

TIGER ATHLETIC
FOUNDATION

Financial Statements

December 31, 2013 and 2012



TIGER ATHLETIC FOUNDATION
FINANCIAL STATEMENTS, OTHER FINANCIAL INFORMATION, AND
SUPPLEMENTAL INFORMATION
DECEMBER 31, 2013 AND 2012

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INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of the Board of Directors
Tiger Athletic Foundation
Baton Rouge, LA

Report on the Financial Statements

We have audited the accompanying financial statements of Tiger Athletic Foundation (a nonprofit organization) which comprise the statement of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tiger Athletic Foundation as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Tiger Athletic Foundation. The various statements that are presented on pages 49 through 53 are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the various statements presented on pages 49 through 53 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



A Professional Accounting Corporation

Metairie, LA
March 19, 2014

TIGER ATHLETIC FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 and 2012

A S S E T S

	2013	2012
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 1,827,609	\$ 1,977,865
Restricted assets:		
Cash and cash equivalents	62,400,277	41,945,426
Investments, held-to-maturity	3,886,958	766,443
Investments, available-for-sale	-	214,240
Accounts receivable	1,612,572	1,033,381
Contracts receivable	17,016,898	22,794,183
Unconditional promises to give, net	15,514,385	11,931,793
Deferred charges and prepaid expenses	927,230	923,589
Other current assets	223,970	179,793
Total current assets	103,409,899	81,766,713
<u>NONCURRENT ASSETS</u>		
Restricted assets:		
Cash and cash equivalents	7,041,307	3,043,021
Investments, available-for-sale	10,860,362	9,680,455
Investments, held-to-maturity	51,657,510	55,925,436
Contracts receivable	50,705,801	53,737,987
Unconditional promises to give, net	4,785,844	7,526,381
Property and equipment, net	178,655,558	142,345,124
Assets held for donation to LSU	375,490	9,124,771
Other noncurrent assets	4,137,696	4,317,488
Total noncurrent assets	308,219,568	285,700,663
 Total assets	 \$ 411,629,467	 \$ 367,467,376

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

TIGER ATHLETIC FOUNDATION

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2013 and 2012

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 4,861,725	\$ 2,173,178
Retainage payable	1,773,054	212,637
Deferred revenues	34,488,380	21,744,013
Amounts held in custody for others	9,721,204	9,214,688
Bonds payable	4,025,000	3,840,000
Term Loan	358,666	-
Other current liabilities	11,289	29,421
Total current liabilities	<u>55,239,318</u>	<u>37,213,937</u>
<u>NONCURRENT LIABILITIES</u>		
Deferred revenues	51,371,351	70,803,749
Bonds payable	154,760,000	117,885,000
Term Loan	2,879,221	808,731
Other noncurrent liabilities	4,647,961	8,180,201
Total noncurrent liabilities	<u>213,658,533</u>	<u>197,677,681</u>
Total liabilities	<u>268,897,851</u>	<u>234,891,618</u>
<u>NET ASSETS</u>		
Unrestricted		
Undesignated	46,982,679	48,086,787
Designated	29,223,708	28,118,742
Temporarily restricted	55,815,682	46,235,601
Permanently restricted	10,709,547	10,134,628
Total net assets	<u>142,731,616</u>	<u>132,575,758</u>
Total liabilities and net assets	<u>\$ 411,629,467</u>	<u>\$ 367,467,376</u>

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

TIGER ATHLETIC FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2013 and 2012

	2013	2012
Change in unrestricted net assets		
Unrestricted revenues:		
Contributions	\$ 24,298,109	\$ 24,046,271
Investment earnings	868,975	826,378
Other revenues	7,275,184	7,238,670
Total unrestricted revenues	32,442,268	32,111,319
Net assets released from restrictions:		
Satisfaction of program expenses	4,448,711	10,049,531
Total net assets released from restrictions	4,448,711	10,049,531
Total unrestricted revenues and other support	36,890,979	42,160,850
Program expenses:		
Amounts paid to benefit Louisiana State University for:		
Projects specified by the Board of Directors	22,981,633	8,418,330
Other	8,896,246	9,027,187
Total program expenses	31,877,879	17,445,517
Supporting services	6,880,380	4,677,420
Fundraising expenses	1,663,356	1,623,959
Total expenses	40,421,615	23,746,896
Change in unrestricted net assets	(3,530,636)	18,413,954

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

TIGER ATHLETIC FOUNDATION

STATEMENTS OF ACTIVITIES (CONTINUED)
YEARS ENDED DECEMBER 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Change in temporarily restricted net assets:		
Temporarily restricted revenues:		
Contributions, net of provision for uncollectible accounts	\$ 13,698,700	\$ 23,073,388
Investment earnings	330,092	791,058
Total temporarily restricted revenues	<u>14,028,792</u>	<u>23,864,446</u>
Net assets released from restrictions:		
Satisfaction of program expenses	<u>(4,448,711)</u>	<u>(10,049,531)</u>
Total temporarily restricted revenues and other support	<u>9,580,081</u>	<u>13,814,915</u>
Change in temporarily restricted net assets	<u>9,580,081</u>	<u>13,814,915</u>
Change in permanently restricted net assets:		
Permanently restricted revenues:		
Contributions	<u>574,919</u>	<u>939,853</u>
Total permanently restricted revenues	<u>574,919</u>	<u>939,853</u>
Change in permanently restricted net assets	<u>574,919</u>	<u>939,853</u>
Change in net assets	6,624,364	33,168,722
Net assets at beginning of year	132,575,758	99,846,634
Change in fair value of interest rate swap agreement	3,531,494	(439,598)
Net assets at end of year	<u>\$ 142,731,616</u>	<u>\$ 132,575,758</u>

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

	Program Services			
	Contributions to LSU Athletic	Contributions to LSU Nonathletic	Tiger Den Suites	Stadium Club
Salaries and wages	\$ -	\$ -	\$ 88,536	\$ 92,454
Payroll taxes	-	-	6,629	7,326
Employee benefits	-	-	29,505	20,863
Contributions to LSU	20,973,532	-	-	-
Coaches' supplement	512,000	-	-	-
Scoreboard expenses	190,349	-	-	-
Marketing and publicity	-	-	13,598	-
Dues and subscriptions	4,051	-	-	-
Professional fees	204,858	-	-	-
Academic awards	-	225,300	-	-
LSU Campus Transportation and Development Fund	-	-	-	-
Tickets purchased	-	-	-	-
Financing costs	-	-	825,393	1,690,562
Licensing rights	-	-	-	-
Interest expense	-	-	1,539,332	71,618
Catering and other expenses	-	-	617,242	667,087
Management fee	-	-	20,115	12,069
Occupancy	-	-	1,000	25,100
Event parking	-	-	46,600	1,000
Repairs and maintenance	-	-	90,223	231,175
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Baseball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	16,377	-
Insurance	-	-	144,207	168,595
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	871,543	-	423,819	1,722,855
Total expenses	<u>\$ 22,756,333</u>	<u>\$ 225,300</u>	<u>\$ 3,862,576</u>	<u>\$ 4,710,704</u>

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

	Program Services			
	Alex Box Suites	Supporting Services	Fundraising	Total
Salaries and wages	\$ 42,500	\$ 1,744,912	\$ 576,776	\$ 2,545,178
Payroll taxes	3,391	111,050	46,088	174,484
Employee benefits	10,362	367,304	119,970	548,004
Contributions to LSU	-	117,755	-	21,091,287
Coaches' supplement	-	-	-	512,000
Scoreboard expenses	-	-	-	190,349
Marketing and publicity	-	-	35,595	49,193
Dues and subscriptions	-	29,268	2,470	35,789
Professional fees	-	101,373	-	306,231
Academic awards	-	-	-	225,300
LSU Campus Transportation and Development Fund	-	-	-	-
Tickets purchased	-	-	128,890	128,890
Financing costs	-	-	-	2,515,955
Licensing rights	140,000	-	-	140,000
Interest expense	-	-	-	1,610,950
Catering and other expenses	111,578	-	-	1,395,907
Management fee	8,046	-	-	40,230
Occupancy	500	175,078	17,990	219,668
Event parking	-	73,262	-	120,862
Repairs and maintenance	6,589	17,821	-	345,808
Travel and entertainment	-	136,877	304,259	441,136
Membership	-	55,456	194,006	249,462
Meeting expense	-	22,997	-	22,997
Basketball	-	-	34,934	34,934
Baseball	-	-	-	-
Supplies and office equipment	-	45,362	18,741	64,103
Printing	-	5,714	-	5,714
Computer	-	85,170	19,647	104,817
Bank charges	-	555,952	-	555,952
Special events and other	-	22,273	157,973	196,623
Insurance	-	126,508	3,433	442,743
Bad debts and other allowances	-	3,086,248	-	3,086,248
Promotional expense	-	-	2,584	2,584
Depreciation	-	-	-	3,018,217
Total expenses	\$ 322,966	\$ 6,880,380	\$ 1,663,356	\$ 40,421,615

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012

	Program Services			
	Contributions to LSU Athletic	Contributions to LSU Nonathletic	Tiger Den Suites	Stadium Club
Salaries and wages	\$ -	\$ -	\$ -	\$ -
Payroll taxes	-	-	-	-
Employee benefits	-	-	-	-
Contributions to LSU	6,609,453	-	-	-
Coaches' supplement	512,000	-	-	-
Scoreboard expenses	187,350	-	-	-
Marketing and publicity	-	-	14,151	-
Dues and subscriptions	6,488	-	-	-
Professional fees	120,555	-	-	-
Academic awards	-	225,450	-	-
LSU Campus Transportation and Development Fund	-	6,758	-	-
Tickets purchased	-	-	-	-
Financing costs	-	-	876,944	1,750,589
Licensing rights	-	-	-	-
Interest expense	-	-	1,606,320	130,421
Catering and other expenses	-	-	689,421	740,499
Management fee	-	-	125,000	75,000
Occupancy	-	-	1,000	25,100
Event parking	-	-	46,308	708
Repairs and maintenance	-	-	82,725	84,326
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	20,074	-
Insurance	-	-	130,722	154,679
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	750,276	-	422,018	1,722,855
Total expenses	\$ 8,186,122	\$ 232,208	\$ 4,014,683	\$ 4,684,177

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2012

	Program Services			
	Alex Box Suites	Supporting Services	Fundraising	Total
Salaries and wages	\$ -	\$ 1,569,152	\$ 497,450	\$ 2,066,602
Payroll taxes	-	101,175	40,521	141,696
Employee benefits	-	336,153	109,746	445,899
Contributions to LSU	-	51,496	-	6,660,949
Coaches' supplement	-	-	-	512,000
Scoreboard expenses	-	-	-	187,350
Marketing and publicity	-	-	39,784	53,935
Dues and subscriptions	-	30,680	90	37,258
Professional fees	-	73,306	-	193,861
Academic awards	-	-	-	225,450
LSU Campus Transportation and Development Fund	-	-	-	6,758
Tickets purchased	-	-	148,758	148,758
Financing costs	-	-	-	2,627,533
Licensing rights	140,000	-	-	140,000
Interest expense	-	-	-	1,736,741
Catering and other expenses	119,126	-	-	1,549,046
Management fee	50,000	-	-	250,000
Occupancy	500	169,854	16,882	213,336
Event parking	-	65,608	-	112,624
Repairs and maintenance	18,701	27,181	-	212,933
Travel and entertainment	-	122,298	290,969	413,267
Membership	-	62,588	191,933	254,521
Meeting expense	-	23,263	-	23,263
Basketball	-	-	29,619	29,619
Supplies and office equipment	-	51,780	16,502	68,282
Printing	-	5,232	-	5,232
Computer	-	72,087	18,252	90,339
Bank charges	-	632,480	-	632,480
Special events and other	-	19,786	216,730	256,590
Insurance	-	124,563	2,841	412,805
Bad debts and other allowances	-	1,138,738	-	1,138,738
Promotional expense	-	-	3,882	3,882
Depreciation	-	-	-	2,895,149
Total expenses	<u>\$ 328,327</u>	<u>\$ 4,677,420</u>	<u>\$ 1,623,959</u>	<u>\$ 23,746,896</u>

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

TIGER ATHLETIC FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating activities		
Change in net assets	\$ 6,624,364	\$ 33,168,722
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,018,217	2,895,149
Change in allowance for unconditional promises to give	3,016,241	812,387
Change in fair value of interest rate swap agreement	3,531,494	(439,598)
Recognized gain on investment available-for-sale	(329,606)	(790,423)
Contributions restricted for long-term purposes	(574,919)	(939,853)
Sale of donated financial assets	214,240	-
(Increase) Decrease in operating assets:		
Receivables, deferred charges, and other prepaid assets	(582,832)	913,058
Unconditional promises to give	(3,858,296)	(5,883,896)
Contracts receivable	8,809,471	(47,475,050)
Assets held for donation to LSU	8,749,281	(6,957,325)
Other assets	135,615	256,232
Increase (Decrease) in operating liabilities:		
Accounts payable	2,688,547	1,702,736
Retainage payable	1,560,417	102,012
Deferred revenues	(6,688,031)	52,963,349
Other current liabilities	(18,132)	29,108
Other noncurrent liabilities	(3,532,240)	436,810
Amounts held in custody for others	506,516	1,706,799
Net cash provided by operating activities	<u>23,270,347</u>	<u>32,500,217</u>
Investing activities		
Net change in restricted cash	(24,453,137)	(12,193,044)
Purchase of investments available-for-sale	(851,047)	(1,183,941)
Sales of investments available-for-sale	746	2,788
Purchase of investments held-to-maturity	1,147,411	(11,794,458)
Purchase of property and equipment	(39,328,651)	(9,589,961)
Net cash used in investing activities	<u>(63,484,678)</u>	<u>(34,758,616)</u>
Financing activities		
Proceeds from contributions restricted for investment in permanent endowments	574,919	939,853
Proceeds from Bond Issuance	40,900,000	5,100,000
Proceeds from Term Loan	2,429,156	808,731
Principal payments on borrowings	(3,840,000)	(3,660,000)
Net cash provided by financing activities	<u>40,064,075</u>	<u>3,188,584</u>
Net change in cash and cash equivalents	(150,256)	930,185
Cash and cash equivalents, beginning of year	1,977,865	1,047,680
Cash and cash equivalents, end of year	<u>\$ 1,827,609</u>	<u>\$ 1,977,865</u>

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

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Nature of Activities

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

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

Although established to support LSU and its athletic program, TAF is separate and distinct from LSU in law and in fact. As a nonprofit corporation established to support a Louisiana public higher education institution and meeting criteria established in Louisiana R.S. 17:3390B(1)-(3), TAF may not be deemed an agent for LSU and TAF funds are considered private. Neither LSU nor the State of Louisiana has any liability for the obligations, whether financial or otherwise, incurred by TAF.

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

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

Marketable securities that have a readily determinable fair value and all investments in debt securities are classified as either held-to-maturity or available-for-sale. The classification of a debt security as held-to-maturity is based on management's positive intent and the Foundation's ability to hold such security to maturity. Securities held to maturity are stated at cost adjusted for amortization of premiums and accretion of discounts in the statement of financial position. Securities classified as available-for-sale are reported at fair value in the statement of financial position and unrealized gains and losses are included in the change in net assets in the statement of activities.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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.

Contracts Receivable and Deferred Revenue

Included within the Statements of Financial Position are Contracts Receivable that represent the Foundation's right to receive cash under contracts with its members in exchange for the members right to purchase tickets for future LSU athletic events, primarily the right to purchase certain "premium seating" football tickets in Tiger Stadium. The Foundation's receivables include contracts for the 2014, 2015, 2016, 2017 and 2018 seasons. These receivables result in deferred revenue at December 31st. At December 31, 2013 and 2012, the Foundation's deferred revenue included \$67,722,699 and \$76,532,170 of receivables related to these contracts. The revenue from these contracts will be recognized in the year that the athletic season associated with the ticket(s) is completed. Deferred revenue also included \$18,137,032 and \$16,015,592, as of December 31, 2013 and 2012, respectively, that is related to payments received by the Foundation in advance of the activities associated with those cash receipts having occurred. The amount of the above totals that is specific to those contractual donations for the right to purchase certain "premium seating" football tickets in Tiger Stadium is pledged for the payment of debt service mentioned in Note 7.

Unconditional Promises to Give

Contributions that are expected to be collected within one year are recorded at net realizable value. Contributions that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Changes to the estimate of the present value of the contributions will be reported in the period the changes are made. The Foundation establishes an allowance for unfulfilled pledges based on a specific analysis of the remaining contribution balance due for contributions that were not made in accordance with the donor's pledged timeline. Decreases in temporarily and permanently restricted contributions because of changes in the amounts of assets expected to be received are recorded as a loss and are reported within expenses on the 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.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Assets Held for Donation to LSU

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

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, 2013 and 2012.

Other Assets

Other assets include deferred financing costs, associated with the Revenue Bonds Series 2004, which are being amortized over the 30 year life of the bond agreement. 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 \$387,972 and \$348,180, as of December 31, 2013 and 2012 respectively. Also included in other assets, is \$4,200,000 of financing costs associated with the construction of Alex Box baseball stadium. These costs are presented net of accumulated amortization of \$688,334 and \$548,333, as of December 31, 2013 and 2012, 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 are disclosed in Note 3 and represent the coaches' escrow accounts and affiliated chapters' accounts, which were established as a custodial fund at the request of LSU, accounts held for the LSU Athletics Department, as well as other small miscellaneous agency accounts. The coaches' escrow accounts and affiliated chapters' accounts were created in order for TAF to act as a nonaffiliated party in overseeing the revenue generated by the coaches and affiliated booster club chapters of LSU and to provide institutional control as required by NCAA rules. The amounts held for the LSU Athletic Department are to fund special projects, as needed, and to establish maintenance reserve accounts for newly constructed LSU Athletic Facilities as required by the Board of Regents Policy. The Foundation has included \$4,711,794 and \$3,766,866 of amounts held in custody for others as restricted cash within current assets as of December 31, 2013 and 2012, respectively. The Foundation also included \$5,009,410 and \$5,447,822 of amounts held in custody for others as restricted investments held-to-maturity as of December 31, 2013 and 2012, respectively. These amounts, in total, are offset by a current liability in the same amount.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Contributions

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

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

Functional Expenses

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

Donated Services

During the years ended December 31, 2013 and 2012, the value of contributed services meeting the requirements for recognition in the financial statements was not considered material and has not been recorded.

Scoreboards

The Foundation owns scoreboards and related equipment installed at various athletic venues on the LSU campus. Contract revenues associated with these scoreboards are more fully described in Note 12.

Rents - LSU and University Club

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

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

As mentioned in Note 11, upon completion of construction and renovation of the South End Zone at LSU's Tiger Stadium, LSU shall pay \$4,000,000 to the Foundation as annual rent.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Rents - LSU and University Club (Continued)

The Foundation maintains a lease and license agreement with The University Club of Baton Rouge, L.L.C., as the tenant of the lease. The Foundation receives monthly payments equal to 6% of the prior month's gross revenues plus an annual fee per member. The University Club serves as the home course for the LSU golf teams and is also used for LSU hosted events.

Reclassifications

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

Tax Status

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

Use of Estimates

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

Fair Values of Financial Instruments

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

The Foundation follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820, *Fair Value Measurements and Disclosures*, 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.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fair Values of Financial Instruments (continued)

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

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

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

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

Investments, available-for-sale - The fair value of donated equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers (Level 1). The fair value of pooled investments is valued at net asset value of the participation units owned by the Foundation. The net asset value is based on the fair value of the underlying investments held by the portfolio fund less its liabilities (Level 2 and Level 3). The fair value of annuity investments is based upon externally developed models that use unobservable inputs due to the limited market activity of the investment (Level 3).

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 (Level 2).

The preceding methods described may produce a fair value calculation that may not be reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market investments, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

ASU 2011-04 amends FASB ASC 820 in that additional disclosures are required about fair value measurements categorized within Level 3 fair value measurements, the valuation processes used by the Foundation, and the Foundation's policy for determining when transfers into or out of Level 3 are deemed to have occurred. See note 8 for all required disclosures.

2. Concentration of Credit Risk for Cash Held in Bank

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

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

3. Restricted Cash and Cash Equivalents

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

	December 31, 2013	December 31, 2012
Bond restrictions		
Maintenance reserve and escrow accounts	\$ 6,366,339	\$ 4,281,176
Tiger Den Suites East tower account	589,321	1,138,634
Tiger Den Suites South tower account	2,569,511	2,316,169
West Side Upper Deck Stadium Club deposits	1,311,898	1,538,459
South Side Upper Deck Stadium Club deposits	4,465,432	3,542,540
Bond Series 2012 Draw Funds	9,491,193	3,109,308
Alex Box Suites	1,055,450	914,717
By Board for designated purposes	5,322,166	3,062,276
Donor restrictions	33,491,576	20,950,538
Amounts held in custody for others	4,711,794	3,766,866
Endowment funds	66,904	367,764
	<u>\$ 69,441,584</u>	<u>\$ 44,988,447</u>

The above totals are classified as current and non-current on the statements of financial position based on the nature of the restriction and the timeframe with which they will be released from restriction.

4. Investments

Investments at December 31, 2013 consist of the following:

	Amortization / Cost Value	Fair Value	Unrealized Gain (Loss)
Held-to-maturity			
Debt securities, held in custody for others	\$ 5,009,410	\$ 5,007,747	\$ (1,663) *
Debt securities	50,535,058	49,591,135	(943,923) *
	<u>\$ 55,544,468</u>	<u>\$ 54,598,882</u>	<u>\$ (945,586)</u>
Available-for-sale			
LSU Foundation investment pool	\$ 9,965,590	\$ 10,829,244	\$ 863,654
Donated equity investments	-	-	-
Charitable gift annuity	32,594	31,118	(1,476)
	<u>\$ 9,998,184</u>	<u>\$ 10,860,362</u>	<u>\$ 862,178</u>

* Unrealized Gain (Loss) not recorded for investments held-to-maturity. Investment recorded at Amortization Value.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

4. Investments (continued)

Investments at December 31, 2012 consist of the following:

	Amortization / Cost Value	Fair Value	Unrealized Gain (Loss)
Held-to-maturity			
Debt securities, held in custody for others	\$ 5,447,822	\$ 6,567,802	\$ 1,119,980 *
Debt securities	51,244,057	50,468,697	(775,360) *
	<u>\$ 56,691,879</u>	<u>\$ 57,036,499</u>	<u>\$ 344,620</u>
Available-for-sale			
LSU Foundation investment pool	\$ 9,114,543	\$ 9,647,923	\$ 533,380
Donated equity investments	214,240	214,240	-
Charitable gift annuity	33,340	32,532	(808)
	<u>\$ 9,362,123</u>	<u>\$ 9,894,695</u>	<u>\$ 532,572</u>

* Unrealized Gain (Loss) not recorded for investments held-to-maturity. Investment recorded at Amortization Value.

Held-to-maturity investments consist of investments in debt securities to which the Foundation intends to hold these investments until maturity.

Available-for-sale investments primarily include investments with the LSU Foundation investment pool, which consists primarily of equity funds, corporate bonds, collateralized mortgage obligations, and government agency securities. All available-for-sale investments are stated at fair value. The LSU Foundation investments are classified as noncurrent due to being restricted as of December 31, 2013 and 2012. The donated equity investments are classified as current since these investments were liquidated upon the first business day of the subsequent year.

Investment return is summarized as follows:

	<u>2013</u>	<u>2012</u>
Interest and dividend income	\$ 869,461	\$ 827,013
Net realized and unrealized gains (loss)	<u>329,606</u>	<u>790,423</u>
Total investment return	<u>\$ 1,199,067</u>	<u>\$ 1,617,436</u>

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

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

5. Unconditional Promises to Give

Unconditional promises to give at December 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Receivable in less than one year	\$ 15,514,385	\$ 11,931,793
Receivable in one to five years	9,254,365	8,536,969
Receivable in more than five years	1,939,141	2,380,833
Total contributions receivable	<u>26,707,891</u>	<u>22,849,595</u>
Less discount to net present value (discount rate was 4.0% as of December 31, 2013 and December 31, 2012)	(1,772,162)	(1,757,521)
Less allowance for unfulfilled pledges	(4,635,500)	(1,633,900)
Net contributions receivable	<u>\$ 20,300,229</u>	<u>\$ 19,458,174</u>

6. Property and Equipment

The Foundation's investment in property and equipment consisted of the following at December 31, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ 3,090,000
Leaseholds and other improvements	4,379,844	188,194	-	-	4,568,038
Stadium expansion and scoreboard	147,006,537	2,557,132	-	-	149,563,669
Furniture and equipment	316,045	44,296	-	-	360,341
Vehicles	27,978	-	-	-	27,978
	<u>154,820,404</u>	<u>2,789,622</u>	<u>-</u>	<u>-</u>	<u>157,610,026</u>
Less accumulated depreciation	(21,972,400)	(3,018,217)	-	-	(24,990,617)
Construction in process	9,497,120	36,539,029	-	-	46,036,149
Property and equipment, net	<u>\$ 142,345,124</u>	<u>\$ 36,310,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,655,558</u>

The Foundation's investment in property and equipment consisted of the following at December 31, 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ 3,090,000
Leaseholds and other improvements	4,373,492	6,352	-	-	4,379,844
Stadium expansion and scoreboard	146,842,888	163,649	-	-	147,006,537
Furniture and equipment	302,035	14,010	-	-	316,045
Vehicles	27,978	-	-	-	27,978
	<u>154,636,393</u>	<u>184,011</u>	<u>-</u>	<u>-</u>	<u>154,820,404</u>
Less accumulated depreciation	(19,077,251)	(2,895,149)	-	-	(21,972,400)
Construction in process	91,170	9,405,950	-	-	9,497,120
Property and equipment, net	<u>\$ 135,650,312</u>	<u>\$ 6,694,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,345,124</u>

Depreciation expense totaled \$3,018,217 and \$2,895,149, for the years ended December 31, 2013 and 2012, respectively.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable

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

	December 31, 2013	December 31, 2012
Revenue Bonds Series 1999	\$ 37,255,000	\$ 38,945,000
Revenue Bonds Series 2004	75,530,000	77,680,000
Revenue Bonds Series 2012	46,000,000	5,100,000
Term Loan	3,237,887	808,731
	<u>\$ 162,022,887</u>	<u>\$ 122,533,731</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 donations for the right to purchase certain "premium seating" football tickets in Tiger Stadium is pledged for the payment of the debt service. See Note 1 for more details. Bond indentures contain requirements for annual debt service and flow of funds through various restricted accounts. The bonds 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.

The Foundation accounts for the interest rate swap as a fair value hedge as directed by the FASB ASC 815, *Derivatives and Hedging*. 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, 2013 and 2012 was a liability of \$4,642,251 and \$8,173,745, respectively, which represents a change from the prior year of \$3,531,494 in 2013 and \$(439,598) in 2012, which is presented as a change of net assets on the statements 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 were used to finance or reimburse a portion of the costs of the acquisition and construction of certain improvements and renovations to Tiger Stadium and a football operations center at LSU, including funding the interest and costs associated with the project. The bonds are secured by the pledged revenues on parity with the Series 1999 revenue bonds. The bonds have a floating interest rate based on the SIFMA Index. Annual payments began on September 1, 2005, and will continue through September 1, 2034.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (continued)

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.

As described more fully in Note 11, the Foundation committed to expending \$100,000,000 on the financing, design, development, performance and construction of the Facilities/South and Olympic Sports Improvements in accordance with the plans and specifications approved by LSU. In order to finance this commitment, the Foundation initiated two different debt instruments in October 2012.

The Foundation entered into a Bond Purchase Agreement, and a resulting Loan Agreement, so that it could borrow, from the proceeds of the sale of Revenue Bonds, an aggregate principal of \$75,000,000. These bond indentures contain requirements for annual debt service and flow of funds through various restricted accounts. Beginning in 2018, the Foundation must establish a mandatory sinking fund, with annual installments due through 2037. The annual installments range from a low of \$2,910,000 in 2018 to a high of \$4,730,000 in 2037. As security for payments to be made by the Foundation, pursuant to the Loan Agreement, the Foundation has entered into an Act of Assignment of Pledged Revenues and Security Agreement, on parity with the Series 1999 and 2004 revenue bonds. The Foundation will draw down, through the term of the Loan Agreement, as construction progresses and as construction draws are presented to the Foundation, with the last draw to occur in 2014. From its origination through December 31, 2013, the Foundation has drawn \$46,000,000 of funds against its aggregate principal. For the period from the loan's closing date in 2012 through, but not including, October 1, 2022, this loan shall bear interest at the Special Bank Variable rate. This variable rate is equal to 65% of the 90 day LIBOR Index rate plus 2.25% or, the higher of 65% of the Federal Funds rate plus 2.625% or 65% of the Prime Rate on the Adjustment Date. At December 31, 2013, that interest rate was 2.41029%. At December 31, 2012, the interest rate was 2.4562%.

To finance the balance of the commitment, the Foundation issued a non-revolving taxable term loan for a principal amount of \$25,000,000. As security for payments to be made by the Foundation, the Foundation has entered into an Act of Assignment of Pledged Revenues and Security Agreement on parity with the Series 1999 and 2004 revenue bonds. From its origination through December 31, 2013, the Foundation has drawn \$3,237,887 of funds provided by this term loan. The term loan will bear interest at an Elective Interest Rate, which was initially set at the 30 day LIBOR Index Rate plus 3.00%. The Foundation has the right to change the Elected Interest Rate to the greater of the New York Prime Rate or the Federal Funds Rate plus 3.50%. The interest rate at December 31, 2013 was 3.165%. The interest rate at December 31, 2012 was 3.2135%. Interest only shall be payable through October 1, 2014. Beginning November 1, 2014, the Foundation will pay regular monthly installments of accrued interest, plus monthly installments of principal. This term loan matures no later than November 1, 2024.

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, 2013 and 2012.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (continued)

The scheduled maturities of the debt outstanding at December 31, 2013 are as follows:

	Bond and Note Payable
2014	\$ 4,383,666
2015	6,378,830
2016	5,135,391
2017	4,635,000
2018	7,765,000
2019 - 2023	43,725,000
2024 - 2028	48,310,000
2029 - 2033	35,080,000
2034 - 2038	5,610,000
2039	1,000,000
Total:	<u>\$ 162,022,887</u>

The scheduled maturities, of all debt when all contribution draws are made as anticipated, are projected as follows:

2014	\$ 4,383,666
2015	6,378,830
2016	6,655,166
2017	6,943,496
2018	10,148,998
2019 - 2023	56,875,680
2024 - 2028	50,709,164
2029 - 2033	45,865,000
2034 - 2038	23,825,000
2039	1,000,000
Total:	<u>\$ 212,785,000</u>

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.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (continued)

The Federal Home Loan Bank will in turn charge approximately 20 bps 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, 2013 and 2012.

As mentioned above, the outstanding debt of the Foundation is secured by the assignment and pledge of revenues derived from donations for the right to purchase certain football tickets in Tiger Stadium. As mentioned in Note 1, while established to support LSU and its athletic program, the Foundation is separate and distinct from LSU in law and in fact. As a nonprofit corporation established to support a Louisiana public higher education institution and meeting criteria established in Louisiana R.S. 17:3390B(1)-(3), the Foundation may not be deemed an agent for LSU and the Foundation's funds are considered private. Neither LSU nor the State of Louisiana has any liability for the obligations, whether financial or otherwise, incurred by the Foundation, including the above mentioned debt.

8. Fair Value Measurements

The Foundation's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance FASB ASC 820, *Fair Value Measurements and Disclosures*. 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, 2013 are as follows:

<u>ASSETS</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Balance</u>
Investments, available-for-sale				
LSU Foundation investment pool	\$ -	\$ 4,990,155	\$ 5,839,089	\$ 10,829,244
Charitable gift annuity	-	-	31,118	31,118
Total	<u>\$ -</u>	<u>\$ 4,990,155</u>	<u>\$ 5,870,207</u>	<u>\$ 10,860,362</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>\$ 4,642,251</u>	<u>\$ -</u>	<u>\$ 4,642,251</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>ASSETS</u>	<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>
Investments	\$ 4,852,543	\$ 30,293	\$ -	\$ 987,371	\$ -	\$ 5,870,207
Total	<u>\$ 4,852,543</u>	<u>\$ 30,293</u>	<u>\$ -</u>	<u>\$ 987,371</u>	<u>\$ -</u>	<u>\$ 5,870,207</u>

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

8. Fair Value Measurements (continued)

The valuation of the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2012 are as follows:

<u>ASSETS</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Balance</u>
Investments, available-for-sale				
LSU Foundation investment pool	\$ -	\$ 4,827,912	\$ 4,820,011	\$ 9,647,923
Equity securities	214,240	-	-	214,240
Charitable gift annuity	-	-	32,532	32,532
Total	<u>\$ 214,240</u>	<u>\$ 4,827,912</u>	<u>\$ 4,852,543</u>	<u>\$ 9,894,695</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>\$ 8,173,745</u>	<u>\$ -</u>	<u>\$ 8,173,745</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>ASSETS</u>	<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>
Investments	\$ 4,350,820	\$ 17,036	\$ -	\$ 484,687	\$ -	\$ 4,852,543
Total	<u>\$ 4,350,820</u>	<u>\$ 17,036</u>	<u>\$ -</u>	<u>\$ 484,687</u>	<u>\$ -</u>	<u>\$ 4,852,543</u>

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value to another. In such instances, the transfer is reported at the beginning of the reporting period. As presented in the tables above, there were no transfers in or out of Level 3 for the years ended December 31, 2013 and 2012.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

8. Fair Value Measurements (continued)

The following tables represent the Foundation's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs as of December 31, 2013 and 2012.

December 31, 2013			
Investment	Fair Value	Principal Valuation Technique	Unobservable Inputs
Investments, available-for-sale			
LSU Foundation investment pool	\$ 5,839,089	Fair value is based upon externally developed models.	N/A
Charitable gift annuity	<u>31,118</u>	Fair value is based upon externally developed models.	N/A
Total	<u>\$ 5,870,207</u>		

December 31, 2012			
Investment	Fair Value	Principal Valuation Technique	Unobservable Inputs
Investments, available-for-sale			
LSU Foundation investment pool	\$ 4,820,011	Fair value is based upon externally developed models.	N/A
Charitable gift annuity	<u>32,532</u>	Fair value is based upon externally developed models.	N/A
Total	<u>\$ 4,852,543</u>		

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

9. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	December 31, 2013	December 31, 2012
Donor restrictions		
Capital program	\$ 22,414,126	\$ 20,215,024
Nutrition Center	8,373,249	-
Annual Scholarship Fund	5,582,820	5,917,595
Preservation of Tiger Stadium	5,361,202	9,756,926
South End Zone Kitchen	3,400,512	-
AD's Annual Fund	1,430,609	1,285,839
Unappropriated endowment earnings	1,410,506	1,439,788
Athletic Facility Fund	1,261,067	1,264,067
Tennis	950,023	670,712
Make Your Pitch	808,506	979,329
LSU Golf Facility	800,110	828,741
Tiger Den	725,128	593,819
Softball complex	694,288	695,640
Band Hall	444,596	428,093
Baseball building	360,546	275,151
Academic Center	329,270	309,681
Gymnastics	290,910	204,751
Unallocated interest	192,068	151,218
Women's basketball	184,360	161,729
PMAC restoration	123,823	301,793
Volleyball	112,881	108,771
Football	112,287	109,127
Soccer complex	94,785	28,833
Swimming	88,134	68,734
L Club	84,806	70,946
Athletic trainer's equipment	79,592	69,292
Basketball bleachers	60,700	18,000
Jeff Boss Honorarium	16,634	16,134
Track and field	12,465	9,925
Football strength equipment	6,988	6,438
Basketball	4,115	4,115
Miscellaneous memorials	3,770	-
Sue Gunter Fund	806	806
Alex Box Stadium	-	237,491
Hall of Fame	-	7,093
Total temporarily restricted funds	<u>\$ 55,815,682</u>	<u>\$ 46,235,601</u>

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

10. 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.

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

The Board of Directors of the Foundation 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

10. Endowment Composition (continued)

The Foundation's Endowment Net Asset Composition by fund type as of December 31, 2013 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,410,506	\$ 10,709,547	\$ 12,120,053
Undesignated funds	(1,356,614)	-	-	(1,356,614)
Total	<u>\$ (1,356,614)</u>	<u>\$ 1,410,506</u>	<u>\$ 10,709,547</u>	<u>\$ 10,763,439</u>

A summary of the changes in the Foundation's Endowment Net Assets for the year ended December 31, 2013 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (1,356,614)	\$ 1,439,788	\$ 10,134,628	\$ 8,668,170
Investment return:				
Investment income	-	486	-	486
Net appreciation (realized and unrealized)	-	329,606	-	329,606
Total investment return	-	330,092	-	330,092
Contributions	-	-	574,919	574,919
Reclassification due to change in law	-	-	-	-
Appropriation of endowment assets for expenditure	-	(359,374)	-	(359,374)
Endowment net assets, end of year	<u>\$ (1,356,614)</u>	<u>\$ 1,410,506</u>	<u>\$ 10,709,547</u>	<u>\$ 10,763,439</u>

The Foundation's Endowment Net Asset Composition by fund type as of December 31, 2012 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,439,788	\$ 10,134,628	\$ 11,574,416
Undesignated funds	(1,356,614)	-	-	(1,356,614)
Total	<u>\$ (1,356,614)</u>	<u>\$ 1,439,788</u>	<u>\$ 10,134,628</u>	<u>\$ 10,217,802</u>

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

10. Endowment Composition (continued)

A summary of the changes in the Foundation's Endowment Net Assets for the year ended December 31, 2012 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (1,356,614)	\$ 830,009	\$ 9,194,775	\$ 8,668,170
Investment return:				
Investment income	-	635	-	635
Net appreciation (realized and unrealized)	-	790,423	-	790,423
Total investment return	-	791,058	-	791,058
Contributions	-	-	939,853	939,853
Reclassification due to change in law	-	-	-	-
Appropriation of endowment assets for expenditure	-	(181,279)	-	(181,279)
Endowment net assets, end of year	<u>\$ (1,356,614)</u>	<u>\$ 1,439,788</u>	<u>\$ 10,134,628</u>	<u>\$ 10,217,802</u>

11. Commitments and Contingencies

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

As mentioned in Note 7, the Foundation entered into a Cooperative Endeavor and Lease Agreement (Cooperative Endeavor) with the Board of Supervisors of LSU. The Agreement stipulates that the Foundation will lease from LSU certain land (Ground Lease) and existing improvements thereon (Facilities Lease) in order to provide necessary, new, expanded and renovated Facilities/South, South End Zone Scoreboards and Olympic Sports Improvements, all as defined, for LSU. The Foundation enters into the Cooperative Endeavor for the purpose of, and shall have the continuing obligation of, developing and constructing the Facilities/South and South End Zone Scoreboards in accordance with plans and specifications approved by LSU, and shall ensure the maintenance, operation, management and replacement of the Facilities/South and South End Zone Scoreboards. The Foundation shall expend a total amount, including for both hard and soft costs, of \$100,000,000 for the financing, design, development, performance and construction of the Facilities/South and Olympic Sports Improvements in accordance with the plans and specifications approved by LSU. The expenditures necessary for the South End Zone Scoreboards will be outside of and in addition to the \$100,000,000.

The term of the Ground Lease between LSU and the Foundation is fifty years; however, it will terminate, together with the Cooperative Endeavor, when, and if, the Facilities/South are donated by the Foundation to LSU. The Facilities Lease is scheduled to terminate June 30, 2049; however, LSU may terminate the lease at any time after the Bonds, referred to in Note 8, are paid in full or legally defeased. The Foundation is committed to an annual rent of \$25,000 for the land. Upon completion of the Facilities/South, the Foundation will lease to LSU a portion of that Facilities/South. Under the terms of this lease, and with the anticipated completion of the construction prior to the start of the 2014 LSU football season, LSU will pay the Foundation \$4,000,000, annually, beginning September 1, 2014.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

12. Scoreboard Sponsorships

In 1999, the Foundation entered into a Cooperative Endeavor Agreement with LSU that obligated the Foundation to acquire, construct and maintain new scoreboards in LSU athletic venues at a total cost of approximately \$5.2 million. In return for its fulfillment of this obligation, the Foundation was given an eight year license to solicit certain qualified corporate sponsorship contracts. In connection with its issuance of the Series 2004 Revenue Bonds, LSU extended the Foundation's rights to solicit qualified corporate sponsorship contracts for a period of approximately 35 years. Effective July 1, 2005, the Foundation, with approval of LSU, entered into a ten year lease agreement with Viacom Outdoor Advertising, Inc., d/b/a LSU Sports Properties, whereby the Foundation leased its rights to the scoreboards to Viacom in return for an annual guaranteed rental payment. The rent payment, which was \$1.4 million in year one and year two, and will increase by \$25,000 annually each year during the life of the lease agreement, is due in two equal installments payable in July and October of each year. 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.

13. Retirement Savings Plan

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

Under the Plan, the Foundation will make matching contributions in an amount equal to the sum of 100 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 100 percent, and are vested in the Employer Discretionary Contribution at a rate of 20 percent per year after reaching one year of service, as defined.

The Foundation made matching contributions of approximately \$178,000 and \$143,000, for the years ended December 31, 2013 and 2012, respectively.

14. Uncertain Tax Position

The Foundation accounts for uncertain tax positions in accordance with FASB ASC 740, *Income Taxes*. FASB ASC 740, *Income Taxes*, prescribes recognition threshold and measurement processes for financial statement recognition of uncertain tax provisions taken or expected to be taken in a tax return. The interpretation also provides guidance on recognition, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Management evaluated the Foundation's tax positions for the year ending December 31, 2013 and concluded that the organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Foundation's tax filings are subjected to audit by various taxing authorities. The Foundation's open audit periods are 2010 through 2012.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued March 19, 2014, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

OTHER FINANCIAL INFORMATION



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

To the Executive Committee of the Board of Directors
Tiger Athletic Foundation
Baton Rouge, LA

We have audited the financial statements of Tiger Athletic Foundation as of and for the years ended December 31, 2013 and 2012, and have issued our report thereon, dated March 19, 2014, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to March 19, 2014.

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

A handwritten signature in black ink that reads "LaPorte" in a cursive script.

A Professional Accounting Corporation

Metairie, LA
March 19, 2014

TIGER ATHLETIC FOUNDATION

STATEMENTS OF NET ASSETS
DECEMBER 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,827,609	\$ 1,977,865
Restricted assets:		
Cash and cash equivalents	62,400,277	41,945,426
Investments, held-to-maturity	3,886,958	766,443
Investments, available-for-sale	-	214,240
Accounts receivable	1,612,572	1,033,381
Contracts receivable	17,016,898	22,794,183
Pledges receivable	15,514,385	11,931,793
Due from other campuses	-	-
Due from State Treasury	-	-
Inventories	-	-
Deferred charges and prepaid expenses	927,230	923,589
Notes receivable	-	-
Other current assets	223,970	179,793
Total current assets	<u>103,409,899</u>	<u>81,766,713</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	7,041,307	3,043,021
Investments, available-for-sale	10,860,362	9,680,455
Investments, held-to-maturity	51,657,510	55,925,436
Accounts receivable, net	-	-
Notes receivable	-	-
Other	-	-
Investments	-	-
Contracts receivable	50,705,801	53,737,987
Pledges receivable, net	4,785,844	7,526,381
Notes receivable	-	-
Capital assets, net	178,655,558	142,345,124
Assets held for donation to LSU	375,490	9,124,771
Assets under capital leases, net	-	-
Other noncurrent assets	4,137,696	4,317,488
Total noncurrent assets	<u>308,219,568</u>	<u>285,700,663</u>
Total assets	<u>\$ 411,629,467</u>	<u>\$ 367,467,376</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

STATEMENTS OF NET ASSETS (CONTINUED)
DECEMBER 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,861,725	\$ 2,173,178
Accounts payable - construction in progress	1,773,054	212,637
Due to other campuses	-	-
Due to State Treasury	-	-
Deferred revenues	34,488,380	21,744,013
Amounts held in custody for others	9,721,204	9,214,688
Compensated absences payable	-	-
Capital lease obligations	-	-
Line-of-credit	-	-
Note payable	-	-
Contracts payable	-	-
Bonds payable	4,025,000	3,840,000
Term Loan	358,666	-
Other current liabilities	11,289	29,421
Total current liabilities	<u>55,239,318</u>	<u>37,213,937</u>
Noncurrent liabilities:		
Amounts held in custody for others	-	-
Compensated absences payable	-	-
Capital lease obligations	-	-
Note payable	-	-
Contracts payable	-	-
Deferred revenues	51,371,351	70,803,749
Bonds payable	154,760,000	117,885,000
Term Loan	2,879,221	808,731
Other noncurrent liabilities	4,647,961	8,180,201
Total noncurrent liabilities	<u>213,658,533</u>	<u>197,677,681</u>
Total liabilities	<u>268,897,851</u>	<u>234,891,618</u>
Net assets		
Invested in capital assets, net of related debt	19,870,558	20,620,124
Restricted for:		
Nonexpendable	10,709,547	10,134,628
Expendable	55,815,682	46,235,601
Unrestricted	56,335,829	55,585,405
Total net assets	<u>142,731,616</u>	<u>132,575,758</u>
Total liabilities and net assets	<u>\$ 411,629,467</u>	<u>\$ 367,467,376</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Student tuition and fees	\$ -	\$ -
Less scholarship allowances	-	-
Net student tuition and fees	-	-
Gifts received by the Foundation	37,996,809	47,119,659
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	7,275,184	7,238,670
Total operating revenues	<u>45,271,993</u>	<u>54,358,329</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	15,829,032	13,591,825
Total operating expenses	<u>15,829,032</u>	<u>13,591,825</u>
Operating income	<u>29,442,961</u>	<u>40,766,504</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, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Nonoperating revenues and (expenses):		
State appropriations	\$ -	\$ -
Gifts	-	-
Net investment income (loss)	1,199,067	1,617,436
Interest expense	(1,610,950)	(1,736,741)
Payments to or on behalf of the university	(22,981,633)	(8,418,330)
Other nonoperating revenues (expenses)	-	-
Net nonoperating revenues (expenses)	<u>(23,393,516)</u>	<u>(8,537,635)</u>
Income before other revenues, expenses, gains, and losses	<u>6,049,445</u>	<u>32,228,869</u>
Capital appropriations	-	-
Capital gifts and grants	-	-
Additions to permanent endowments	574,919	939,853
Other additions, net	-	-
Increase in net assets	<u>6,624,364</u>	<u>33,168,722</u>
Net assets, beginning of year	132,575,758	99,846,634
Change in fair value of interest rate swap agreement	3,531,494	(439,598)
Net assets, end of year	<u>\$ 142,731,616</u>	<u>\$ 132,575,758</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

COMPONENT UNIT DESCRIPTION

Component Unit Description

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

During the year ended December 31, 2013, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$22,981,633, \$1,370, 324 from booster clubs, and \$454,865 from affiliated chapters. During the year ended December 31, 2012, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$8,418,330, \$1,365,913 from booster clubs, and \$375,765 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by Tiger Athletic Foundation.

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

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

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

The Tiger Athletic Foundation is a nonprofit organization that reports under 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, 2013

	Balance 12/31/2012	Additions	Transfers	Retirements	Balance 12/31/2013
Capital assets not being depreciated:					
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ 3,090,000
Capitalized collections	-	-	-	-	-
Livestock	-	-	-	-	-
Construction in progress	9,497,120	36,539,029	-	-	46,036,149
Total capital assets not being depreciated	<u>\$ 12,587,120</u>	<u>\$ 36,539,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,126,149</u>
Other capital assets:					
Land improvements	\$ 4,379,844	\$ 188,194	\$ -	\$ -	\$ 4,568,038
Less accumulated depreciation	(418,622)	(38,813)	-	-	(457,435)
Total land improvements	<u>3,961,222</u>	<u>149,381</u>	<u>-</u>	<u>-</u>	<u>4,110,603</u>
Buildings	147,006,537	2,557,132	-	-	149,563,669
Less accumulated depreciation	(21,253,600)	(2,967,759)	-	-	(24,221,359)
Total buildings	<u>125,752,937</u>	<u>(410,627)</u>	<u>-</u>	<u>-</u>	<u>125,342,310</u>
Equipment	316,045	44,296	-	-	360,341
Less accumulated depreciation	(272,278)	(11,567)	-	-	(283,845)
Total equipment	<u>43,767</u>	<u>32,729</u>	<u>-</u>	<u>-</u>	<u>76,496</u>
Vehicles	27,978	-	-	-	27,978
Less accumulated depreciation	(27,900)	(78)	-	-	(27,978)
Total vehicles	<u>78</u>	<u>(78)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other capital assets	<u>\$ 129,758,004</u>	<u>\$ (228,595)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,529,409</u>
Capital asset summary:					
Capital assets not being depreciated	\$ 12,587,120	\$ 36,539,029	\$ -	\$ -	\$ 49,126,149
Other capital assets, at cost	151,730,404	2,789,622	-	-	154,520,026
Total cost of capital assets	<u>164,317,524</u>	<u>39,328,651</u>	<u>-</u>	<u>-</u>	<u>203,646,175</u>
Less accumulated depreciation	(21,972,400)	(3,018,217)	-	-	(24,990,617)
Capital assets, net	<u>\$ 142,345,124</u>	<u>\$ 36,310,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,655,558</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance 12/31/2011	Additions	Transfers	Retirements	Balance 12/31/2012
Capital assets not being depreciated:					
Land	\$ 3,090,000	\$ -	\$ -	\$ -	\$ 3,090,000
Capitalized collections	-	-	-	-	-
Livestock	-	-	-	-	-
Construction in progress	91,170	9,405,950	-	-	9,497,120
Total capital assets not being depreciated	<u>\$ 3,181,170</u>	<u>\$ 9,405,950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,587,120</u>
Other capital assets:					
Land improvements	\$ 4,373,492	\$ 6,352	\$ -	\$ -	\$ 4,379,844
Less accumulated depreciation	(381,484)	(37,138)	-	-	(418,622)
Total land improvements	<u>3,992,008</u>	<u>(30,786)</u>	<u>-</u>	<u>-</u>	<u>3,961,222</u>
Buildings	146,842,888	163,649	-	-	147,006,537
Less accumulated depreciation	(18,415,502)	(2,838,098)	-	-	(21,253,600)
Total buildings	<u>128,427,386</u>	<u>(2,674,449)</u>	<u>-</u>	<u>-</u>	<u>125,752,937</u>
Equipment	302,035	14,010	-	-	316,045
Less accumulated depreciation	(257,961)	(14,317)	-	-	(272,278)
Total equipment	<u>44,074</u>	<u>(307)</u>	<u>-</u>	<u>-</u>	<u>43,767</u>
Vehicles	27,978	-	-	-	27,978
Less accumulated depreciation	(22,304)	(5,596)	-	-	(27,900)
Total vehicles	<u>5,674</u>	<u>(5,596)</u>	<u>-</u>	<u>-</u>	<u>78</u>
Total other capital assets	<u>\$ 132,469,142</u>	<u>\$ (2,711,138)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,758,004</u>
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	<u>154,727,563</u>	<u>9,589,961</u>	<u>-</u>	<u>-</u>	<u>164,317,524</u>
Less accumulated depreciation	(19,077,251)	(2,895,149)	-	-	(21,972,400)
Capital assets, net	<u>\$ 135,650,312</u>	<u>\$ 6,694,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,345,124</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTES PAYABLE AND CAPITAL LEASES

December 31, 2013

	Balance at December 31, 2012	Additions	Reductions	Balance at December 31, 2013	Amounts Due Within One Year
Bonds and notes payable and capital leases:					
Bonds payable	\$ 121,725,000	\$ 40,900,000	\$ 3,840,000	\$ 158,785,000	\$ 4,025,000
Note payable	808,731	2,429,156	-	3,237,887	358,666
Capital lease obligations	-	-	-	-	-
Total bonds, notes, and capital leases	<u>\$ 122,533,731</u>	<u>\$ 43,329,156</u>	<u>\$ 3,840,000</u>	<u>\$ 162,022,887</u>	<u>\$ 4,383,666</u>
Other liabilities:					
Amounts held in custody for others	\$ 9,214,688	\$ 2,690,236	\$ 2,183,720	\$ 9,721,204	\$ 9,721,204
Deferred revenue	92,547,762	30,580,478	37,268,509	85,859,731	34,488,380
Other liabilities	8,209,622	439,699	3,990,071	4,659,250	11,289
Total other liabilities	<u>\$ 109,972,072</u>	<u>\$ 33,710,413</u>	<u>\$ 43,442,300</u>	<u>\$ 100,240,185</u>	<u>\$ 44,220,873</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTES PAYABLE AND CAPITAL LEASES

December 31, 2012

	Balance at December 31, 2011	Additions	Reductions	Balance at December 31, 2012	Amounts Due Within One Year
Bonds and notes payable and capital leases:					
Bonds payable	\$ 120,285,000	\$ 5,100,000	\$ 3,660,000	\$ 121,725,000	\$ 3,840,000
Note payable	-	808,731	-	808,731	-
Capital lease obligations	-	-	-	-	-
Total bonds, notes, and capital leases	<u>\$ 120,285,000</u>	<u>\$ 5,908,731</u>	<u>\$ 3,660,000</u>	<u>\$ 122,533,731</u>	<u>\$ 3,840,000</u>
Other liabilities:					
Amounts held in custody for others	\$ 7,507,889	\$ 2,171,865	\$ 465,066	\$ 9,214,688	\$ 9,214,688
Deferred revenue	39,584,413	77,054,611	24,091,262	92,547,762	21,744,013
Other liabilities	7,743,704	879,387	413,469	8,209,622	29,421
Total other liabilities	<u>\$ 54,836,006</u>	<u>\$ 80,105,863</u>	<u>\$ 24,969,797</u>	<u>\$ 109,972,072</u>	<u>\$ 30,988,122</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS PAYABLE

December 31, 2013

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2012	(Redeemed) Issued	Principal Outstanding 12/31/2013	Interest Rates	Interest Outstanding 12/31/2013
Series 1999 Bonds	March 4, 1999	\$ 43,575,000	\$ 38,945,000	\$ (1,690,000)	\$ 37,255,000	Variable	\$ -
Series 2004 Bonds	March 23, 2004	90,000,000	77,680,000	(2,150,000)	75,530,000	Variable	-
Series 2012 Bonds	October 23, 2012	5,100,000	5,100,000	40,900,000	46,000,000	Variable	-
Term Loan	October 23, 2012	808,731	808,731	2,429,156	3,237,887	Variable	-
		<u>\$ 139,483,731</u>	<u>\$ 122,533,731</u>	<u>\$ 39,489,156</u>	<u>\$ 162,022,887</u>		<u>\$ -</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS PAYABLE

December 31, 2012

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2011	(Redeemed) Issued	Principal Outstanding 12/31/2012	Interest Rates	Interest Outstanding 12/31/2012
Series 1999 Bonds	March 4, 1999	\$ 43,575,000	\$ 40,560,000	\$ (1,615,000)	\$ 38,945,000	Variable	\$ -
Series 2004 Bonds	March 23, 2004	90,000,000	79,725,000	(2,045,000)	77,680,000	Variable	-
Series 2012 Bonds	October 23, 2012	-	-	5,100,000	5,100,000	Variable	-
Term Loan	October 23, 2012	-	-	808,731	808,731	Variable	-
		<u>\$ 133,575,000</u>	<u>\$ 120,285,000</u>	<u>\$ 2,248,731</u>	<u>\$ 122,533,731</u>		<u>\$ -</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS PAYABLE AMORTIZATION

Year Ended December 31, 2013

Fiscal Year				
Ending	Principal	Interest	Total	
2014	\$ 4,383,666	Variable	\$ 4,383,666	
2015	6,378,830	Variable	6,378,830	
2016	5,135,391	Variable	5,135,391	
2017	4,635,000	Variable	4,635,000	
2018	7,765,000	Variable	7,765,000	
2019	8,070,000	Variable	8,070,000	
2020	8,395,000	Variable	8,395,000	
2021	8,730,000	Variable	8,730,000	
2022	9,085,000	Variable	9,085,000	
2023	9,445,000	Variable	9,445,000	
2024	8,835,000	Variable	8,835,000	
2025	9,230,000	Variable	9,230,000	
2026	9,645,000	Variable	9,645,000	
2027	10,075,000	Variable	10,075,000	
2028	10,525,000	Variable	10,525,000	
2029	8,490,000	Variable	8,490,000	
2030	8,815,000	Variable	8,815,000	
2031	6,805,000	Variable	6,805,000	
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>\$ 162,022,887</u>		<u>\$ 162,022,887</u>	

See independent auditor's report on other financial information.



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

To the Executive Committee of the Board of Directors
Tiger Athletic Foundation
Baton Rouge, LA

We have audited the financial statements of Tiger Athletic Foundation as of and for the years ended December 31, 2013 and 2012, and have issued our report thereon, dated March 19, 2014, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to March 19, 2014.

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

A handwritten signature in black ink that reads "LaPorte" in a cursive script.

A Professional Accounting Corporation

Metairie, LA
March 19, 2014

TIGER ATHLETIC FOUNDATION

SUMMARY OF EXPENSES PAID TO LOUISIANA STATE UNIVERSITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012

	<u>2013</u>	<u>2012</u>
Rent expense	\$ 96,748	\$ 96,030
Compensation for LSU contract staff	70,840	76,265
Ground lease payments	61,000	86,100
Telephone/Communications expenses	47,257	38,807
Handling/Service fees	46,409	32,660
Parking expenses	41,118	37,232
Computing services contract payment	40,133	31,470
Security expenses	31,805	30,914
Repairs and maintenance expenses	22,698	35,517
Postage expense	19,930	18,821
Travel for TAF staff/donors (lodging/airfare)	12,700	12,312
Printing expense	9,578	9,323
Club card printing and readers/equipment for stadium club	7,702	5,000
Supplies expense	6,835	9,477
Fuel expense	1,400	2,100
Computer expense for LSU contract staff	675	1,350
Leasehold improvements	-	18,507
	<u>\$ 516,828</u>	<u>\$ 541,885</u>

See independent auditor's report on other financial information.

OTHER SUPPLEMENTARY INFORMATION

TIGER ATHLETIC FOUNDATION

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2013</u>
Revenues and gains:				
Donations - TAF members	\$ 24,298,109	\$ 13,698,700	\$ 574,919	\$ 38,571,728
Restricted revenue	-	-	-	-
Scoreboard sponsorships	2,075,000	-	-	2,075,000
Rents - University Club and LSU	4,726,628	-	-	4,726,628
Investment income	868,975	330,092	-	1,199,067
Net realized and unrealized gains	-	-	-	-
Merchandise revenue	-	-	-	-
Other revenue	473,556	-	-	473,556
Total revenues and gains	<u>32,442,268</u>	<u>14,028,792</u>	<u>574,919</u>	<u>47,045,979</u>
Net assets released from restrictions	4,448,711	(4,448,711)	-	-
Expenses:				
Program services:				
Contribution to LSU - athletic department	22,756,333	-	-	22,756,333
Contribution to LSU - non-athletic	225,300	-	-	225,300
Tiger Den suites	3,862,576	-	-	3,862,576
Stadium Club	4,710,704	-	-	4,710,704
Alex Box Suites	322,966	-	-	322,966
Supporting activities:				
General and administrative	6,880,380	-	-	6,880,380
Fundraising	1,663,356	-	-	1,663,356
Total expenses	<u>40,421,615</u>	<u>-</u>	<u>-</u>	<u>40,421,615</u>
Increase in net assets	<u>\$ (3,530,636)</u>	<u>\$ 9,580,081</u>	<u>\$ 574,919</u>	<u>\$ 6,624,364</u>

See independent auditor's report.

TIGER ATHLETIC FOUNDATION

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2012</u>
Revenues and gains:				
Donations - TAF members	\$ 24,046,271	\$ 23,073,388	\$ 939,853	\$ 48,059,512
Restricted revenue	-	-	-	-
Scoreboard sponsorships	2,050,000	-	-	2,050,000
Rents - University Club and LSU	4,724,395	-	-	4,724,395
Investment income	826,378	791,058	-	1,617,436
Net realized and unrealized gains	-	-	-	-
Merchandise revenue	-	-	-	-
Other revenue	464,275	-	-	464,275
Total revenues and gains	<u>32,111,319</u>	<u>23,864,446</u>	<u>939,853</u>	<u>56,915,618</u>
Net assets released from restrictions	10,049,531	(10,049,531)	-	-
Expenses:				
Program services:				
Contribution to LSU - athletic department	8,186,122	-	-	8,186,122
Contribution to LSU - non-athletic	232,208	-	-	232,208
Tiger Den suites	4,014,683	-	-	4,014,683
Stadium Club	4,684,177	-	-	4,684,177
Alex Box Suites	328,327	-	-	328,327
Supporting activities:				
General and administrative	4,677,420	-	-	4,677,420
Fundraising	1,623,959	-	-	1,623,959
Total expenses	<u>23,746,896</u>	<u>-</u>	<u>-</u>	<u>23,746,896</u>
Increase in net assets	<u>\$ 18,413,954</u>	<u>\$ 13,814,915</u>	<u>\$ 939,853</u>	<u>\$ 33,168,722</u>

See independent auditor's report.

TIGER ATHLETIC FOUNDATION
STATEMENT OF REVENUES AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS
YEAR ENDED DECEMBER 31, 2013

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
Revenues						
Contributions	\$ 13,320,422	\$ 398,801	\$ 40,193	\$ 4,995,396	\$ 5,419,875	\$ 24,174,687
Compensations and benefits provided by a third party	517,382	833	-	16,175	97,745	632,135
Total revenues	<u>\$ 13,837,804</u>	<u>\$ 399,634</u>	<u>\$ 40,193</u>	<u>\$ 5,011,571</u>	<u>\$ 5,517,620</u>	<u>\$ 24,806,822</u>
Expenses						
Coaching other compensation and benefits	\$ 517,382	\$ 833	\$ -	\$ 16,175	\$ 97,745	\$ 632,135
Severance payments	-	-	-	-	-	-
Recruiting	34,619	17,584	1,825	16,760	37,660	108,448
Team travel	340	738	1,190	13,214	3,422	18,904
Equipment, uniforms, and supplies	-	-	-	54,178	-	54,178
Game expenses	170,779	4,295	-	102,795	-	277,869
Fund-raising, marketing, and promotion	148,895	38,332	21,526	210,627	661,731	1,081,111
Direct facilities, maintenance, and rental	-	-	-	-	-	-
Spirit groups	-	-	-	-	34,110	34,110
Membership and dues	15,725	2,541	-	14,246	9,641	42,153
Other operating expenses	12,950,063	335,312	15,652	4,583,576	4,673,311	22,557,914
Total expenses	<u>\$ 13,837,803</u>	<u>\$ 399,635</u>	<u>\$ 40,193</u>	<u>\$ 5,011,571</u>	<u>\$ 5,517,620</u>	<u>\$ 24,806,822</u>

During the year ended December 31, 2013, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$22,981,633; \$1,370,324 from booster clubs; and \$454,865 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, 2012

	<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>
Revenues						
Contributions	\$ 2,273,889	\$ 473,774	\$ 46,644	\$ 1,977,438	\$ 4,522,906	\$ 9,294,651
Compensations and benefits provided by a third party	512,000	250,000	-	-	103,357	865,357
Total revenues	<u>\$ 2,785,889</u>	<u>\$ 723,774</u>	<u>\$ 46,644</u>	<u>\$ 1,977,438</u>	<u>\$ 4,626,263</u>	<u>\$ 10,160,008</u>
Expenses						
Coaching other compensation and benefits	\$ 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
Fundraising, 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 expenses	1,811,857	432,064	18,820	1,514,223	3,956,454	7,733,418
Total expenses	<u>\$ 2,785,888</u>	<u>\$ 723,774</u>	<u>\$ 46,645</u>	<u>\$ 1,977,436</u>	<u>\$ 4,626,265</u>	<u>\$ 10,160,008</u>

During the year ended December 31, 2012, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$8,418,330; \$1,365,913 from booster clubs; and \$375,765 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

Years	<i>Unrestricted Contributions Team TAF Championship Donations</i>	<i>Temporarily Restricted Contributions</i>	<i>Permanently Restricted Contributions</i>	Grand Total	<i>Temporarily and Permanently Restricted Collections</i>
2013	\$ 993,252	\$ 13,698,700	\$ 574,919	\$ 15,266,871	\$ 10,665,991
2012	\$ 1,039,329	\$ 23,073,388	\$ 939,853	\$ 25,052,570	\$ 17,439,330
2011	\$ 1,039,856	\$ 17,858,891	\$ 936,058	\$ 19,834,805	\$ 16,524,469
2010	\$ 1,034,329	\$ 4,850,255	\$ 1,494,008	\$ 7,378,592	\$ 11,553,087
2009	\$ 1,195,858	\$ 11,469,901	\$ 633,870	\$ 13,299,629	\$ 9,499,205
2008	\$ 2,755,892	\$ 7,854,335	\$ 917,795	\$ 11,528,022	\$ 7,991,332
2007	\$ 678,445	\$ 5,879,055	\$ 3,962,733	\$ 10,520,233	\$ 8,132,382
2006	\$ 558,706	\$ 5,000,858	\$ 724,830	\$ 6,284,394	\$ 5,262,677

See independent auditor's report.

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**Report of Independent Accountants
on Schedule of Debt Service Coverage Ratio**

To the Executive Committee of the Board of Directors
Tiger Athletic Foundation
Baton Rouge, LA

We have reviewed the accompanying *Schedule of Debt Service Coverage Ratio* for the year ended December 31, 2013 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 and related to the \$43,575,000 Revenue Bonds (Series 1999) reflecting the provisions of resolutions adopted by Tiger Athletic Foundation and issued January 1, 1999; the \$90,000,000 Revenue Bonds (Series 2004) reflecting the provisions of resolutions adopted by Tiger Athletic Foundation and issued on March 1, 2004; and, the \$75,000,000 Revenue Bonds (Series 2012) reflecting the provisions of resolutions adopted by Tiger Athletic Foundation and issued on October 22, 2012.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the *Schedule of Debt Service Coverage Ratio*. We believe that the results of our procedures provide a reasonable basis for our report.

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 of 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
Metairie, LA
March 19, 2014

TIGER ATHLETIC FOUNDATION

SCHEDULE OF DEBT SERVICE COVERAGE RATIO – SERIES 2004 and SERIES 2012

YEAR ENDED DECEMBER 31, 2013

Available Revenues

Total unrestricted revenues of \$32,442,268 less total expenses (\$31,628,014 minus depreciation of \$3,018,217, amortization of \$140,000 and discretionary expenses of \$20,134,443). \$ 24,106,914

Debt Service Requirements

Debt service requirement including remarketing fees of \$106,622 and letter of credit fees of \$2,364,725. \$ 7,966,905

Debt Service Coverage Ratio 3.03

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

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

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

See independent accountants report.

TIGER ATHLETIC FOUNDATION

NOTE TO SCHEDULE OF DEBT SERVICE COVERAGE RATIO

1. Basis of Presentation

The computation in the *Schedule of Debt Service Coverage Ratio – Series 2004 and 2012*, 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, and the Revenue bond Resolution relating to the \$75,000,000 revenue Bonds (Series 2012) reflecting the provisions of Resolutions adopted by Tiger Athletic Foundation on October 22, 2012.

See independent accountants report.