

TIGER ATHLETIC  
FOUNDATION

Financial Statements

December 31, 2010 and 2009

TIGER ATHLETIC FOUNDATION  
FINANCIAL STATEMENTS, OTHER FINANCIAL INFORMATION, AND  
SUPPLEMENTAL INFORMATION  
DECEMBER 31, 2010 AND 2009

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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, 2010 and 2009, 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, 2010 and 2009 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other supplementary information presented on pages 42 through 49 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A Professional Accounting Corporation

Metairie, Louisiana  
March 21, 2011

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**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2010 and 2009**

**ASSETS**

	<u>2010</u>	<u>2009</u>
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents	\$ 2,791,816	\$ 2,824,975
Restricted cash	54,599,432	41,828,783
Accounts receivable, net	2,072,507	2,511,059
Contracts receivable	11,832,265	11,430,003
Unconditional promises to give, net	9,629,420	5,602,633
Deferred charges and prepaid expenses	916,855	1,068,685
Other current assets	179,792	191,118
Total current assets	<u>82,022,087</u>	<u>65,457,256</u>
<b><u>NONCURRENT ASSETS</u></b>		
Restricted assets:		
Cash and cash equivalents	45,653	141,101
Investments	7,832,449	5,507,267
Contracts receivable	27,522,847	36,975,192
Unconditional promises to give, net	1,982,341	10,321,950
Property and equipment, net	137,855,929	138,301,457
Assets held for donation to LSU	3,460,103	-
Other noncurrent assets	4,677,073	4,856,865
Total noncurrent assets	<u>183,376,395</u>	<u>196,103,832</u>
Total assets	<u>\$ 265,398,482</u>	<u>\$ 261,561,088</u>

The accompanying notes are an integral part of these statements.

## LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 218,594	\$ 486,917
Accounts payable - construction in progress	79,259	2,405
Deferred revenues	21,251,636	20,459,005
Amounts held in custody for others	7,836,526	6,567,649
Bonds payable	3,490,000	3,335,000
Other current liabilities	2,574	250
Total current liabilities	<u>32,878,589</u>	<u>30,851,226</u>
<b><u>NONCURRENT LIABILITIES</u></b>		
Deferred revenues	27,639,847	37,056,292
Bonds payable	120,285,000	123,775,000
Other noncurrent liabilities	4,107,608	3,489,105
Total noncurrent liabilities	<u>152,032,455</u>	<u>164,320,397</u>
Total liabilities	<u>184,911,044</u>	<u>195,171,623</u>
<b><u>NET ASSETS</u></b>		
Unrestricted		
Undesignated	32,195,076	26,636,491
Designated	18,248,768	13,244,051
Temporarily restricted	21,777,410	19,781,976
Permanently restricted	8,266,184	6,726,947
Total net assets	<u>80,487,438</u>	<u>66,389,465</u>
 Total liabilities and net assets	 <u>\$ 265,398,482</u>	 <u>\$ 261,561,088</u>

**TIGER ATHLETIC FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Change in unrestricted net assets		
Unrestricted Revenues:		
Contributions	\$ 21,961,773	\$ 20,286,704
Investment earnings	391,841	1,976,725
Other revenues	<u>6,926,822</u>	<u>6,513,441</u>
Total unrestricted revenues	<u>29,280,436</u>	<u>28,776,870</u>
Net assets released from restrictions:		
Reclassification in net assets due to change in law	(1,358,588)	-
Satisfaction of program expenses	<u>4,557,811</u>	<u>6,185,061</u>
Total net assets released from restrictions	<u>3,199,223</u>	<u>6,185,061</u>
Total unrestricted revenues and other support	<u>32,479,659</u>	<u>34,961,931</u>
Program expenses:		
Amounts paid to benefit Louisiana State University for:		
Projects specified by the Board of Directors	8,416,359	14,686,288
Other	<u>9,342,156</u>	<u>9,526,601</u>
Total program expenses	<u>17,758,515</u>	<u>24,212,889</u>
Supporting services:		
Salaries and benefits	1,914,764	1,705,985
Occupancy	154,612	142,944
Office operations	168,705	108,848
Travel	126,753	88,529
Professional services	135,236	95,627
Dues and subscriptions	25,939	27,711
Meetings and development	17,831	18,709
Other	<u>(227,505)</u>	<u>1,772,031</u>
Total supporting services	<u>2,316,335</u>	<u>3,960,384</u>
Fund-raising expenses	<u>1,218,134</u>	<u>1,553,119</u>
Total expenses	<u>21,292,984</u>	<u>29,726,392</u>
Change in unrestricted net assets	<u>11,186,675</u>	<u>5,235,539</u>

The accompanying notes are an integral part of these statements.

**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF ACTIVITIES (CONTINUED)**  
**YEARS ENDED DECEMBER 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Change in temporarily restricted net assets:		
Temporarily Restricted Revenues:		
Contributions, net of provision for uncollectible accounts	\$ 4,850,255	\$ 11,469,901
Investment earnings	344,402	-
	<u>5,194,657</u>	<u>11,469,901</u>
Total temporarily restricted revenues		
Net assets released from restrictions:		
Reclassification in net assets due to change in law	1,358,588	-
Satisfaction of program expenses	(4,557,811)	(6,185,061)
	<u>1,995,434</u>	<u>5,284,840</u>
Total temporarily restricted revenues and other support		
Change in temporarily restricted net assets	<u>1,995,434</u>	<u>5,284,840</u>
Change in permanently restricted net assets:		
Permanently Restricted Revenues:		
Contributions	1,539,237	704,943
Total permanently restricted revenues	1,539,237	704,943
Change in permanently restricted net assets	<u>1,539,237</u>	<u>704,943</u>
Change in net assets	14,721,346	11,225,322
Net assets at beginning of year	66,389,465	52,799,412
Change in fair value of Interest Rate Swap Agreement	(623,373)	2,364,731
Net assets at end of year	<u>\$ 80,487,438</u>	<u>\$ 66,389,465</u>

The accompanying notes are an integral part of these statements.



**TIGER ATHLETIC FOUNDATION**

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

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

The accompanying notes are an integral part of these statements.

Program Services

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

**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2009**

	<b>Program Services</b>			
	<b>Contributions to LSU Athletic</b>	<b>Contributions to LSU Nonathletic</b>	<b>Tiger Den Suites</b>	<b>Stadium Club</b>
Salaries and wages	\$ -	\$ -	\$ -	\$ -
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Contributions to LSU	12,874,072	131,909	-	-
Coaches' supplement	512,000	-	-	-
Scoreboard expenses	103,591	-	-	-
Marketing and publicity	-	-	12,639	-
Dues and subscriptions	1,304	-	-	-
Professional fees	204,839	-	-	-
Academic awards	-	150,000	-	-
LSU Campus Transportation and Development Fund	-	10,770	-	-
Tickets purchased	-	-	-	-
Financing costs	-	-	518,061	971,761
Licensing rights	-	-	-	-
Interest expense	-	-	2,307,701	1,653,689
Catering and other expenses	-	-	528,087	633,397
Management fee	-	-	117,500	72,500
Occupancy	-	-	1,000	25,000
Event parking	-	-	45,808	-
Repairs and maintenance	-	-	22,529	53,995
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	21,266	-
Insurance	-	-	119,124	138,620
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	697,803	-	471,034	1,561,126
Total expenses	<u>\$ 14,393,609</u>	<u>\$ 292,679</u>	<u>\$ 4,164,749</u>	<u>\$ 5,110,088</u>

The accompanying notes are an integral part of these statements.

**Program Services**

	<b>Alex Box Suites</b>	<b>Supporting Services</b>	<b>Fund- Raising</b>	<b>Total</b>
Salaries and wages	\$ -	\$ 1,375,564	\$ 619,289	\$ 1,994,853
Payroll taxes	-	76,517	46,210	122,727
Employee benefits	-	253,904	109,999	363,903
Contributions to LSU	-	-	-	13,005,981
Coaches' supplement	-	-	-	512,000
Scoreboard expenses	-	-	-	103,591
Marketing and publicity	-	-	38,741	51,380
Dues and subscriptions	-	27,711	1,084	30,099
Professional fees	-	95,627	-	300,466
Academic awards	-	-	-	150,000
LSU Campus Transportation and Development Fund	-	-	-	10,770
Tickets purchased	-	-	59,193	59,193
Financing costs	-	-	-	1,489,822
Licensing rights	128,333	-	-	128,333
Interest expense	-	-	-	3,961,390
Catering and other expenses	73,223	-	-	1,234,707
Management fee	50,000	-	-	240,000
Occupancy	208	142,944	24,923	194,075
Event parking	-	61,041	-	106,849
Repairs and maintenance	-	13,425	-	89,949
Travel and entertainment	-	88,529	228,806	317,335
Membership	-	58,325	135,898	194,223
Meeting expense	-	18,709	-	18,709
Basketball	-	-	15,271	15,271
Supplies and office equipment	-	40,618	12,768	53,386
Printing	-	10,576	-	10,576
Computer	-	57,654	13,712	71,366
Bank charges	-	243,263	-	243,263
Special events and other	-	14,473	244,245	279,984
Insurance	-	107,734	2,980	368,458
Bad debts and other allowances	-	1,273,770	-	1,273,770
Promotional expense	-	-	-	-
Depreciation	-	-	-	2,729,963
<b>Total expenses</b>	<b>\$ 251,764</b>	<b>\$ 3,960,384</b>	<b>\$ 1,553,119</b>	<b>\$ 29,726,392</b>

**TIGER ATHLETIC FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>Operating activities</b>		
Change in net assets	\$ 14,721,346	\$ 11,225,322
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,908,175	2,729,963
Change in allowance for unconditional promises to give	582,400	(1,255,300)
Change in fair value of interest rate swap agreement	(623,373)	(2,364,731)
Realized and unrealized (gain) on investment	(344,299)	(1,308,115)
Transfer of property and equipment to LSU	954,854	3,957,510
Contributions restricted for long-term purposes	(1,539,237)	(704,943)
(Increase) Decrease in operating assets:		
Receivables, deferred charges, and other prepaid assets	590,382	(530,718)
Unconditional promises to give	3,730,422	(225,364)
Contract receivable	9,050,083	(26,022,610)
Assets held for donation to LSU	(3,460,103)	-
Other assets	191,118	156,989
Increase (Decrease) in operating liabilities:		
Accounts payable	(268,323)	(1,604,573)
Accounts payable - construction in progress	76,854	(1,452,661)
Deferred revenues	(8,623,814)	26,075,591
Other current liabilities	2,324	(286,181)
Other noncurrent liabilities	618,503	2,362,431
Amounts held in custody for others	1,268,877	555,302
Net cash provided by operating activities	<u>19,836,189</u>	<u>11,307,912</u>
<b>Investing activities</b>		
Net change in restricted cash	(12,675,201)	5,546,541
Purchase of investments	(1,980,883)	(646,225)
Purchase of property and equipment	(3,417,501)	(15,009,061)
Net cash used in investing activities	<u>(18,073,585)</u>	<u>(10,108,745)</u>
<b>Financing activities</b>		
Proceeds from borrowings of line of credit	-	3,434,383
Payments on borrowings of line of credit	-	(3,434,383)
Proceeds from contributions restricted for investment in permanent endowments	1,539,237	704,943
Principal payments on borrowings	(3,335,000)	(1,775,000)
Net cash used in financing activities	<u>(1,795,763)</u>	<u>(1,070,057)</u>
Net change in cash and cash equivalents	(33,159)	129,110
Cash and cash equivalents, beginning of year	2,824,975	2,695,865
Cash and cash equivalents, end of year	<u>\$ 2,791,816</u>	<u>\$ 2,824,975</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.

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

##### **Net Assets**

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

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

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

##### **Investments**

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 within expenses on the statement of activities.

##### **Property and Equipment**

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

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

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

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

##### **Impairment of Long-Lived Assets**

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that the undiscounted cash flows resulting from the use of the asset group is less than the carrying amount, an impairment loss equal to the excess of the asset's carrying amount over its fair value is recorded. The Foundation did not record any impairment loss during the years ended December 31, 2010 and 2009.

## **TIGER ATHLETIC FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

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

##### **Other Assets**

Other assets include deferred financing costs, associated with the Revenue Bonds Series 2004, 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 \$268,596 and \$228,804, as of December 31, 2010 and 2009, respectively. Also included in other assets, is \$4,200,000 of financing costs associated with the construction of the new Alex Box baseball stadium. These costs are presented net of accumulated amortization of \$268,333 and \$128,333, as of December 31, 2010 and 2009, respectively. These costs will be amortized over the life of the stadium and will be offset by the revenue that the Foundation will be receiving from their rights to certain seating in the stadium's suites.

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

The amounts held in custody for others represent the coaches' escrow accounts and affiliated chapters' 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 \$7,836,526 and \$6,567,649 of amounts held in custody for others as restricted cash within current assets as of December 31, 2010 and 2009, respectively. This amount is offset by a current liability in the same amount.

##### **Contributions**

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

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

##### **Functional Expenses**

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



## **TIGER ATHLETIC FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

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

##### **Donated Services**

During the years ended December 31, 2010 and 2009, the value of contributed services meeting the requirements for recognition in the financial statements was not considered material and has not been recorded.

##### **Scoreboards**

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

##### **Rents - LSU and University Club**

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

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

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

##### **Reclassifications**

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

##### **Tax Status**

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

##### **Use of Estimates**

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

## TIGER ATHLETIC FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

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

##### Fair Values of Financial Instruments

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

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

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

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

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

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

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

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

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

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

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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

**3. Restricted Cash and Cash Equivalents**

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

	<b><u>December 31, 2010</u></b>	<b><u>December 31, 2009</u></b>
Bond restrictions		
Maintenance reserve and escrow accounts	<b>\$ 11,353,899</b>	\$ 6,453,695
Tiger Den Suites tower account	<b>1,531,980</b>	1,515,891
West Side Upper Deck Stadium Club deposits	<b>2,059,265</b>	2,708,365
Alex Box Suites	<b>106,640</b>	630,194
By Board for designated purposes	<b>18,248,768</b>	13,244,050
Donor restrictions	<b>13,462,354</b>	10,627,147
Restricted for construction	<b>-</b>	81,792
Amounts held in custody for others	<b>7,836,526</b>	6,567,649
Endowment funds	<b>45,653</b>	141,101
	<b><u>\$ 54,645,085</u></b>	<b><u>\$ 41,969,884</u></b>

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

Of the above total, \$41,828,783 is classified as current while \$141,101 is classified as noncurrent due to it being restricted as of December 31, 2009.

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**4. Investments**

Investments at December 31, 2010 consist of the following:

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

Investments at December 31, 2009 consist of the following:

	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>
LSU Foundation Investment Pool	\$ 5,869,343	\$ 5,465,426	\$ (403,917)
Charitable Gift Annuity	45,328	41,841	(3,487)
	<b>\$ 5,914,671</b>	<b>\$ 5,507,267</b>	<b>\$ (407,404)</b>

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, 2010 and 2009.

Investment return is summarized as follows:

	<b><u>2010</u></b>	<b><u>2009</u></b>
Interest and Dividend Income	\$ 391,944	\$ 668,610
Net Realized and Unrealized Gains	<b>344,299</b>	<b>1,308,115</b>
Total Investment Return	<b>\$ 736,243</b>	<b>\$ 1,976,725</b>

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

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**5. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

	<b><u>December 31, 2010</u></b>	<b><u>December 31, 2009</u></b>
Donor restrictions		
Capital program	\$ 6,764,875	\$ 9,097,744
Annual Scholarship Fund	2,881,049	34,808
Soccer complex	1,946,217	252,270
Preservation of Tiger Stadium	1,816,786	-
Unappropriated Endowment Earnings	1,691,788	-
Make Your Pitch	1,305,104	1,948,352
LSU Golf Facility	961,240	3,714,404
Athletic Facility Fund	885,223	337,697
Academic Center	813,130	1,540,848
Band Hall	779,168	751,786
Tiger Den	430,296	865,929
AD's Annual Fund	428,996	7,488
Basketball Bleachers	277,422	-
PMAC restoration	271,328	535,090
Football	109,088	136,267
Women's basketball	105,865	97,861
Athletic trainer's equipment	61,352	47,852
Baseball building	49,217	129,775
Track and Field	48,119	60,509
Gymnastics	32,280	10,595
L Club	30,422	23,921
Softball complex	28,806	36,715
Unallocated Interest	15,409	5,943
Volleyball	11,071	5,000
Miscellaneous Memorials	7,640	-
Swimming	7,200	20,050
Hall of Fame	5,503	3,280
Jeff Boss Honorarium	4,895	4,895
Basketball	4,115	11,681
Tennis	3,000	-
Sue Gunter Fund	806	806
AD Emeritus Fund	-	83,678
ACSA	-	16,731
	<b><u>\$ 21,777,410</u></b>	<b><u>\$ 19,781,975</u></b>
Total temporarily restricted funds		

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**6. Unconditional Promises to Give**

Unconditional promises to give at December 31, 2010 and 2009 were as follows:

	<b>2010</b>	<b>2009</b>
Receivable in less than one year	\$ <b>9,629,420</b>	\$ 5,602,633
Receivable in one to five years	<b>3,616,488</b>	13,591,739
Receivable in more than five years	<b>553,500</b>	-
Total contributions receivable	<b>13,799,408</b>	19,194,372
Less discount to net present value (discount rate was 4.0% as of December 31, 2010 and December 31, 2009)	<b>(658,247)</b>	(1,157,989)
Less allowance for unfulfilled pledges	<b>(1,529,400)</b>	(2,111,800)
Net contributions receivable	<b>\$ 11,611,761</b>	<b>\$ 15,924,583</b>

**7. Property and Equipment**

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

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

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

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

The Foundation's investment in property and equipment consisted of the following at December 31, 2009:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Ending Balance</b>
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ 3,090,000
Leaseholds and other improvements	1,624,173	1,237	-	-	1,625,410
Stadium expansion and scoreboard	130,223,325	9,047,956	-	6,932,254	146,203,535
Furniture and equipment	458,838	3,223	(167,634)	-	294,427
Vehicles	27,978	-	-	-	27,978
	<u>135,424,314</u>	<u>9,052,416</u>	<u>(167,634)</u>	<u>6,932,254</u>	<u>151,241,350</u>
Less accumulated depreciation	(10,893,562)	(2,729,963)	167,634	-	(13,455,891)
Construction in process	5,449,117	5,956,645	(3,957,510)	(6,932,254)	515,998
Property and equipment, net	<u>\$ 129,979,869</u>	<u>\$ 12,279,098</u>	<u>\$ (3,957,510)</u>	<u>\$ -</u>	<u>\$ 138,301,457</u>

Depreciation expense totaled \$2,908,175 and \$2,729,963 for the years ended December 31, 2010 and 2009, respectively.

**8. Bonds Payable**

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

	<b>December 31, 2010</b>	<b>December 31, 2009</b>
Revenue Bonds Series 1999	<b>\$ 42,100,000</b>	\$ 43,575,000
Revenue Bonds Series 2004	<b>81,675,000</b>	83,535,000
	<u><b>\$ 123,775,000</b></u>	<u>\$ 127,110,000</u>

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

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

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**8. Bonds Payable (continued)**

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

The fair market value of the swap agreement and the hedged item as of December 31, 2010 and 2009, was a liability of approximately \$4,094,000 and \$3,471,000, respectively, which represents a change from the prior year of \$(623,373) in 2010 and \$2,364,731 in 2009, and is presented as a change of net assets on the statement of activities.

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

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

Under the provisions of the above revenue bond agreements, the Foundation is required to maintain a minimum debt service coverage ratio. The Foundation was in compliance with its debt service coverage calculation loan covenant at December 31, 2010 and 2009.

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

	<b>Bonds Payable</b>
2011	\$ 3,490,000
2012	3,660,000
2013	3,840,000
2014	4,025,000
2015	4,215,000
2016 - 2020	24,330,000
2021 - 2025	28,780,000
2026 - 2030	28,755,000
2031 - 2035	18,680,000
2036 - 2040	4,000,000
Total	<u>\$ 123,775,000</u>



## **TIGER ATHLETIC FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

The Foundation made matching contributions of approximately \$116,000 and \$99,000, for the years ended December 31, 2010 and 2009, respectively.

## TIGER ATHLETIC FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### **11. Scoreboard Sponsorships**

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

#### **12. Fair Value Measurements**

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

The valuation of the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2010 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	\$ -	\$ -	\$ 11,611,761	\$ 11,611,761
Investments				
Equity securities	3,350,560	-	532,810	3,883,370
Real estate funds	452,195	-	-	452,195
Equity hedge funds	-	-	900,753	900,753
Fixed income securities	-	-	1,527,452	1,527,452
Private equity investments	-	-	552,070	552,070
Other	-	-	516,609	516,609
Total	<u>\$ 3,802,755</u>	<u>\$ -</u>	<u>\$ 15,641,455</u>	<u>\$ 19,444,210</u>
 <u>LIABILITIES</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Net Balance</u>
Interest rate swap	<u>\$ -</u>	<u>\$ 4,094,034</u>	<u>\$ -</u>	<u>\$ 4,094,034</u>

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

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

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

	<u>Level 3 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>
<b><u>ASSETS</u></b>						
Unconditional promises to give	\$ 15,924,583	\$ 499,740	\$ (4,812,562)	\$ -	\$ -	\$ 11,611,761
Investments	1,501,281	2,528,413	-	-	-	4,029,694
Total	<u>\$ 17,425,864</u>	<u>\$ 3,028,153</u>	<u>\$ (4,812,562)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,641,455</u>

The valuation of the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2009 are as follows:

<b><u>ASSETS</u></b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Balance</u>
Unconditional promises to give	\$ -	\$ -	\$ 15,924,583	\$ 15,924,583
Investments	3,161,171	844,815	1,501,281	5,507,267
Total	<u>\$ 3,161,171</u>	<u>\$ 844,815</u>	<u>\$ 17,425,864</u>	<u>\$ 21,431,850</u>
<b><u>LIABILITIES</u></b>				
Interest rate swap	<u>\$ -</u>	<u>\$ 3,470,661</u>	<u>\$ -</u>	<u>\$ 3,470,661</u>

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

	<u>Level 3 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>
<b><u>ASSETS</u></b>						
Unconditional promises to give	\$ 14,443,919	\$ (1,132,578)	\$ 2,613,242	\$ -	\$ -	\$ 15,924,583
Investments	1,194,494	306,787	-	-	-	1,501,281
Total	<u>\$ 15,638,413</u>	<u>\$ (825,791)</u>	<u>\$ 2,613,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,425,864</u>

## TIGER ATHLETIC FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**13. Endowment Composition (continued)**

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

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

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

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

The Foundation's Endowment Net Asset Composition by fund type as of December 31, 2009 is as follows:

	<b><u>Unrestricted</u></b>	<b><u>Temporarily Restricted</u></b>	<b><u>Permanently Restricted</u></b>	<b><u>Total</u></b>
Donor-restricted endowment funds	\$ -	\$ -	\$ 6,726,947	\$ 6,726,947
Undesignated funds	1,974	-	-	1,974
Total	<u>\$ 1,974</u>	<u>\$ -</u>	<u>\$ 6,726,947</u>	<u>\$ 6,728,921</u>

**TIGER ATHLETIC FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**13. Endowment Composition (continued)**

A summary of the changes in the Foundation's Endowment Net Assets for the year ended December 31, 2009 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (1,306,296)	\$ -	\$ 6,022,004	\$ 4,715,708
Investment return:				
Investment income	155	-	-	155
Net appreciation (realized and unrealized)	1,308,115	-	-	1,308,115
Total Investment Return	1,308,270	-	-	1,308,270
Contributions	-	-	704,943	704,943
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment net assets, end of year	<u>\$ 1,974</u>	<u>\$ -</u>	<u>\$ 6,726,947</u>	<u>\$ 6,728,921</u>

**14. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued March 21, 2011, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**15. Uncertain Tax Position**

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

All tax returns have been appropriately filed by the Foundation. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Foundation's tax filings are subject to audit by various taxing authorities. The Foundation's open audit periods are 2007 through 2010. Management evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

OTHER FINANCIAL INFORMATION



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

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying forms on pages 27 through 38 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

Metairie, LA  
March 21, 2011

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**RSM McGladrey Network**  
An Independently Owned Member



**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF NET ASSETS**  
**DECEMBER 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,791,816	\$ 2,824,975
Restricted cash	54,599,432	41,828,783
Investments	-	-
Accounts receivable, net	2,072,507	2,511,059
Contracts receivable	11,832,265	11,430,003
Pledges receivable	9,629,420	5,602,633
Due from other campuses	-	-
Due from State Treasury	-	-
Inventories	-	-
Deferred charges and prepaid expenses	916,855	1,068,685
Notes receivable	-	-
Other current assets	179,792	191,118
Total current assets	<u>82,022,087</u>	<u>65,457,256</u>
Noncurrent assets		
Restricted assets:		
Cash and cash equivalents	45,653	141,101
Investments	7,832,449	5,507,267
Accounts receivable, net	-	-
Notes receivable	-	-
Other	-	-
Investments	-	-
Contracts receivable	27,522,847	36,975,192
Pledges receivable	1,982,341	10,321,950
Notes receivable	-	-
Capital assets, net	137,855,929	138,301,457
Assets held for donation to LSU	3,460,103	-
Assets under capital leases, net	-	-
Other noncurrent assets	4,677,073	4,856,865
Total noncurrent assets	<u>183,376,395</u>	<u>196,103,832</u>
Total assets	<u>\$ 265,398,482</u>	<u>\$ 261,561,088</u>

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**STATEMENTS OF NET ASSETS (CONTINUED)**

**DECEMBER 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 218,594	\$ 486,917
Accounts payable - construction in progress	79,259	2,405
Due to other campuses	-	-
Due to State Treasury	-	-
Deferred revenues	21,251,636	20,459,005
Amounts held in custody for others	7,836,526	6,567,649
Compensated absences payable	-	-
Capital lease obligations	-	-
Line-of-credit	-	-
Note payable	-	-
Contracts payable	-	-
Bonds payable	3,490,000	3,335,000
Other current liabilities	2,574	250
Total current liabilities	<b>32,878,589</b>	<b>30,851,226</b>
Noncurrent liabilities:		
Amounts held in custody for others	-	-
Compensated absences payable	-	-
Capital lease obligations	-	-
Note payable	-	-
Contracts payable	-	-
Deferred revenues	27,639,847	37,056,292
Bonds payable	120,285,000	123,775,000
Other noncurrent liabilities	4,107,608	3,489,105
Total noncurrent liabilities	<b>152,032,455</b>	<b>164,320,397</b>
Total liabilities	<b>184,911,044</b>	<b>195,171,623</b>
<b>Net assets</b>		
Invested in capital assets, net of related debt	14,080,929	11,191,457
Restricted for:		
Nonexpendable	8,266,184	6,726,947
Expendable	21,777,410	19,781,976
Unrestricted	36,362,915	28,689,085
Total net assets	<b>80,487,438</b>	<b>66,389,465</b>
Total liabilities and net assets	<b>\$ 265,398,482</b>	<b>\$ 261,561,088</b>

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, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Student tuition and fees	\$ -	\$ -
Less scholarship allowances	-	-
Net student tuition and fees	-	-
Gifts received by the Foundation	<b>26,812,028</b>	31,756,605
Earnings on Foundation endowments	-	-
Federal appropriations	-	-
Federal grants and contracts	-	-
State and local grants and contracts	-	-
Nongovernmental grants and contracts	-	-
Sales and services of educational departments	-	-
Hospital income	-	-
Auxiliary enterprise revenues, including revenues pledged as security for bond issues	-	-
Less scholarship allowances	-	-
Net auxiliary revenues	-	-
Other operating revenues	<b>6,926,822</b>	6,513,441
Total operating revenues	<b><u>33,738,850</u></b>	<u>38,270,046</u>
Operating expenses:		
Educational and general		
Instruction	-	-
Research	-	-
Public service	-	-
Academic support	-	-
Student services	-	-
Institutional support	-	-
Operation and maintenance of plant	-	-
Scholarships and fellowships	-	-
Auxiliary enterprises	-	-
Hospital	-	-
Other operating expenses	<b>10,937,433</b>	11,078,714
Total operating expenses	<b><u>10,937,433</u></b>	<u>11,078,714</u>
Operating income	<b><u>22,801,417</u></b>	<u>27,191,332</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, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Nonoperating revenues and (expenses):		
State appropriations	\$ -	\$ -
Gifts	-	-
Net investment income	736,243	1,976,725
Interest expense	(1,939,192)	(3,961,390)
Payments to or on behalf of the university	(8,416,359)	(14,686,288)
Other nonoperating revenues (expenses)	-	-
Net nonoperating revenues (expenses)	<u>(9,619,308)</u>	<u>(16,670,953)</u>
Income before other revenues, expenses, gains, and losses	<u>13,182,109</u>	<u>10,520,379</u>
Capital appropriations	-	-
Capital gifts and grants	-	-
Additions to permanent endowments	1,539,237	704,943
Other additions, net	-	-
Increase in net assets	<u>14,721,346</u>	<u>11,225,322</u>
Net assets, beginning of year	66,389,465	52,799,412
Change in fair value of Interest Rate Swap Agreement	(623,373)	2,364,731
Net assets, end of year	<u>\$ 80,487,438</u>	<u>\$ 66,389,465</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, 2010, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$8,416,359, \$1,371,196 from booster clubs, and \$469,513 from affiliated chapters. During the year ended December 31, 2009, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$14,686,288, \$1,481,610 from booster clubs, and \$474,358 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by Tiger Athletic Foundation.

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

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

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

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

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

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

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

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Balance</b>					<b>Balance</b>
	<b>12/31/2008</b>	<b>Additions</b>	<b>Transfers</b>	<b>Retirements</b>		<b>12/31/2009</b>
Capital assets not being depreciated						
Land	\$ 3,090,000	\$ -	\$ -	\$ -		\$ 3,090,000
Capitalized collections	-	-	-	-		-
Livestock	-	-	-	-		-
Construction in progress	5,449,117	5,956,645	(6,932,254)	(3,957,510)		515,998
Total capital assets not being depreciated	\$ 8,539,117	\$ 5,956,645	\$ (6,932,254)	\$ (3,957,510)		\$ 3,605,998
Land improvements	\$ 1,624,173	\$ 1,237	\$ -	\$ -		\$ 1,625,410
Less accumulated depreciation	(389,993)	(59,429)	-	-		(449,422)
Total land improvements	1,234,180	(58,192)	-	-		1,175,988
Buildings	130,223,325	9,047,956	6,932,254	-		146,203,535
Less accumulated depreciation	(10,160,496)	(2,626,162)	-	-		(12,786,658)
Total buildings	120,062,829	6,421,794	6,932,254	-		133,416,877
Equipment	458,838	3,223	-	(167,634)		294,427
Less accumulated depreciation	(337,557)	(38,776)	-	167,634		(208,699)
Total equipment	121,281	(35,553)	-	-		85,728
Vehicles	27,978	-	-	-		27,978
Less accumulated depreciation	(5,516)	(5,596)	-	-		(11,112)
Total vehicles	22,462	(5,596)	-	-		16,866
Total other capital assets	\$ 121,440,752	\$ 6,322,453	\$ 6,932,254	\$ -		\$ 134,695,459
Capital asset summary:						
Capital assets not being depreciated	\$ 8,539,117	\$ 5,956,645	\$ (6,932,254)	\$ (3,957,510)		\$ 3,605,998
Other capital assets, at cost	132,334,314	9,052,416	6,932,254	(167,634)		148,151,350
Total cost of capital assets	140,873,431	15,009,061	-	(4,125,144)		151,757,348
Less accumulated depreciation	(10,893,562)	(2,729,963)	-	167,634		(13,455,891)
Capital assets, net	\$ 129,979,869	\$ 12,279,098	\$ -	\$ (3,957,510)		\$ 138,301,457

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

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

**December 31, 2010**

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

See independent auditor's report on other financial information.



**TIGER ATHLETIC FOUNDATION**

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

**December 31, 2009**

	<b>Balance at December 31, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance at December 31, 2009</b>	<b>Amounts Due Within One Year</b>
Bonds and notes payable and capital leases:					
Bonds payable	\$ 128,885,000	\$ -	\$ 1,775,000	\$ 127,110,000	\$ 3,335,000
Note payable	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Total bonds, notes, and capital leases	<u>\$ 128,885,000</u>	<u>\$ -</u>	<u>\$ 1,775,000</u>	<u>\$ 127,110,000</u>	<u>\$ 3,335,000</u>
Other liabilities:					
Amounts held in custody for others	\$ 6,012,347	\$ 1,410,945	\$ 855,643	\$ 6,567,649	\$ 6,567,649
Compensated absences payable	-	-	-	-	-
Contracts payable	-	-	-	-	-
Deferred revenue	31,439,706	46,801,458	20,725,867	57,515,297	20,459,005
Other liabilities	6,142,567	383,748	3,036,960	3,489,355	250
Total other liabilities	<u>\$ 43,594,620</u>	<u>\$ 48,596,151</u>	<u>\$ 24,618,470</u>	<u>\$ 67,572,301</u>	<u>\$ 27,026,904</u>

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF BONDS PAYABLE**

**December 31, 2010**

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

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF BONDS PAYABLE**

**December 31, 2009**

<b>Issue</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Principal Outstanding 12/31/2008</b>	<b>(Redeemed) Issued</b>	<b>Principal Outstanding 12/31/2009</b>	<b>Interest Rates</b>	<b>Interest Outstanding 12/31/2009</b>
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	85,310,000	(1,775,000)	83,535,000	Variable	-
		<u>\$ 133,575,000</u>	<u>\$ 128,885,000</u>	<u>\$ (1,775,000)</u>	<u>\$ 127,110,000</u>		<u>\$ -</u>

See independent auditor's report on other financial information.

**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF BONDS PAYABLE AMORTIZATION**

**Year Ended December 31, 2010**

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	5,440,000	Variable	5,440,000
2025	5,750,000	Variable	5,750,000
2026	6,075,000	Variable	6,075,000
2027	6,415,000	Variable	6,415,000
2028	6,770,000	Variable	6,770,000
2029	4,635,000	Variable	4,635,000
2030	4,860,000	Variable	4,860,000
2031	5,100,000	Variable	5,100,000
2032	5,355,000	Variable	5,355,000
2033	5,615,000	Variable	5,615,000
2034	1,610,000	Variable	1,610,000
2035	1,000,000	Variable	1,000,000
2036	1,000,000	Variable	1,000,000
2037	1,000,000	Variable	1,000,000
2038	1,000,000	Variable	1,000,000
2039	1,000,000	Variable	1,000,000
Total	<u>\$ 123,775,000</u>		<u>\$ 123,775,000</u>

See independent auditor's report on other financial information.



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

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule on page 40 was prepared in conformity with accounting principals generally accepted in the United States. This form is required by the Tiger Athletic Foundation Uniform Affiliation Agreement with Louisiana State University, and is presented for purposes of additional analysis and is not required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit 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

Metairie, LA  
March 21, 2011

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**TIGER ATHLETIC FOUNDATION**

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

**FOR THE YEAR ENDED DECEMBER 31, 2010 AND THE SIX MONTHS ENDED  
DECEMBER 31, 2009**

	<u>2010</u>	<u>2009</u>
Rent expense	\$ 89,532	\$ 47,802
Security expenses	46,172	-
Compensation for LSU contract staff	44,200	27,115
Telephone/communications expenses	37,683	21,627
Parking expenses	30,474	29,563
Handling/service fees	26,500	-
Ground lease payments	26,000	400
Computing services contract payment	20,970	12,233
Postage expense	19,411	7,890
Travel for TAF staff/donors (lodging/airfare)	17,610	3,448
TAF tailgate party expenses	-	387
Printing expense	10,505	5,110
Supplies expense	8,062	5,933
Repairs and maintenance expenses	6,686	56
Computer expense for LSU contract staff	6,675	4,675
Club card printing and readers/equipment for Stadium Club	3,984	-
Fuel expense	1,400	700
Meals/catering expense	877	-
Donor recognition/donor trip	-	11,798
Membership services/cards	-	1,796
	<u>\$ 396,741</u>	<u>\$ 180,533</u>

See independent auditor's report on other financial information.

OTHER SUPPLEMENTARY INFORMATION

**TIGER ATHLETIC FOUNDATION**

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

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

See independent auditor's report.



**TIGER ATHLETIC FOUNDATION**

**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2009</u>
<b><u>REVENUES AND GAINS</u></b>				
Donations - TAF members	\$ 20,286,704	\$ 11,469,901	\$ 704,943	\$ 32,461,548
Restricted revenue	-	-	-	-
Scoreboard sponsorships	1,475,000	-	-	1,475,000
Rents - University Club and LSU	4,690,615	-	-	4,690,615
Investment income	1,976,725	-	-	1,976,725
Net realized and unrealized gains	-	-	-	-
Merchandise revenue	-	-	-	-
Other revenue	347,826	-	-	347,826
Total revenues and gains	<u>28,776,870</u>	<u>11,469,901</u>	<u>704,943</u>	<u>40,951,714</u>
Net assets realized from restrictions	6,185,061	(6,185,061)	-	-
<b><u>EXPENSES</u></b>				
Program services:				
Contribution to LSU - athletic department	14,393,609	-	-	14,393,609
Contribution to LSU - non-athletic	292,679	-	-	292,679
Tiger Den suites	4,164,749	-	-	4,164,749
Stadium Club	5,110,088	-	-	5,110,088
Alex Box Suites	251,764	-	-	251,764
Supporting activities:				
General and administrative	3,960,384	-	-	3,960,384
Fund-raising	1,553,119	-	-	1,553,119
Total expenses	<u>29,726,392</u>	<u>-</u>	<u>-</u>	<u>29,726,392</u>
Increase in net assets	<u>\$ 5,235,539</u>	<u>\$ 5,284,840</u>	<u>\$ 704,943</u>	<u>\$ 11,225,322</u>

See independent auditor's report.

**TIGER ATHLETIC FOUNDATION**  
**STATEMENT OF REVENUES AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS**  
**YEAR ENDED DECEMBER 31, 2010**

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

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

See independent auditor's report.

**TIGER ATHLETIC FOUNDATION**  
**STATEMENT OF REVENUES AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS**  
**YEAR ENDED DECEMBER 31, 2009**

	<b>Football</b>	<b>Men's Basketball</b>	<b>Women's Basketball</b>	<b>Other Sports</b>	<b>Non-Program Specific</b>	<b>Total</b>
<b>Revenues</b>						
Contributions	\$ 5,892,081	\$ 81,768	\$ 99,830	\$ 5,240,349	\$ 5,088,900	\$ 16,402,928
Compensations and benefits provided by a third party	12,500	26,209	26,290	112,729	61,600	239,328
Total revenues	<u>\$ 5,904,581</u>	<u>\$ 107,977</u>	<u>\$ 126,120</u>	<u>\$ 5,353,078</u>	<u>\$ 5,150,500</u>	<u>\$ 16,642,256</u>
<b>Expenses</b>						
Coaching other compensation and benefits	12,500	26,209	26,290	112,729	61,600	239,328
Severance Payments	-	-	-	-	-	-
Recruiting	95,786	1,389	1,131	9,273	-	107,579
Team travel	6,530	1,500	198	32,377	1,132	41,737
Equipment, uniforms, and supplies	2,900	966	-	63,749	3,103	70,718
Game expenses	178,279	7	-	93,490	12,309	284,085
Fundraising, marketing, and promotion	205,875	22,616	62,316	134,847	470,849	896,503
Direct facilities, maintenance, and rental	-	-	-	-	-	-
Spirit groups	-	-	-	-	46,650	46,650
Membership and dues	29,234	300	6,757	7,119	6,138	49,548
Other operating expenses	5,373,477	54,990	29,428	4,899,494	4,548,719	14,906,108
Total expenses	<u>\$ 5,904,581</u>	<u>\$ 107,977</u>	<u>\$ 126,120</u>	<u>\$ 5,353,078</u>	<u>\$ 5,150,500</u>	<u>\$ 16,642,256</u>

During the year ended December 31, 2009, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$14,686,288; \$1,481,610 from booster clubs; and \$474,358 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by Tiger Athletic Foundation.

See independent auditor's report.

**TIGER ATHLETIC FOUNDATION**  
**PHILANTHROPIC ACTIVITY SUMMARY REPORT**

<b>Years</b>	<i>Unrestricted Contributions</i> <b>Team TAF Championship Donations</b>	<i>Temporarily Restricted Contributions</i>	<i>Permanently Restricted Contributions</i>	<b>Grand Total</b>	<i>Temporarily and Permanently Restricted Collections</i>
2010	\$ 1,034,329	\$ 4,850,255	\$ 1,494,008	\$ 7,378,592	\$ 11,553,087
2009	\$ 1,195,858	\$ 11,469,901	\$ 633,870	\$ 13,299,629	\$ 9,499,205
2008	\$ 2,755,892	\$ 7,854,335	\$ 917,795	\$ 11,528,022	\$ 7,991,332
2007	\$ 678,445	\$ 5,879,055	\$ 3,962,733	\$ 10,520,233	\$ 8,132,382
2006	\$ 558,706	\$ 5,000,858	\$ 724,830	\$ 6,284,394	\$ 5,262,677
2005	\$ 527,215	\$ 2,722,218	\$ 16,855	\$ 3,266,288	\$ 5,657,418

See independent auditor's report.



**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, 2010 of Tiger Athletic Foundation (the Foundation). A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

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

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

A Professional Accounting Corporation

March 21, 2011

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**TIGER ATHLETIC FOUNDATION**

**SCHEDULE OF DEBT SERVICE COVERAGE RATIO**

**YEAR ENDED DECEMBER 31, 2010**

**Available Revenues**

Total unrestricted revenues of \$29,280,436 less total expenses (\$21,292,984 minus depreciation of \$2,908,175, amortization of \$140,000 interest and financing costs of \$4,836,814 and discretionary expenses of \$6,966,305).

\$ 22,838,746

**Debt Service Requirements**

Debt service requirement including remarketing fees of \$167,952 and letter of credit fees of \$2,689,878.

\$ 8,171,814

Debt Service Coverage Ratio

2.79

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

1.25

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

1.50

Minimum required debt service coverage ratio to incur additional debt.

1.75

**TIGER ATHLETIC FOUNDATION**

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

**1. Basis of Presentation**

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

See independent accountants report.