u>5,879,055</u>
Net assets released from restrictions:		
Satisfaction of program expenses	<u>(7,768,168)</u>	<u>(2,659,154)</u>
Total temporarily restricted revenues and other support	<u>86,168</u>	<u>3,219,901</u>
Change in temporarily restricted net assets	<u>86,168</u>	<u>3,219,901</u>
Change in permanently restricted net assets:		
Permanently Restricted Revenues:		
Contributions	853,548	3,713,593
Investment (loss) earnings	-	33,514
Total permanently restricted revenue	<u>853,548</u>	<u>3,747,107</u>
Transfers to LSU Foundation	-	-
Change in permanently restricted net assets	<u>853,548</u>	<u>3,747,107</u>
Change in net assets	10,541,190	(13,274,684)
Net assets at beginning of year	46,265,330	60,619,113
Change in fair value of Interest Rate Swap Agreement	<u>(4,007,108)</u>	<u>(1,079,099)</u>
Net assets at end of year	<u>\$ 52,799,412</u>	<u>\$ 46,265,330</u>

The accompanying notes are an integral part of these statements.

Tiger Athletic Foundation

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2008

	Program Services			
	Contributions to LSU Athletic	Contributions to LSU Nonathletic	Tiger Den Suites	Stadium Club
Salaries and wages	\$ -	\$ -	\$ -	\$ -
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Contributions to LSU	9,230,912	139,669	-	-
Coaches' supplement	512,000	-	-	-
Scoreboard expenses	90,360	-	-	-
Marketing and publicity	-	-	15,898	-
Dues and subscriptions	1,619	-	-	-
Professional fees	197,579	-	-	-
Academic awards	-	120,000	-	-
LSU Campus Transportation and Development Fund	-	28,065	-	-
LSU System Transportation Fund	-	33,460	-	-
Tickets purchased	-	-	-	-
Letter of credit and remarketing fees	-	-	453,867	104,473
Interest expense	-	-	1,812,865	2,820,133
Catering and other expenses	-	-	657,351	765,622
Management fee	-	-	110,000	70,000
Occupancy	-	-	-	25,000
Parking	-	-	45,600	-
Repairs and maintenance	-	-	29,698	135,233
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Baseball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	-	-
Insurance	-	-	117,105	109,371
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	294,873	-	473,121	1,512,197
Total expenses	\$ 10,327,343	\$ 321,194	\$ 3,715,505	\$ 5,542,029

The accompanying notes are an integral part of these statements.

	Supporting Services	Fund- Raising	Total
Salaries and wages	\$ 1,327,840	\$ 604,178	\$ 1,932,018
Payroll taxes	74,812	43,775	118,587
Employee benefits	245,595	90,025	335,620
Contributions to LSU	-	27,500	9,398,081
Coaches' supplement	-	-	512,000
Scoreboard expenses	-	-	90,360
Marketing and publicity	-	74,350	90,248
Dues and subscriptions	22,211	3,267	27,097
Professional fees	64,245	-	261,824
Academic awards	-	-	120,000
LSU Campus Transportation and Development Fund	-	-	28,065
LSU System Transportation Fund	-	-	33,460
Tickets purchased	49,896	-	49,896
Letter of credit and remarketing fees	-	-	558,340
Interest expense	-	-	4,632,998
Catering and other expenses	-	-	1,422,973
Management fee	-	-	180,000
Occupancy	137,663	17,094	179,757
Parking	41,926	-	87,526
Repairs and maintenance	13,489	-	178,420
Travel and entertainment	-	188,642	188,642
Membership	37,639	212,050	249,689
Meeting expense	17,946	-	17,946
Basketball	-	16,298	16,298
Baseball	-	6,479	6,479
Supplies and office equipment	46,046	10,718	56,764
Printing	11,728	-	11,728
Computer	57,771	13,438	71,209
Bank charges	268,500	-	268,500
Special events and other	10,357	297,185	307,542
Insurance	108,805	2,795	338,076
Bad debts and other allowances	-	40,992	40,992
Promotional expense	-	-	-
Depreciation	-	-	2,280,191
Total expenses	<u>\$ 2,536,469</u>	<u>\$ 1,648,786</u>	<u>\$ 24,091,326</u>

Tiger Athletic Foundation

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2007

	Program Services			
	Contributions to LSU Athletic	Contributions to LSU Nonathletic	Tiger Den Suites	Stadium Club
Salaries and wages	\$ -	\$ -	\$ -	\$ -
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Contributions to LSU	32,449,583	320,836	-	-
Coaches' supplement	512,000	-	-	-
Scoreboard expenses	92,929	-	-	-
Marketing and publicity	-	-	16,894	-
Dues and subscriptions	1,528	-	-	-
Professional fees	178,487	-	960	-
Academic awards	-	120,000	-	-
LSU Campus Transportation and Development Fund	-	164,187	-	-
LSU System Transportation Fund	-	18,878	-	-
Tickets purchased	-	-	-	-
Letter of credit and remarketing fees	-	-	448,603	110,792
Interest expense	-	-	1,869,087	3,965,319
Catering and other expenses	-	-	611,854	701,538
Management fee	-	-	110,000	70,000
Occupancy	-	-	-	25,000
Parking	-	-	45,600	-
Repairs and maintenance	-	-	32,053	46,092
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Baseball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	-	-
Insurance	-	-	153,958	124,515
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	286,844	-	461,283	1,501,968
Total expenses	<u>\$ 33,521,371</u>	<u>\$ 623,901</u>	<u>\$ 3,750,292</u>	<u>\$ 6,545,224</u>

The accompanying notes are an integral part of these statements.

	Supporting Services	Fund- Raising	Total
Salaries and wages	\$ 1,033,937	\$ 548,782	\$ 1,582,719
Payroll taxes	106,508	-	106,508
Employee benefits	268,306	-	268,306
Contributions to LSU	-	-	32,770,419
Coaches' supplement	-	-	512,000
Scoreboard expenses	-	-	92,929
Marketing and publicity	78,146	-	95,040
Dues and subscriptions	27,887	-	29,415
Professional fees	73,816	-	253,263
Academic awards	-	-	120,000
LSU Campus Transportation and Development Fund	-	-	164,187
LSU System Transportation Fund	-	-	18,878
Tickets purchased	54,647	-	54,647
Letter of credit and remarketing fees	-	-	559,395
Interest expense	-	-	5,834,406
Catering and other expenses	-	-	1,313,392
Management fee	-	-	180,000
Occupancy	166,118	-	191,118
Parking	37,263	-	82,863
Repairs and maintenance	10,910	-	89,055
Travel and entertainment	-	154,442	154,442
Membership	176,314	85,192	261,506
Meeting expense	16,758	-	16,758
Basketball	-	18,063	18,063
Baseball	-	1,021	1,021
Supplies and office equipment	42,831	-	42,831
Printing	11,020	-	11,020
Computer	64,837	-	64,837
Bank charges	216,871	-	216,871
Special events and other	14,381	291,229	305,610
Insurance	108,219	-	386,692
Bad debts and other allowances	-	(453,697)	(453,697)
Promotional expense	-	-	-
Depreciation	-	-	2,250,095
Total expenses	<u>\$ 2,508,769</u>	<u>\$ 645,032</u>	<u>\$ 47,594,589</u>

Tiger Athletic Foundation

STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating activities		
Change in net assets	\$ 10,541,190	\$ (13,274,684)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	2,280,191	2,250,095
Change in allowance for unconditional promises to give	(48,900)	(172,400)
Change in fair value of interest rate swap agreement	4,007,108	1,079,099
Unrealized loss (gain) on investment	1,728,183	(1,403)
Transfer to LSU	-	25,593,284
(Increase) Decrease in operating assets:		
Receivables, deferred charges, and other prepaid assets	(951,790)	(328,284)
Unconditional promises to give	(5,765,799)	(1,187,736)
Other assets	(7,909,598)	7,222,501
Increase (Decrease) in operating liabilities:		
Accounts payable	1,783,215	(725,487)
Accounts payable - construction in progress	90,114	(2,253,972)
Deferred revenues	12,432,672	(4,153,798)
Other current liabilities	283,440	1,969,799
Other noncurrent liabilities	295,071	(8,498,757)
Amounts held in custody for others	2,003,891	353,918
Net cash provided by operating activities	<u>20,768,988</u>	<u>7,872,175</u>
Investing activities		
Net change in restricted cash and cash equivalents	(8,229,481)	(1,447,157)
Purchase of investments	(1,649,803)	(3,629,904)
Purchase of property and equipment	(5,620,731)	(942,548)
Net cash used in investing activities	<u>(15,500,015)</u>	<u>(6,019,609)</u>
Financing activities		
Principal payments on borrowings	(4,126,336)	(1,300,000)
Net cash used in financing activities	<u>(4,126,336)</u>	<u>(1,300,000)</u>
Net change in cash and cash equivalents	1,142,637	552,566
Cash and cash equivalents, beginning of year	1,553,228	1,000,662
Cash and cash equivalents, end of year	<u>\$ 2,695,865</u>	<u>\$ 1,553,228</u>

The accompanying notes are an integral part of these 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.

Net Assets

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

Cash and Cash Equivalents

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

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

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.

Tiger Athletic Foundation
Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

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 net of contribution revenue on the Statement of Activities.

Property and Equipment

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

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

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, 2008 and 2007.

Other Noncurrent Assets

Other assets include deferred financing costs, associated with the Revenue Bonds Series 2004, that are being amortized over the life of the bond agreement, which is 30 years. Amortization of the costs is recorded as a component of interest expense. These costs totaled \$1,193,794 and are presented net of accumulated amortization of \$189,012 and \$149,220, as of December 31, 2008 and 2007, respectively. Also included in other assets, is \$4,200,000 of financing costs associated with the construction of the new Alex Box baseball stadium. These costs will be amortized over the life of the stadium and will be offset by the revenue that the Foundation will be receiving from their rights to certain seating in the stadium's suites.

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 represent the coaches' escrow accounts and affiliated chapters' account, which were established as a custodial fund at the request of LSU, as well as accounts held for the LSU Athletics Department. The coaches' escrow accounts and affiliated chapters' accounts were created in order for TAF to act as a nonaffiliated party in overseeing the revenue generated by the coaches and affiliated booster club chapters of LSU and to provide institutional control as required by NCAA rules. The amounts held for the LSU Athletic Department are to fund special projects, as needed, and to establish maintenance reserve accounts for newly constructed LSU Athletic Facilities as required by the Board of Regents Policy. The Foundation has included the \$6,012,347 and \$4,008,456 of amounts held in custody for others as restricted cash within current assets as of December 31, 2008 and 2007, respectively. This amount is offset by a current liability in the same amount.

Contributions

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

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

Functional Expenses

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

Donated Services

During the years ended December 31, 2008 and 2007, 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.

Tiger Athletic Foundation
Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Rents - LSU and University Club

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

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

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

Reclassifications

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

Tax Status

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

Use of Estimates

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

Fair Values of Financial Instruments

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

In 2008, the Foundation adopted the provisions of SFAS No. 157, "Fair Value Measurements." Under SFAS No. 157, 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.

Tiger Athletic Foundation
Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Fair Values of Financial Instruments (continued)

SFAS No. 157 establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

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

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

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

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement (see Note 13).

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

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

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

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

Tiger Athletic Foundation

Notes to Financial Statements

2. Concentration of Credit Risk for Cash Held in Bank

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

3. Restricted Cash and Cash Equivalents

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

	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
Bond restrictions		
Maintenance reserve and escrow accounts	\$ 7,708,569	\$ 9,119,029
Tiger Den Suites tower account	916,199	207,734
West Side Upper Deck Stadium Club deposits	585,878	37,433
TAF MRA	1,251,869	-
Academic Center Trust Funds	-	50,925
Alex Box Suites	704,794	-
By Board for designated purposes	21,887,701	16,438,556
Donor restrictions	5,461,411	7,367,480
Restricted for construction	2,881,299	1,959,081
Amounts held in custody for others	6,012,347	4,008,456
Endowment funds	106,358	98,250
	<u>\$ 47,516,425</u>	<u>\$ 39,286,944</u>

Of the above total, \$47,410,067 is classified as current while \$106,358 is classified as noncurrent due to it being restricted as of December 31, 2008.

As of December 31, 2007, \$39,188,694 of restricted cash is classified as current while \$98,250 is classified as noncurrent due to it being restricted.

4. Investments

Investments at December 31, 2008 consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized</u> <u>Gain (Loss)</u>
LSU Foundation Investment Pool	\$ 5,233,482	\$ 3,517,167	\$ (1,716,315)
Charitable Gift Annuity	47,628	35,760	(11,868)
	<u>\$ 5,281,110</u>	<u>\$ 3,552,927</u>	<u>\$ (1,728,183)</u>

Tiger Athletic Foundation

Notes to Financial Statements

4. Investments (continued)

Investments at December 31, 2007 consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
LSU Foundation Investment Pool	\$ 3,629,904	\$ 3,631,307	\$ 1,403
	<u>\$ 3,629,904</u>	<u>\$ 3,631,307</u>	<u>\$ 1,403</u>

Investments with the LSU Foundation investment pool consist primarily of equity funds, corporate bonds, collateralized mortgage obligations, and government agency securities and are stated at fair value. The investments are classified as noncurrent due to being restricted as of December 31, 2008 and 2007.

Investment return is summarized as follows:

	<u>2008</u>	<u>2007</u>
Interest and Dividend Income	\$ 1,440,270	\$ 1,431,614
Net Realized and Unrealized (Losses) Gains	<u>(1,729,586)</u>	<u>1,403</u>
Total Investment Return	<u>\$ (289,316)</u>	<u>\$ 1,433,017</u>

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

Tiger Athletic Foundation
Notes to Financial Statements

5. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
Donor restrictions		
Make Your Pitch	\$ 4,268,875	\$ 3,546,514
Capital program	3,870,644	5,773,604
Baseball building	562,976	480,359
Academic Center	1,761,408	2,451,624
Unallocated Interest	448,113	335,770
Tiger Den	722,934	807,955
AD's Annual Fund	197,221	264,891
Football	933,585	213,398
Band Hall	592,049	139,234
Baseball	-	100,000
Softball complex	99,024	87,678
Women's basketball	41,084	57,423
Miscellaneous memorials	-	32,353
LSU Golf Facility	252,189	28,308
Athletic trainer's equipment	23,400	18,900
L Club	15,021	15,083
Sue Gunter Fund	1,323	15,023
PMAC restoration	10	12,158
Al Moreau	-	9,525
Jeff Boss Honorarium	9,276	8,035
Hall of Fame	5,017	5,317
ACSA	34,323	3,165
Basketball	3,000	2,500
Gymnastics	3,000	2,000
Track and Field	100	100
Swimming	20,050	50
AD Emeritus Fund	95,204	-
AD Ticket Support	84,095	-
Athletic Facility Fund	453,214	-
	<u>\$ 14,497,135</u>	<u>\$ 14,410,967</u>
Total temporarily restricted funds		

Tiger Athletic Foundation
Notes to Financial Statements

6. Unconditional Promises to Give

Unconditional promises to give at December 31, 2008 and 2007 were as follows:

	<u>2008</u>	<u>2007</u>
Receivable in less than one year	\$ 5,675,522	\$ 3,233,091
Receivable in one to ten years	10,905,608	7,593,450
Total contributions receivable	<u>16,581,130</u>	<u>10,826,541</u>
Less discount to net present value (discount rate was 5.7% as of December 31, 2008 and and 2007)	(1,280,711)	(1,389,721)
Less allowance for unfulfilled pledges	(856,500)	(807,600)
Net contributions receivable	<u>\$ 14,443,919</u>	<u>\$ 8,629,220</u>

7. Property and Equipment

The Foundation's investment in property and equipment consisted of the following at December 31, 2008:

	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ -	\$ 3,090,000
Leaseholds and other improvements	1,620,158	-	4,015	-	-	1,624,173
Stadium expansion and scoreboard	129,989,279	-	234,046	-	-	130,223,325
Furniture and equipment	451,095	-	7,743	-	-	458,838
Vehicles	25,580	-	2,398	-	-	27,978
	<u>135,176,112</u>	-	<u>248,202</u>	-	-	<u>135,424,314</u>
Less accumulated depreciation	(8,613,371)	-	(2,280,191)	-	-	(10,893,562)
Construction in process	76,588	-	5,372,529	-	-	5,449,117
Property and equipment, net	<u>\$ 126,639,329</u>	\$ -	<u>\$ 3,340,540</u>	\$ -	\$ -	<u>\$ 129,979,869</u>

7. Property and Equipment (continued)

The Foundation's investment in property and equipment consisted of the following at December 31, 2007:

	Beginning Balance	Prior Period Adjustment	Additions	Retirements	Transfers	Ending Balance
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ -	\$ 3,090,000
Leaseholds and other improvements	1,612,507	-	-	-	7,651	1,620,158
Stadium expansion and scoreboard	129,008,980	213,087	767,212	-	-	129,989,279
Furniture and equipment	395,213	-	55,882	-	-	451,095
Vehicles	-	-	25,580	-	-	25,580
	134,106,700	213,087	848,674	-	7,651	135,176,112
Less accumulated depreciation	(6,363,276)	-	(2,250,095)	-	-	(8,613,371)
Construction in process	25,796,736	(213,087)	93,874	-	(25,600,935)	76,588
Property and equipment, net	\$ 153,540,160	\$ -	\$ (1,307,547)	\$ -	\$ (25,593,284)	\$ 126,639,329

Depreciation expense totaled \$2,280,191 and \$2,250,095 for the years ended December 31, 2008 and 2007, respectively.

8. Lines-of-Credit

On January 26, 2006, the Foundation established a \$6,500,000 line-of-credit with Capital One for the purpose of financing additional construction costs associated with the West Side stadium expansion above and beyond what was originally budgeted for. The line-of-credit is secured by a pledge of all existing and future cash, current and future pledges and proceeds thereof in the Capital Programs Donor Restricted Fund; accordingly, the cash and pledges in these funds must equal 100% of the commitment amount on the proposed facility at all times. The line-of-credit bears interest at 30-day LIBOR plus 110 basis points and expires March 31, 2009. As of December 31, 2008 and 2007, there was no outstanding balance associated with this line-of-credit.

On June 25, 2008, the Foundation established a \$6,300,000 line-of-credit with Capital One for the purpose of financing the construction and equipment costs associated with the upgrades/replacements to the scoreboards for the LSU athletic facilities. The line-of-credit allows for draws over an 11 month period with interest payable monthly. Interest is based on the 30 day LIBOR plus 110 basis points. Upon expiration, the Foundation may convert this line-of-credit into a term loan of up to 65 months. Repayment will be made from the total revenues, receipts, rentals, premiums, proceeds, contributions, donations, profits and income received by the Foundation on a parri passu basis with the existing bond issues. As of December 31, 2008, there was no outstanding balance associated with this line-of-credit.

Also on June 25, 2008, the Foundation established a \$2,500,000 line-of-credit with Capital One for the purpose of financing the construction of a vehicle parking lot adjoining the new Alex Box stadium. This line-of-credit allows for draws over an 11 month period with interest payable monthly, and is convertible into a 72 month term loan. Interest is based on the 30 day LIBOR plus 110 basis points. The line-of-credit is secured by a pledge of all existing and future cash, current and future pledges and proceeds thereof in the Make Your Pitch Donation Fund. As of December 31, 2008, there was no outstanding balance associated with this line-of-credit.

9. Note and Bonds Payable

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

	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
Note payable	\$ -	\$ 1,736,336
Revenue Bonds Series 1999	43,575,000	43,575,000
Revenue Bonds Series 2001	-	700,000
Revenue Bonds Series 2004	85,310,000	87,000,000
	<u>\$ 128,885,000</u>	<u>\$ 133,011,336</u>

The note payable included a term loan bearing interest at one-month LIBOR plus 110 basis points. This note payable was paid off in November of 2008.

Revenue Bonds Series 1999 consist of debt issued by Tiger Athletic Foundation primarily for the purpose of certain improvements and renovations to the East Side Upper Deck of Tiger Stadium at LSU. Revenue derived from the sale of certain tickets for the East Side Upper Deck are pledged for the payment of the debt service. Bond indentures contain requirements for annual debt service and flow for funds through various restricted accounts. The bonds have a floating interest rate that is established through weekly remarketing. The bonds are due in annual payments beginning December 31, 2010, with a final payment due December 31, 2028.

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

The Foundation accounts for the interest rate swap as a fair value hedge as directed by Financial Accounting Standard (FAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities*. Since the Foundation does not report earnings as a separate caption in a statement of financial performance, both the swap agreement and the hedged item, the Series 1999 Bonds, are accounted for at fair value with the change in fair value reported as a change in net assets.

9. Note and Bonds Payable (continued)

The fair market value of the swap agreement and the hedged item as of December 31, 2008 and 2007, was a liability of approximately \$5,835,000 and \$1,828,000, respectively, which represents a change from the prior year of \$4,007,108 in 2008 and \$1,079,099 in 2007, and is presented as a change of net assets on the Statement of Activities.

Revenue Bonds Series 2001 were issued for the purpose of certain improvements and renovations to the Gym Armory at LSU. Unconditional promises to give were pledged for payment of the debt service. The bonds had a floating interest rate that was established through weekly remarketing. The bonds were paid off in May of 2008.

In March 2004, the Foundation issued Revenue Bonds Series 2004 for a principal amount of \$90,000,000. The proceeds of the loan are being used to finance or reimburse a portion of the costs of the acquisition and construction of certain improvements and renovations to Tiger Stadium and a football operations center at LSU, including funding the interest and costs associated with the project. The bonds are secured by the pledged revenues on a parity with the Series 1999 and 2001 bonds. The bonds have a floating interest rate based on the SIFMA Index. Annual payments began on September 1, 2005, and will continue through September 1, 2034. On March 15, 2007, an amendment was made to the original loan agreement which waived the principal payment due on September 1, 2007, and extended the payment schedule an additional year, through 2034, with the intent that the 2007 principal payment will be paid on September 1, 2034.

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, 2008 and 2007.

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

	Bonds Payable
2009	\$ 1,775,000
2010	3,335,000
2011	3,490,000
2012	3,660,000
2013	3,840,000
2014 - 2018	22,150,000
2019 - 2023	28,010,000
2024 - 2028	35,450,000
2029 - 2033	25,565,000
2034	1,610,000
Total	<u>\$ 128,885,000</u>

Tiger Athletic Foundation
Notes to Financial Statements

9. Note and Bonds Payable (continued)

The Revenue Bonds Series 1999, 2001 and Series 2004 are subject to a remarketing agreement whereby the Foundation obtained a remarketing agent which shall offer for sale and use its best efforts to find purchasers for all bonds or portions thereof for which notice of tender has been received at a price equal to the principal amount thereof plus accrued interest to the purchase date. To provide for the payment of the bonds, in the event a purchaser is not found for the full amount of the outstanding bonds or default, the Foundation has entered into letter of credit agreements with Regions. The letter of credit agreements authorize Trustees, on behalf of holders of bonds, to make draws on the letters of credit, subject to the terms and conditions thereof, to pay the outstanding principal of and up to 45 days interest on the bonds. Draws on a letter of credit shall be evidenced by a promissory note and shall bear interest at the floating rate of interest published in the Wall Street Journal as its "prime" or "base" rate of interest. Annual fees on the Regions letters of credit are 0.90% of the outstanding principal balance. There were no outstanding amounts under the letters of credit at December 31, 2008 and 2007.

10. 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.

In January 2004, the Foundation executed a contract for the LSU Tiger Stadium Westside Expansion. This contract is a cost-plus contract with a guaranteed maximum price, as defined. As of the date of the auditor's report, the Foundation has received requests from the contractor to increase the guaranteed maximum price. Of the requests for contract increases, some have been approved, some have been rejected by the Foundation, while some remain open pending receipt of additional information from the contractor. On September 17, 2007, the contractor filed a demand for arbitration. Currently, the arbitration panel has been selected and an evidentiary hearing date of 2010 has been selected.

11. 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 January 1, 2006.

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

The Foundation made matching contributions of approximately \$102,000 and \$98,000 for the years ended December 31, 2008 and 2007, respectively.

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 LSU Sports Properties, whereby the Foundation leased its rights to the scoreboards to Viacom in return for an annual guaranteed rental payment. The rent payment, which was \$1.4 million in year one and year two, and will increase by \$25,000 annually each year during the life of the lease agreement, is due in two equal installments payable in July and October of each year.

13. Fair Value Measurements

The Foundation's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with SFAS No. 157. See Note 1 for a description of the Foundation's policies and valuation techniques.

The valuation of the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2008 are as follows:

<u>ASSETS</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Balance</u>
Unconditional promises to give	\$ -	\$ -	\$ 14,443,919	\$ 14,443,919
Investments	1,590,645	767,788	1,194,494	3,552,927
Total	<u>\$ 1,590,645</u>	<u>\$ 767,788</u>	<u>\$ 15,638,413</u>	<u>\$ 17,996,846</u>
<u>LIABILITIES</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Balance</u>
Interest rate swap	\$ -	\$ 5,835,392	\$ -	\$ 5,835,392

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

	<u>Level 3 Beginning balance</u>	<u>Net realized and unrealized gains (losses)</u>	<u>Net payments and gifts</u>	<u>Net purchases and sales</u>	<u>Net transfers in (out) of level 3</u>	<u>Level 3 Ending balance</u>
<u>ASSETS</u>						
Unconditional promises to give	\$ 8,630,533	\$ (2,137,211)	\$ 7,950,597	\$ -	\$ -	\$ 14,443,919
Investments	1,775,981	(581,487)	-	-	-	1,194,494
	<u>\$ 10,406,514</u>	<u>\$ (2,718,698)</u>	<u>\$ 7,950,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,638,413</u>

14. Insurance Advance

The Foundation received a \$450,000 advance in insurance proceeds related to damages incurred as a result of Hurricane Gustav during 2008. Following is a summary of the Hurricane expenses incurred as of December 31, 2008. The remaining \$281,522 of insurance proceeds will be expended in 2009, and is included in other current liabilities on the Statement of Financial Position.

Insurance proceeds received	\$ 450,000
Clean up expenses	(43,608)
Temporary building repairs	(40,322)
Cost to reconstruct	(82,253)
Game preparation	<u>(2,295)</u>
Insurance proceeds remaining at December 31, 2008	<u>\$ 281,522</u>

15. Endowment Composition

The Foundation's Endowment Net Asset Composition by fund type as of December 31, 2008 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ -	\$ 6,022,004	\$ 6,022,004
Undesignated funds	<u>(1,306,296)</u>	<u>-</u>	<u>-</u>	<u>(1,306,296)</u>
	<u>\$ (1,306,296)</u>	<u>\$ -</u>	<u>\$ 6,022,004</u>	<u>\$ 4,715,708</u>

A summary of the changes in the Foundation's Endowment Net Assets for the year ended December 31, 2008 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	\$ -	\$ -	5,168,456	\$ 5,168,456
Investment return:				
Investment income	423,290	-	-	423,290
Net appreciation (realized and unrealized)	(1,729,586)	-	-	(1,729,586)
Contributions	<u>-</u>	<u>-</u>	<u>853,548</u>	<u>853,548</u>
Net assets, end of year	<u>\$ (1,306,296)</u>	<u>\$ -</u>	<u>\$ 6,022,004</u>	<u>\$ 4,715,708</u>

15. Endowment Composition (continued)

Net Asset Classification – As of December 31, 2008, the State of Louisiana has not adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Endowment Investment Spending Policies – The Foundation’s investment spending policy is that all income earned on restricted endowment funds is to be reinvested and used towards funding additional endowed scholarships.

Endowment Investment 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.

OTHER FINANCIAL INFORMATION



**Independent Auditor's Report on
Other Financial Information**

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying forms were prepared in conformity with accounting principals generally accepted in the United States. These forms are required by the Office of Statewide Reporting and Accounting Policy for the State of Louisiana, and are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

A Professional Accounting Corporation

Baton Rouge, LA
March 9, 2009

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An Independently Owned Member

Tiger Athletic Foundation

STATEMENTS OF NET ASSETS

DECEMBER 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,695,865	\$ 1,553,228
Restricted cash	47,410,067	39,188,694
Investments	-	-
Accounts receivable, net	2,479,256	1,527,466
Pledges receivable	5,675,522	3,233,091
Due from other campuses	-	-
Due from State Treasury	-	-
Inventories	-	-
Deferred charges and prepaid expenses	569,770	577,208
Notes receivable	-	-
Other current assets	10,946,118	7,216,250
Total current assets	<u>69,776,598</u>	<u>53,295,937</u>
Noncurrent assets		
Restricted assets:		
Cash and cash equivalents	106,358	98,250
Investments	3,552,927	3,631,307
Accounts receivable, net	-	-
Notes receivable	-	-
Other	-	-
Investments	-	-
Pledges receivable	8,768,397	5,396,129
Notes receivable	-	-
Capital assets, net	129,979,869	126,639,329
Assets under capital leases, net	-	-
Other noncurrent assets	16,641,439	12,454,271
Total noncurrent assets	<u>159,048,990</u>	<u>148,219,286</u>
Total assets	<u>\$ 228,825,588</u>	<u>\$ 201,515,223</u>

See independent auditor's report on other financial information.

Tiger Athletic Foundation

STATEMENTS OF NET ASSETS (CONTINUED)

DECEMBER 31, 2008 and 2007

	2008	2007
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,091,490	\$ 308,275
Accounts payable - construction in progress	1,455,066	1,364,952
Due to other campuses	-	-
Due to State Treasury	-	-
Deferred revenues	19,830,232	7,397,560
Amounts held in custody for others	6,012,347	4,008,456
Compensated absences payable	-	-
Capital lease obligations	-	-
Line-of-credit	-	-
Note payable	-	868,168
Contracts payable	-	-
Bonds payable	1,775,000	2,390,000
Other current liabilities	286,431	2,991
Total current liabilities	31,450,566	16,340,402
Noncurrent liabilities:		
Amounts held in custody for others	-	-
Compensated absences payable	-	-
Capital lease obligations	-	-
Note payable	-	868,168
Contracts payable	-	-
Bonds payable	127,110,000	128,885,000
Other noncurrent liabilities	17,465,610	9,156,323
Total noncurrent liabilities	144,575,610	138,909,491
Total liabilities	176,026,176	155,249,893
Net assets		
Invested in capital assets, net of related debt	1,094,869	(6,372,007)
Restricted for:		
Nonexpendable	6,022,004	5,168,456
Expendable	14,497,135	14,410,967
Unrestricted	31,185,404	33,057,914
Total net assets	52,799,412	46,265,330
Total liabilities and net assets	\$ 228,825,588	\$ 201,515,223

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, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Operating revenues:		
Student tuition and fees	\$ -	\$ -
Less scholarship allowances	-	-
Net student tuition and fees	-	-
Gifts received by the Foundation	27,363,157	22,591,715
Earnings on Foundation endowments	-	33,514
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	6,705,127	6,581,580
Total operating revenues	<u>34,068,284</u>	<u>29,206,809</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	8,809,791	7,614,911
Total operating expenses	<u>8,809,791</u>	<u>7,614,911</u>
Operating income	<u>25,258,493</u>	<u>21,591,898</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, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Nonoperating revenues and (expenses):		
State appropriations	\$ -	\$ -
Gifts	-	-
Net investment (loss) income	(289,316)	1,399,503
Interest expense	(4,632,998)	(5,834,406)
Payments to or on behalf of the university	(10,648,537)	(34,145,272)
Other nonoperating revenues (expenses)	-	-
Net nonoperating revenues (expenses)	<u>(15,570,851)</u>	<u>(38,580,175)</u>
Income (loss) before other revenues, expenses, gains, and losses	<u>9,687,642</u>	<u>(16,988,277)</u>
Capital appropriations	-	-
Capital gifts and grants	-	-
Additions to permanent endowments	853,548	3,713,593
Other additions, net	-	-
Increase (decrease) in net assets	<u>10,541,190</u>	<u>(13,274,684)</u>
Net assets, beginning of year	46,265,330	60,619,113
Change in fair value of Interest Rate Swap Agreement	<u>(4,007,108)</u>	<u>(1,079,099)</u>
Net assets, end of year	<u>\$ 52,799,412</u>	<u>\$ 46,265,330</u>

See independent auditor's report on other financial information.

Tiger Athletic Foundation
Component Unit Description

Component Unit Description

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

During the year ended December 31, 2008, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$10,648,537, \$1,341,735 from booster clubs, and \$532,246 from affiliated chapters. During the year ended December 31, 2007, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$34,145,272, \$1,084,019 from booster clubs, and \$391,782 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by Tiger Athletic Foundation.

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

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

Or from the foundation's website at: www.lsutaf.org

The Tiger Athletic Foundation is a nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to the Foundation's financial information in the University's financial report for these differences.

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2008

	Balance 12/31/2007	Additions	Transfers	Retirements	Balance 12/31/2008
Capital assets not being depreciated					
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ 3,090,000
Capitalized collections	-	-	-	-	-
Livestock	-	-	-	-	-
Construction in progress	76,588	5,372,529	-	-	5,449,117
Total capital assets not being depreciated	\$ 3,166,588	\$ 5,372,529	\$ -	\$ -	\$ 8,539,117
Other capital assets					
Infrastructure	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-
Total infrastructure	-	-	-	-	-
Land improvements	1,620,158	4,015	-	-	1,624,173
Less accumulated depreciation	(330,906)	(59,087)	-	-	(389,993)
Total land improvements	1,289,252	(55,072)	-	-	1,234,180
Buildings	129,989,279	234,046	-	-	130,223,325
Less accumulated depreciation	(7,982,923)	(2,177,573)	-	-	(10,160,496)
Total buildings	122,006,356	(1,943,527)	-	-	120,062,829
Equipment	451,095	7,743	-	-	458,838
Less accumulated depreciation	(299,542)	(38,015)	-	-	(337,557)
Total equipment	151,553	(30,272)	-	-	121,281
Vehicles	25,580	2,398	-	-	27,978
Less accumulated depreciation	-	(5,516)	-	-	(5,516)
Total vehicles	25,580	(3,118)	-	-	22,462
Library books	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-
Total library books	-	-	-	-	-
Total other capital assets	\$ 123,472,741	\$ (2,031,989)	\$ -	\$ -	\$ 121,440,752
Capital asset summary:					
Capital assets not being depreciated	\$ 3,166,588	\$ 5,372,529	\$ -	\$ -	\$ 8,539,117
Other capital assets, at cost	132,086,112	248,202	-	-	132,334,314
Total cost of capital assets	135,252,700	5,620,731	-	-	140,873,431
Less accumulated depreciation	(8,613,371)	(2,280,191)	-	-	(10,893,562)
Capital assets, net	\$ 126,639,329	\$ 3,340,540	\$ -	\$ -	\$ 129,979,869

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2007

	Balance 12/31/2006	Prior Period Adjustment	Restated Balance 12/31/2006	Additions	Transfers	Retirements	Balance 12/31/2007
Capital assets not being depreciated							
Land	\$ 3,090,000	\$ -	\$ 3,090,000	\$ -	\$ -	\$ -	\$ 3,090,000
Capitalized collections	-	-	-	-	-	-	-
Livestock	-	-	-	-	-	-	-
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							
Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Land 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	-	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)	-	-	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	-	131,645	19,908	-	-	151,553
Vehicles	-	-	-	25,580	-	-	25,580
Less accumulated depreciation	-	-	-	-	-	-	-
Total vehicles	-	-	-	25,580	-	-	25,580
Library books	-	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-	-
Total library books	-	-	-	-	-	-	-
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	-	159,903,436	942,548	(25,593,284)	-	135,252,700
Less accumulated depreciation	(6,363,276)	-	(6,363,276)	(2,250,095)	-	-	(8,613,371)
Capital assets, net	\$ 153,540,160	\$ -	\$ 153,540,160	\$ (1,307,547)	\$ (25,593,284)	\$ -	\$ 126,639,329

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTES PAYABLE AND CAPITAL LEASES

December 31, 2008

	Balance at December 31, 2007	Additions	Reductions	Balance at December 31, 2008	Amounts Due Within One Year
Bonds and notes payable and capital leases:					
Bonds payable	\$ 131,275,000	\$ -	\$ 2,390,000	\$ 128,885,000	\$ 1,775,000
Note payable	1,736,336	-	1,736,336	-	-
Capital lease obligations	-	-	-	-	-
Total bonds, notes, and capital leases	<u>\$ 133,011,336</u>	<u>\$ -</u>	<u>\$ 4,126,336</u>	<u>\$ 128,885,000</u>	<u>\$ 1,775,000</u>
Other liabilities:					
Amounts held in custody for others	\$ 1,529,598	\$ 376,391	\$ 329,328	\$ 1,576,661	\$ 6,012,347
Compensated absences payable	-	-	-	-	-
Contracts payable	-	-	-	-	-
Deferred revenue	14,725,599	36,432,414	19,718,307	31,439,706	19,830,232
Other liabilities	5,983,360	30,088,093	21,946,644	14,124,809	8,268,673
Total other liabilities	<u>\$ 22,238,557</u>	<u>\$ 66,896,898</u>	<u>\$ 41,994,279</u>	<u>\$ 47,141,176</u>	<u>\$ 34,111,252</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTES PAYABLE AND CAPITAL LEASES

December 31, 2007

	Balance at December 31, 2006	Additions	Reductions	Balance at December 31, 2007	Amounts Due Within One Year
Bonds and notes payable and capital leases:					
Bonds payable	\$ 132,575,000	\$ -	\$ 1,300,000	\$ 131,275,000	\$ 2,390,000
Note payable	1,736,336	-	-	1,736,336	868,168
Capital lease obligations	-	-	-	-	-
Total bonds, notes, and capital leases	<u>\$ 134,311,336</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$ 133,011,336</u>	<u>\$ 3,258,168</u>
Other liabilities:					
Amounts held in custody for others	\$ 1,175,680	\$ 532,498	\$ 178,580	\$ 1,529,598	\$ 1,529,598
Compensated absences payable	-	-	-	-	-
Contracts payable	-	-	-	-	-
Deferred revenue	26,299,055	105,520	11,678,976	14,725,599	7,397,560
Other liabilities	5,913,921	32,839,476	32,770,037	5,983,360	4,155,076
Total other liabilities	<u>\$ 33,388,656</u>	<u>\$ 33,477,494</u>	<u>\$ 44,627,593</u>	<u>\$ 22,238,557</u>	<u>\$ 13,082,234</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS PAYABLE

December 31, 2008

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2007	(Redeemed) Issued	Principal Outstanding 12/31/2008	Interest Rates	Interest Outstanding 12/31/2008
Series 2001 Bonds	July 26, 2001	\$ 10,200,000	\$ 700,000	\$ (700,000)	\$ -	Variable	\$ -
Series 1999 Bonds	March 4, 1999	43,575,000	43,575,000	-	43,575,000	Variable	-
Series 2004 Bonds	March 23, 2004	90,000,000	87,000,000	(1,690,000)	85,310,000	Variable	-
		<u>\$ 143,775,000</u>	<u>\$ 131,275,000</u>	<u>\$ (2,390,000)</u>	<u>\$ 128,885,000</u>		<u>\$ -</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS PAYABLE

December 31, 2007

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2006	(Redeemed) Issued	Principal Outstanding 12/31/2007	Interest Rates	Interest Outstanding 12/31/2007
Series 2001 Bonds	July 26, 2001	\$ 10,200,000	\$ 2,000,000	\$ (1,300,000)	\$ 700,000	Variable	\$ -
Series 1999 Bonds	March 4, 1999	43,575,000	43,575,000	-	43,575,000	Variable	-
Series 2004 Bonds	March 23, 2004	90,000,000	87,000,000	-	87,000,000	Variable	-
		<u>\$ 143,775,000</u>	<u>\$ 132,575,000</u>	<u>\$ (1,300,000)</u>	<u>\$ 131,275,000</u>		<u>\$ -</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF NOTE PAYABLE

December 31, 2008

Issue	Date of Issue	Principal Outstanding 12/31/2007	(Redeemed) Issued	Principal Outstanding 12/31/2008	Interest Rate	Interest Outstanding 12/31/2008
Capital One Term and Revolver Loan	July 26, 2001	\$ 1,736,336	\$ (1,736,336)	\$ -	Variable	\$ -

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF NOTE PAYABLE

December 31, 2007

Issue	Date of Issue	Principal Outstanding 12/31/2006	(Redeemed) Issued	Principal Outstanding 12/31/2007	Interest Rate	Interest Outstanding 12/31/2007
Capital One Term and Revolver Loan	July 26, 2001	<u>\$ 1,736,336</u>	<u>\$ -</u>	<u>\$ 1,736,336</u>	Variable	<u>\$ -</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS PAYABLE AMORTIZATION

Year Ended December 31, 2008

Fiscal Year Ending	Principal	Interest	Total
2009	\$ 1,775,000	Variable	\$ 1,775,000
2010	3,335,000	Variable	3,335,000
2011	3,490,000	Variable	3,490,000
2012	3,660,000	Variable	3,660,000
2013	3,840,000	Variable	3,840,000
2014	4,025,000	Variable	4,025,000
2015	4,215,000	Variable	4,215,000
2016	4,420,000	Variable	4,420,000
2017	4,635,000	Variable	4,635,000
2018	4,855,000	Variable	4,855,000
2019	5,085,000	Variable	5,085,000
2020	5,335,000	Variable	5,335,000
2021	5,590,000	Variable	5,590,000
2022	5,860,000	Variable	5,860,000
2023	6,140,000	Variable	6,140,000
2024	6,440,000	Variable	6,440,000
2025	6,750,000	Variable	6,750,000
2026	7,075,000	Variable	7,075,000
2027	7,415,000	Variable	7,415,000
2028	7,770,000	Variable	7,770,000
2029	4,635,000	Variable	4,635,000
2030	4,860,000	Variable	4,860,000
2031	5,100,000	Variable	5,100,000
2032	5,355,000	Variable	5,355,000
2033	5,615,000	Variable	5,615,000
2034	1,610,000	Variable	1,610,000
Total	<u>\$ 128,885,000</u>		<u>\$ 128,885,000</u>

See independent auditor's report on other financial information.

OTHER SUPPLEMENTARY INFORMATION

Tiger Athletic Foundation

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2008</u>
Revenues and gains:				
Donations - TAF members	\$ 19,508,821	\$ 7,854,336	\$ 853,548	\$ 28,216,705
Restricted revenue	-	-	-	-
Scoreboard sponsorships	1,450,000	-	-	1,450,000
Rents - University Club and LSU	4,711,270	-	-	4,711,270
Investment income	(289,316)	-	-	(289,316)
Net realized and unrealized gains	-	-	-	-
Merchandise revenue	-	-	-	-
Other revenue	543,857	-	-	543,857
Total revenues and gains	<u>25,924,632</u>	<u>7,854,336</u>	<u>853,548</u>	<u>34,632,516</u>
Net assets realized from restrictions	7,768,168	(7,768,168)	-	-
Expenses:				
Program services:				
Contribution to LSU - athletic department	10,327,343	-	-	10,327,343
Contribution to LSU - non-athletic	321,194	-	-	321,194
Tiger Den suites	3,715,505	-	-	3,715,505
Stadium Club	5,542,029	-	-	5,542,029
Supporting activities:				
General and administrative	2,536,469	-	-	2,536,469
Fundraising	1,648,786	-	-	1,648,786
Total expenses	<u>24,091,326</u>	<u>-</u>	<u>-</u>	<u>24,091,326</u>
Increase (decrease) in net assets	<u>\$ 9,601,474</u>	<u>\$ 86,168</u>	<u>\$ 853,548</u>	<u>\$ 10,541,190</u>

See independent auditor's report on other financial information.

Tiger Athletic Foundation

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2007</u>
<u>REVENUES AND GAINS</u>				
Donations - TAF members	\$ 16,712,660	\$ 5,879,055	\$ 3,713,593	\$ 26,305,308
Restricted revenue	-	-	-	-
Scoreboard sponsorships	1,425,000	-	-	1,425,000
Rents - University Club and LSU	4,710,983	-	-	4,710,983
Investment income	1,399,503	-	33,514	1,433,017
Net realized and unrealized gains	-	-	-	-
Merchandise revenue	-	-	-	-
Other revenue	445,597	-	-	445,597
Total revenues and gains	<u>24,693,743</u>	<u>5,879,055</u>	<u>3,747,107</u>	<u>34,319,905</u>
Net assets realized from restrictions	2,659,154	(2,659,154)	-	-
<u>EXPENSES</u>				
Program services:				
Contribution to LSU - athletic department	33,521,371	-	-	33,521,371
Contribution to LSU - non-athletic	623,901	-	-	623,901
Tiger Den suites	3,750,292	-	-	3,750,292
Stadium Club	6,545,224	-	-	6,545,224
Supporting activities:				
General and administrative	2,508,769	-	-	2,508,769
Fundraising	645,032	-	-	645,032
Total expenses	<u>47,594,589</u>	<u>-</u>	<u>-</u>	<u>47,594,589</u>
Increase (decrease) in net assets	<u>\$ (20,241,692)</u>	<u>\$ 3,219,901</u>	<u>\$ 3,747,107</u>	<u>\$ (13,274,684)</u>

See independent auditor's report on other financial information.

STATEMENT OF REVENUE AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS

YEAR ENDED DECEMBER 31, 2008

	Men's		Women's		Non-Program		Total
	Football	Basketball	Basketball	Basketball	Other Sports	Specific	
Revenues							
Contributions	\$ 2,676,283	\$ 112,815	\$ 225,461	\$ 3,365,643	\$ 5,630,316	\$ 12,010,518	
Compensations and benefits provided by a third party	512,000	-	-	-	-	512,000	
Total revenues	\$ 3,188,283	\$ 112,815	\$ 225,461	\$ 3,365,643	\$ 5,630,316	\$ 12,522,518	
Expenses							
Coaching other compensation and benefits	\$ 512,000	\$ -	\$ -	\$ -	\$ -	\$ 512,000	
Severance Payments	-	-	-	-	-	-	
Support staff/administrative other	-	-	-	-	-	-	
Compensation and benefits	-	-	-	-	-	-	
Recruiting	39,084	783	2,788	10,797	15,000	68,452	
Team travel	17,076	155	929	50,552	231	68,943	
Equipment, uniforms, and supplies	5,757	-	289	38,161	-	44,207	
Game expenses	307,511	1,127	4,734	34,056	9,531	356,959	
Fundraising, marketing, and promotion	183,087	5,827	57,466	169,392	429,261	845,033	
Direct facilities, maintenance, and rental	-	-	-	-	-	-	
Spirit groups	-	-	-	-	47,034	47,034	
Membership and dues	28,671	-	4,186	4,972	3,564	41,393	
Other operating expenses	2,095,097	104,923	155,069	3,057,713	5,125,695	10,538,497	
Total expenses	\$ 3,188,283	\$ 112,815	\$ 225,461	\$ 3,365,643	\$ 5,630,316	\$ 12,522,518	

During the year ended December 31, 2008, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$10,648,537; \$1,341,735 from booster clubs; and \$532,246 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by Tiger Athletic Foundation.

See independent auditor's report on other financial information.

Tiger Athletic Foundation

STATEMENT OF REVENUE AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS

YEAR ENDED DECEMBER 31, 2007

	Men's		Women's		Non-Program		Total
	Football	Basketball	Basketball	Other Sports	Specific	Other Sports	
Revenues							
Contributions	\$ 23,255,877	\$ 81,409	\$ 312,437	\$ 779,098	\$ 10,680,248	\$ 35,109,069	
Compensations and benefits provided by a third party	512,000	-	-	-	-	512,000	
Total revenues	\$ 23,767,877	\$ 81,409	\$ 312,437	\$ 779,098	\$ 10,680,248	\$ 35,621,069	
Expenses							
Coaching other compensation and benefits	\$ 512,000	\$ -	\$ -	\$ -	\$ -	\$ 512,000	
Severance Payments	-	-	85,000	-	-	85,000	
Support staff/administrative other	-	-	-	-	-	-	
Compensation and benefits	-	-	-	-	-	-	
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	
Fundraising, marketing, and promotion	119,817	5,208	75,948	147,596	349,586	698,155	
Direct facilities, maintenance, and rental	-	-	-	-	-	-	
Spirit groups	-	-	-	12	48,977	48,989	
Membership and dues	26,857	-	1,628	4,517	3,509	36,511	
Other operating expenses	23,005,880	71,620	137,607	491,507	10,227,234	33,933,848	
Total expenses	\$ 23,767,877	\$ 81,409	\$ 312,437	\$ 779,098	\$ 10,680,248	\$ 35,621,069	

During the year ended December 31, 2007, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$34,145,272; \$1,084,019 from booster clubs; and \$391,782 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by Tiger Athletic Foundation.

See independent auditor's report on other financial information.



Report of Independent Accountants
on Schedule of Debt Service Coverage Ratio

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

We have reviewed the accompanying *Schedule of Debt Service Coverage Ratio* for the year ended December 31, 2008 of Tiger Athletic Foundation (the Foundation) in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in this schedule is the representation of the management of the Foundation.

A review consists principally of inquiries of Foundation personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States, the objective of which is the expression of an opinion regarding the schedule taken as a whole. Accordingly, we do not express such an opinion.

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

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

This report is intended solely for the information and use of the Executive Committee of the Board of Directors, management, and the bond trustee, and is not intended to be and should not be used by anyone other than these specified parties.

A Professional Accounting Corporation

March 9, 2009

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An Independently Owned Member

Tiger Athletic Foundation
Schedule of Debt Service Coverage Ratio
Year Ended December 31, 2008

Available Revenues

Total revenues (\$25,924,632) less total expenses (\$15,574,576 minus discretionary expenses of \$6,606,649) \$ 16,956,705

Debt Service Requirements

Debt service requirement including remarketing fees of \$111,875 and letter of credit fees of \$1,218,455 \$ 8,617,675

Debt Service Coverage Ratio 1.97

Minimum required debt service coverage. If in default, TAF will incur an increased interest rate of Prime plus 2%. 1.25

Minimum required debt service coverage ratio to maintain current letter of credit fees. 1.50

Minimum required debt service coverage ratio to incur additional debt. 1.75

See independent auditor's report on other financial information.

Tiger Athletic Foundation

Note to Schedule of Debt Service Coverage Ratio

1. Basis of Presentation

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

See independent auditor's report on other financial information.