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

AGREED-UPON PROCEDURES REPORT
ISSUED FEBRUARY 12, 2014

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

LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

FIRST ASSISTANT LEGISLATIVE AUDITOR AND STATE AUDIT SERVICES
PAUL E. PENDAS, CPA

DIRECTOR OF FINANCIAL AUDIT
THOMAS H. COLE, CPA

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 19, 2013

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

DR. F. KING ALEXANDER, PRESIDENT
AND CHANCELLOR
LOUISIANA STATE UNIVERSITY
AND A&M COLLEGE
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as president and chancellor of the University, solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (Statement) of the Louisiana State University and A&M College (LSU) Athletic Department is in compliance with the National Collegiate Athletic Association (NCAA) Constitution 3.2.4.16 for the year ended June 30, 2013, and to assist you in your evaluation of the effectiveness of the LSU Athletic Department's internal control over financial reporting as of June 30, 2013. LSU's management is responsible for the Statement (unaudited) and related notes (unaudited) and compliance with NCAA requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of LSU. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

MINIMUM COMPLIANCE AGREED-UPON PROCEDURES

INTERNAL CONTROL

1. We obtained, through discussions with management, the identity of those aspects of internal control which management considers unique to intercollegiate athletics.

2. We performed procedures to test specific elements of the control environment and accounting systems that are unique to intercollegiate athletics to determine adherence to established policies and procedures relating to revenues and expenses.

   (a) We randomly selected a sample of 17 general athletics expenses and five high-dollar general athletics expenses and followed them through the University's control system to determine adherence to established policies and procedures.

   (b) We randomly selected a sample of 17 travel expenses and five high-dollar travel expenses and followed them through the University's control system to determine adherence to established policies and procedures.

   (c) We randomly selected a sample of 17 revenue transactions and five high-dollar revenue transactions and followed them through the University's control system to determine adherence to established policies and procedures.

   We found no exceptions as a result of these procedures.

3. We determined the University's internal auditor issued a follow-up internal audit report on the LSU Athletics SportShop in response to an internal audit report issued during fiscal year 2011. Although follow-up testing indicated some of the weaknesses noted in the 2011 internal audit report were not addressed, LSU SportShop has transitioned all management duties to a third party effective July 1, 2013.

4. We obtained the University's procedures for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the University's intercollegiate athletics program and determined the University's adherence to these procedures.

   We found no exceptions as a result of these procedures.

STATEMENT OF REVENUES AND EXPENSES

GENERAL PROCEDURES

1. We obtained written representations from management as to the fair presentation of the Statement of the intercollegiate athletics program, completeness of required schedules and related financial information, adequacy of controls, compliance with NCAA rules and legislations, completeness of the list of all known affiliated and outside organizations, and other information we considered necessary for the year ended June 30, 2013.

In its representation letter, management disclosed minor instances of Level II secondary violations of NCAA rules and regulations, which were self-reported to the NCAA during the year ended June 30, 2013.

2. We verified the mathematical accuracy of the amounts on the Statement and agreed each operating revenue and expense category on the Statement to supporting schedules provided by the University and/or the University's general ledger.

   We found no exceptions as a result of these procedures.

3. We compared and agreed a sample of five operating revenue receipts and a sample of five expense disbursements obtained from the supporting schedules to adequate supporting documentation.

   We found no exceptions as a result of these procedures.

4. We compared each major operating revenue and expense category for June 30, 2013, and June 30, 2012, to identify variances of 5 percent and greater than $50,000 between individual revenue and expense categories that are 5 percent or more of the total.

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

   Revenues
   Football:
   Ticket sales
   Non-program specific:
   Broadcast television, radio, and Internet rights

   Expenses
   Other sports:
   Athletics student aid
   Non-program specific:
   Support staff/administrative salaries paid by the university
   Other operating expenses

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

5. We compared the budgeted revenues and expenses to actual revenues and expenses for each major operating revenue and expense account for the year ended June 30, 2013, to identify any variances of 25 percent or greater in individual revenue and expense accounts that are 5 percent or more of the total.

   We did not identify any variances 25 percent or greater and more than 5 percent of the total.

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES

1. We obtained the football, baseball, and men's basketball game statements for all home games and compared the amounts reported to the revenue recorded in the general ledger and reported on the Statement to determine if the variances total less than 1 percent. We also selected 10 random operating revenue receipts transactions from the ticket sales category as of March 31, 2013, and agreed to adequate supporting documentation.

   We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of these procedures.

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

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

4. Based on the relevant terms and conditions of agreements related to the University's participation in revenues from NCAA/Conference tournaments during the reporting period, we compared and agreed the related revenues to the general ledger. We recalculated the totals.

   We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of these procedures.

6. Based on the relevant terms and conditions of two randomly selected agreements related to the University's participation in revenues from royalties, licensing,

advertising, and sponsorships during the reporting period, we compared and agreed the related revenues to the general ledger. We recalculated the totals.

We found no exceptions as a result of this procedure.

7. We obtained and inspected the largest endowment agreement and compared and agreed the classification and use of the endowment and investment income reported in the Statement for the period to the uses of the income as defined in the agreement. We recalculated the totals.

   We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of these procedures.

9. We randomly selected three operating revenue receipts from categories not previously mentioned and agreed to adequate supporting documentation.

   We found no exceptions as a result of this procedure.

10. We selected the three largest revenue receipts overall that were not selected in procedures one through nine and agreed to adequate supporting documentation.

    We found no exceptions as a result of this procedure.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

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

   We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of these procedures.

3. We obtained from management a list of coaches and support staff/administrative personnel paid by the University and related entities during the reporting period.

We examined the contracts for the head coaches from football, baseball, and men's and women's basketball, and selected the three highest paid support staff/administrative personnel. The following procedures were performed:

(a) We compared and agreed the financial terms and conditions in the contract of each coach selected to the related coaching salaries, benefits, and other compensation recorded by the University in the Statement.

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

(c) We compared and agreed related W-2s and 1099s for each selection to the amounts recorded by the University in the Statement during the reporting period.

(d) We recalculated the totals.

We found no exceptions as a result of these procedures.

4. We obtained from management a list of coaches and support staff/administrative personnel paid by third parties during the reporting period and examined the related contracts. The following procedures were performed:

(a) We compared and agreed the financial terms and conditions in the contracts to the related other compensation and benefits recorded by the University in the Statement.

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

(c) We compared and agreed related W-2s and 1099s for each selection to the related amounts recorded by the University in the Statement during the reporting period.

(d) We recalculated the totals.

We found no exceptions as a result of these procedures.

5. Using a list prepared by the University, we selected the athletic employee with the highest severance payment and agreed the severance pay to the related employment contract. We recalculated the totals.

We found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

7. We compared and agreed the University's team travel policies to existing University and NCAA-related policies. We selected nine random team travel expenses as of March 31, 2013, and agreed to adequate supporting documentation. In addition, we obtained documentation of football team travel expenses for the Chick-Fil-A Bowl Game and followed selected transactions through the University's internal control system to determine adherence to established policies and procedures.

   We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of these procedures.

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

    We found no exceptions as a result of these procedures.

11. We selected five random operating expenses, including two administrative travel expenses, from the other operating expense category as of March 31, 2013, and agreed to adequate supporting documentation. We recalculated the totals.

    We found no exceptions as a result of these procedures.

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

    We found no exceptions as a result of these procedures.

13. We selected the five largest expense transactions overall that were not selected in procedures one through twelve and agreed to adequate supporting documentation.

    We found no exceptions as a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR NOTES AND DISCLOSURES

1. From University management, we obtained a list of contributions received by the athletic department to identify any individual contributions that constitute 10 percent or more of all contributions received for intercollegiate athletics during the reporting period. We obtained and reviewed supporting documentation for such contributions and ensured that the source of funds, goods, and services, as well as the value associated with these items, is disclosed within the notes to the Statement.

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

2. We obtained a description of the University's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets along with a schedule of changes in those assets. We agreed the schedule of changes to supporting schedules provided by the University and the University's general ledger. We agreed the Tiger Athletic Foundation's capital asset schedule to its audited financial statements for the year ended December 31, 2012. We ensured that the University's policies and procedures and schedule of changes were properly disclosed within the notes to the Statement.

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

3. We obtained the repayment schedules for all outstanding intercollegiate athletics debt maintained by the University during the reporting period. We recalculated annual maturities and agreed to supporting schedules provided by the University and the University's general ledger. We agreed the Tiger Athletic Foundation's repayment schedules to its audited financial statements for the year ended December 31, 2012. We ensured that the repayment schedules were properly disclosed within the notes to the Statement.

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

MINIMUM AGREED-UPON PROCEDURES FOR AFFILIATED AND OUTSIDE ORGANIZATIONS

1. We obtained from University management a listing of all affiliated and outside organizations for the reporting period.

2. We obtained from University management statements for all affiliated and outside organizations and agreed the amounts reported in the statements to the University's general ledger.

   We found no exceptions as a result of these procedures.

3. We obtained written representations from management of the University that the Tiger Athletic Foundation and the LSU Track and Field Officials Association were the only outside organizations created for or on behalf of the athletic department. The LSU Track and Field Officials Association does not make any disbursements on behalf of the athletic department. Instead, the LSU Track and Field Officials Association supports athletics with direct contributions to the Tiger Athletic Foundation. For the year ended December 31, 2012, the LSU Track and Field Officials Association donated $57,000 to the Tiger Athletic Foundation.

4. We obtained from management a summary of revenues and expenses for or on behalf of intercollegiate athletics programs by the Tiger Athletic Foundation to be included with the agreed-upon procedures report.

   The following is the summary of revenues and expenses for or on behalf of intercollegiate athletics programs by the Tiger Athletic Foundation for the year ended December 31, 2012:

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
REVENUES						
Contributions	$2,273,889	$473,774	$46,644	$1,977,438	$4,522,906	$9,294,651
Compensation and benefits provided by a third party	512,000	250,000			103,358	865,358
Total revenues	2,785,889	723,774	46,644	1,977,438	4,626,264	10,160,009
EXPENSES						
Coaching other compensation and benefits paid by a third party	512,000	250,000			103,358	865,358
Recruiting	23,204	3,597	3,008	9,894	193	39,896
Team travel	4,753			8,515	3,223	16,491
Equipment, uniforms, and supplies			400	26,433	3,693	30,526
Game expenses	206,198	13,587		146,400		366,185
Fund raising, marketing, and promotion	194,927	22,529	23,594	235,253	493,584	969,887
Spirit groups					53,712	53,712
Membership and dues	32,949	1,997	823	36,718	12,048	84,535
Other operating expense	1,811,858	432,064	18,819	1,514,225	3,956,453	7,733,419
Total expenses	2,785,889	723,774	46,644	1,977,438	4,626,264	10,160,009
EXCESS (Deficiency) OF REVENUES OVER EXPENSES	NONE	NONE	NONE	NONE	NONE	NONE

These amounts include contributions totaling $8,418,336 from the Tiger Athletic Foundation; $1,365,908 from booster clubs; and $375,765 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by the Tiger Athletic Foundation.

5. We obtained written representations as to the fair presentation of the summary and agreed the amounts reported to the Tiger Athletic Foundation's general ledger and audited financial statements for the year ended December 31, 2012.

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

   The financial statements of the Tiger Athletic Foundation for the year ended December 31, 2012, were audited by an independent certified public accounting firm. The audit report was dated March 20, 2013, and did not include a report on internal control.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Revenues and Expenses and related notes of the LSU Athletic Department or on its compliance with NCAA Constitution 3.2.4.16 or on the effectiveness of the LSU Athletic Department's internal control over financial reporting for the year ended June 30, 2013. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Respectfully submitted,

Daryl G. Purpera

Daryl G. Purpera, CPA, CFE
Legislative Auditor

ARW:JPT:EFS:THC:ch

LSU NCAA 2013

UNAUDITED

Statement A

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

Statement of Revenues and Expenses
For the Year Ended June 30, 2013

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON-PROGRAM SPECIFIC	TOTAL
REVENUES						
Operating Revenues:						
Ticket sales	$33,171,661	$1,416,074	$250,811	$2,932,536	$1,146,763	$38,917,845
Game guarantees			3,000			3,000
Contributions	21,786,240	964,208	111,644	4,179,898	5,047,906	32,089,896
Compensation and benefits provided by a third party	635,895	264,750		40,899	164,061	1,105,605
NCAA/Conference distributions including all tournament revenues	15,913,422	5,119,509	56,852	645,343	1,473,186	23,208,312
Broadcast, television, radio, and Internet rights					7,369,429	7,369,429
Program sales, concessions, novelty sales, and parking	2,768,620	81,800	12,150	191,437	6,010,106	9,064,113
Royalties, licensing, advertisements, and sponsorships					2,915,181	2,915,181
Endowment and investment income					1,251,129	1,251,129
Other					1,532,888	1,532,888
Total operating revenues	74,275,838	7,846,341	434,457	7,990,113	26,910,649	117,457,398
EXPENSES						
Operating Expenses:						
Athletics student aid	3,080,962	487,781	481,497	6,065,841	1,180,441	11,296,522
Game guarantees	2,885,000	547,000	39,116	116,430		3,587,546
Coaching salaries and benefits paid by the university and related entities	9,540,631	2,112,239	1,548,392	5,560,200		18,761,462
Coaching other compensation and benefits paid by a third party	621,845	264,750		40,899		927,494
Support staff/administrative salaries and benefits paid by the university and related entities	1,506,694	219,928	246,164	465,014	13,271,034	15,708,834
Support staff/administrative other compensation and benefits paid by a third party	14,050				164,061	178,111
Severance payments	8,398	16,962	8,846	31,764	24,298	90,268
Recruiting	577,442	134,496	135,971	480,837	17,274	1,346,020
Team travel	1,036,267	587,113	579,332	2,645,930	31,375	4,880,017
Equipment, uniforms, and supplies	1,133,395	95,366	78,360	1,349,022	318,303	2,974,446
Game expenses	886,826	217,695	161,538	695,457	5,133,054	7,094,570
Fund raising, marketing, and promotion	194,927	22,529	23,594	235,254	603,019	1,079,323
Direct facilities, maintenance, and rental	14,784	1,714		130,772	17,966,157	18,113,427
Spirit groups					839,901	839,901
Medical expenses and medical insurance	176,138	12,514	4,212	152,670	269,588	615,122
Memberships and dues	35,609	2,592	1,563	54,724	28,454	122,942
Other operating expenses	4,109,260	560,606	202,707	2,593,538	10,229,901	17,696,012
Total operating expenses	25,822,228	5,283,285	3,511,292	20,618,352	50,076,860	105,312,017
Transfers to institution					4,684,602	4,684,602
Total Expenses	25,822,228	5,283,285	3,511,292	20,618,352	54,761,462	109,996,619
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES	$48,453,610	$2,563,056	($3,076,835)	($12,628,239)	($27,850,813)	$7,460,779

NOTES TO THE FINANCIAL STATEMENT
(UNAUDITED)

INTRODUCTION

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

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

The accompanying statement of revenues and expenses presents information as to the transactions for the intercollegiate athletics program of both LSU and TAF for their fiscal years ended June 30, 2013, and December 31, 2012, respectively.

1. CONTRIBUTIONS

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

The athletic department received contributions totaling $10,160,009 from TAF for the year ended December 31, 2012. Contributions from TAF on Statement A reflect gifts in the form of goods, services, and benefits paid for or on behalf of the athletic department as follows:

Contributions	$9,294,651
Compensation and benefits provided by a third party	865,358
Total	$10,160,009

The athletic department also received in-kind contributions totaling $1,275,000 from Nike, which is also reflected in Statement A.

2. CAPITAL ASSETS

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

Cooperative Endeavors - Expansion of Tiger Stadium

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

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

Effective September 20, 2012, LSU entered into a cooperative endeavor agreement with TAF for developing and constructing the expanded south side and south end zone scoreboards of Tiger Stadium in accordance with plans and specifications approved by LSU. TAF agrees to lease certain land and existing improvements thereon for up to 50 years, or until the completed project is donated to LSU, in order to provide the necessary, new, expanded and renovated facilities and to complete the stadium improvements. Beginning September 1, 2014, LSU will lease these improvements from TAF for $4 million per year until June 30, 2049; however, LSU may terminate this lease at any time after the TAF Bonds funding the improvements are paid in full or legally defeased. The estimated value to LSU of this addition over the term of the agreement is approximately $100 million.

Property and Equipment - TAF

The purchase of property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily or permanently restricted revenue. It is TAF's policy to capitalize all fixed asset purchases greater than $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.

Capital asset activity for the athletic department for the year ended June 30, 2013, is as follows:

LSU ATHLETIC DEPARTMENT

	Restated Balance June 30, 2012	Additions	Transfers	Retirements	Balance June 30, 2013
Capital assets not being depreciated:					
Construction-in-progress	$1,974,327	$438,024	($1,917,125)	NONE	$495,226
Other capital assets:					
Depreciable land improvements	$10,372,697	$62,500	$417,291		$10,852,488
Less - accumulated depreciation	(1,884,863)	(506,108)			(2,390,971)
Total land improvements	8,487,834	(443,608)	417,291	NONE	8,461,517
Buildings	171,046,178	1,142,955	1,499,834		173,688,967
Less - accumulated depreciation	(50,740,623)	(3,886,420)			(54,627,043)
Total buildings	120,305,555	(2,743,465)	1,499,834	NONE	119,061,924
Equipment	5,980,177	283,459		($321,999)	5,941,637
Less - accumulated depreciation	(4,475,352)	(429,150)		321,999	(4,582,503)
Total equipment	1,504,825	(145,691)	NONE	NONE	1,359,134
Total other capital assets	$130,298,214	($3,332,764)	$1,917,125	NONE	$128,882,575
Capital asset summary:					
Capital assets not being depreciated	$1,974,327	$438,024	($1,917,125)		$495,226
Other capital assets, at cost	187,399,052	1,488,914	1,917,125	($321,999)	190,483,092
Total cost of capital assets	189,373,379	1,926,938	NONE	(321,999)	190,978,318
Less - accumulated depreciation	(57,100,838)	(4,821,678)	NONE	321,999	(61,600,517)
Capital assets, net	$132,272,541	($2,894,740)	NONE	NONE	$129,377,801

Capital asset activity for TAF for the year ended December 31, 2012, is as follows:

TAF

	Restated Balance December 31, 2011	Additions	Retirements	Balance December 31, 2012
Capital assets not being depreciated:				
Land	$3,090,000			$3,090,000
Construction-in-progress	91,170	$9,405,950		9,497,120
Total capital assets not being depreciated	$3,181,170	$9,405,950	NONE	$12,587,120
Other capital assets:				
Land and improvements	$4,373,492	$6,352		$4,379,844
Less - accumulated depreciation	(381,484)	(37,138)		(418,622)
Total land improvements	3,992,008	(30,786)	NONE	3,961,222
Buildings	146,842,888	163,649		147,006,537
Less - accumulated depreciation	(18,415,502)	(2,838,098)		(21,253,600)
Total buildings	128,427,386	(2,674,449)	NONE	125,752,937
Equipment	302,035	14,010		316,045
Less - accumulated depreciation	(257,961)	(14,317)		(272,278)
Total equipment	44,074	(307)	NONE	43,767
Vehicles	27,978			27,978
Less - accumulated depreciation	(22,304)	(5,596)		(27,900)
Total vehicles	5,674	(5,596)	NONE	78
Total other capital assets	$132,469,142	($2,711,138)	NONE	$129,758,004
Capital asset summary:				
Capital assets not being depreciated	$3,181,170	$9,405,950		$12,587,120
Other capital assets, at cost	151,546,393	184,011		151,730,404
Total cost of capital assets	154,727,563	9,589,961	NONE	164,317,524
Less - accumulated depreciation	(19,077,251)	(2,895,149)		(21,972,400)
Capital assets, net	$135,650,312	$6,694,812	NONE	$142,345,124

3. LONG-TERM LIABILITIES

Bonds Payable - LSU Athletic Department

The following is a detailed summary of bonds payable for the athletic department for the year ended June 30, 2013:

Issue	Date of Issue	Original Issue	Principal Outstanding June 30, 2012	(Redeemed) Issued	Principal Outstanding June 30, 2013	Interest Rates	Maturities	Interest Outstanding June 30, 2013
2005A	June 2, 2005	$6,295,000	$2,265,000	($580,000)	$1,685,000	3.75% to 5.0%	2017	$151,865
2006	August 9, 2006	47,280,000	46,015,000	(730,000)	45,285,000	4.0% to 5.0%	2036	33,518,625
2007	December 11, 2007	24,091,200	22,167,100	(496,700)	21,670,400	4.0% to 5.0%	2037	15,202,222
2008	June 27, 2008	6,180,000	6,040,000		6,040,000	4.0% to 5.0%	2026	2,372,775
Total		$83,846,200	$76,487,100	($1,806,700)	$74,680,400			$51,245,487

The 2005A Bonds refunded the Series 1996 Bonds for $3,965,000 and the Series 1997 Bonds for $2,330,000. The 2006 Bonds funded the construction of the Alex Box Stadium and the Women’s Softball Complex. The 2007 Bonds funded renovations and additions to various athletic facilities, including parking facilities. The 2008 fixed rate bonds refunded the variable rate 2005B Bonds and terminated an associated derivative interest rate swap agreement. This issue also refunded the 1988 LPFA loan agreement.

The following is the amortization schedule for the outstanding bonds payable for the athletic department as of June 30, 2013:

Fiscal Year Ending	Principal	Interest	Total
2014	$1,879,600	$3,570,885	$5,450,485
2015	1,957,500	3,489,648	5,447,148
2016	2,020,400	3,404,951	5,425,351
2017	2,118,300	3,323,958	5,442,258
2018	2,199,100	3,238,715	5,437,815
2019-2023	12,750,600	14,484,036	27,234,636
2024-2028	15,767,400	11,137,831	26,905,231
2029-2033	20,017,700	6,882,238	26,899,938
2034-2037	15,969,800	1,713,225	17,683,025
Total	$74,680,400	$51,245,487	$125,925,887

Bonds Payable - TAF

The following is a detailed summary of bonds payable for TAF for the year ended December 31, 2012:

Issue	Date of Issue	Original Issue	Principal Outstanding December 31, 2011	(Redeemed) Issued	Principal Outstanding December 31, 2012	Interest Rates	Maturities
Series 1999 Bonds	March 4, 1999	$43,575,000	$40,560,000	($1,615,000)	$38,945,000	Variable	2033
Series 2004 Bonds	March 23, 2004	90,000,000	79,725,000	(2,045,000)	77,680,000	Variable	2039
Series 2012 Bonds	October 23, 2012	75,000,000		5,100,000	5,100,000	Variable	2037
Series 2012 Term Bonds	October 23, 2012	25,000,000		808,731	808,731	Variable	2024
Total		$233,575,000	$120,285,000	$2,248,731	$122,533,731		

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

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

In 2012, TAF entered into a bond purchase agreement and a resulting loan agreement so that it could borrow from the proceeds of the sale of revenue bonds due to the commitment to expend $100,000,000 on financing, design, development, performance and construction of the South Side Expansion at LSU's Tiger Stadium and Olympic Sports improvements. At December 31, 2012, TAF had drawn $5,100,000 of the $75,000,000 aggregate bond principal and $808,731 of the $25,000,000 term loan.

The following is the amortization schedule for the outstanding bonds payable for TAF as of December 31, 2012:

Fiscal Year Ending	Principal	Interest
2013	$3,840,000	Variable
2014	4,025,000	Variable
2015	4,215,000	Variable
2016	4,420,000	Variable
2017	4,635,000	Variable
2018-2022	26,725,000	Variable
2023-2027	30,628,731	Variable
2028-2032	26,720,000	Variable
2033-2037	15,325,000	Variable
2038-2039	2,000,000	Variable
Total	$122,533,731	