

TIGER ATHLETIC
FOUNDATION

Financial Statements

December 31, 2016 and 2015



TIGER ATHLETIC FOUNDATION
FINANCIAL STATEMENTS, OTHER FINANCIAL INFORMATION, AND
OTHER SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016 AND 2015

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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 statements of financial position as of December 31, 2016 and 2015, 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 from 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, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 51 through 55 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information presented on pages 51 through 55 is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
April 1, 2017

TIGER ATHLETIC FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 and 2015

A S S E T S

	2016	2015
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 636,386	\$ 675,524
Restricted assets:		
Cash and cash equivalents	59,027,735	68,854,563
Investments, held-to-maturity	4,368,450	3,703,327
Accounts receivable	1,009,202	345,177
Contracts receivable	22,863,476	22,750,887
Unconditional promises to give, net	15,225,530	15,840,953
Prepaid expenses	539,545	427,026
Other current assets	234,128	238,035
Total current assets	103,904,452	112,835,492
<u>NONCURRENT ASSETS</u>		
Restricted assets:		
Cash and cash equivalents	21,519,825	4,509,543
Investments, available-for-sale	14,592,179	11,710,310
Investments, held-to-maturity	81,851,872	69,225,803
Contracts receivable	27,429,406	34,759,069
Unconditional promises to give, net	6,357,022	5,400,743
Property and equipment, net	217,128,001	223,229,023
Assets held for donation to LSU	4,941,508	12,572,332
Other noncurrent assets	2,982,461	3,121,318
Total noncurrent assets	376,802,274	364,528,141
Total assets	\$ 480,706,726	\$ 477,363,633

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

TIGER ATHLETIC FOUNDATION
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2016 and 2015

LIABILITIES AND NET ASSETS

	2016	2015
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 926,148	\$ 1,396,508
Retainage payable	15,000	493,651
Deferred revenues	35,418,538	34,521,681
Amounts held in custody for others	1,816,536	2,559,018
Bonds payable	8,160,000	8,475,000
Term loan	2,424,508	2,288,842
Total current liabilities	48,760,730	49,734,700
<u>NONCURRENT LIABILITIES</u>		
Deferred revenues	27,999,884	35,167,129
Amounts held in custody for others	4,179,544	3,307,855
Bonds payable, net of current		
Principal amount	158,410,000	166,570,000
Deferred financing costs	(730,123)	(777,559)
Term loan	24,908,926	27,333,434
Total noncurrent liabilities	214,768,231	231,600,859
Total liabilities	263,528,961	281,335,559
<u>NET ASSETS</u>		
Unrestricted		
Undesignated	84,771,668	79,133,300
Designated	57,297,722	49,053,306
Temporarily restricted	58,022,280	53,467,260
Permanently restricted	17,086,095	14,374,208
Total net assets	217,177,765	196,028,074
Total liabilities and net assets	\$ 480,706,726	\$ 477,363,633

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

TIGER ATHLETIC FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Change in unrestricted net assets:		
Unrestricted revenues:		
Contributions	\$ 36,134,085	\$ 39,232,347
Investment earnings	2,012,231	1,617,720
Other revenues	<u>13,162,551</u>	<u>11,845,140</u>
Total unrestricted revenues	<u>51,308,867</u>	<u>52,695,207</u>
Net assets released from restrictions:		
Satisfaction of program expenses	<u>5,344,229</u>	<u>13,059,814</u>
Total net assets released from restrictions	<u>5,344,229</u>	<u>13,059,814</u>
Total unrestricted revenues and other support	<u>56,653,096</u>	<u>65,755,021</u>
Program expenses:		
Amounts incurred to benefit Louisiana State University for:		
Projects specified by the Board of Directors	21,706,501	20,798,774
Catering and other	2,830,375	2,793,160
Financing costs	29,153	2,350,345
Interest	5,068,625	3,840,883
Personnel	396,467	386,940
Repairs and maintenance	223,453	162,019
Insurance	510,445	485,954
Depreciation	4,498,431	4,344,859
Other	<u>363,085</u>	<u>378,351</u>
Total program expenses	<u>35,626,535</u>	<u>35,541,285</u>
Supporting services	<u>4,657,668</u>	<u>4,264,696</u>
Fundraising expenses	<u>2,486,109</u>	<u>2,220,968</u>
Total expenses	<u>42,770,312</u>	<u>42,026,949</u>
Change in unrestricted net assets	<u>13,882,784</u>	<u>23,728,072</u>

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

TIGER ATHLETIC FOUNDATION

STATEMENTS OF ACTIVITIES (CONTINUED)

YEARS ENDED DECEMBER 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Change in temporarily restricted net assets:		
Temporarily restricted revenues:		
Contributions	9,170,389	9,177,735
Investment earnings	728,860	(454,965)
Total temporarily restricted revenues	<u>9,899,249</u>	<u>8,722,770</u>
Net assets released from restrictions:		
Satisfaction of program expenses	<u>(5,344,229)</u>	<u>(13,059,814)</u>
Total temporarily restricted revenues and other support	<u>4,555,020</u>	<u>(4,337,044)</u>
Change in temporarily restricted net assets	<u>4,555,020</u>	<u>(4,337,044)</u>
Change in permanently restricted net assets:		
Permanently restricted revenues:		
Contributions	<u>2,711,887</u>	<u>2,559,668</u>
Total permanently restricted revenues	<u>2,711,887</u>	<u>2,559,668</u>
Change in permanently restricted net assets	<u>2,711,887</u>	<u>2,559,668</u>
Change in net assets	21,149,691	21,950,696
Net assets at beginning of year	<u>196,028,074</u>	<u>174,077,378</u>
Net assets at end of year	<u>\$ 217,177,765</u>	<u>\$ 196,028,074</u>

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

	Program Services			
	Contributions	Contributions	Tiger Den	Stadium
	to LSU Athletic	to LSU Nonathletic	Suites	Club
Salaries and wages	\$ -	\$ -	\$ 83,255	\$ 133,906
Payroll taxes	-	-	8,882	11,339
Employee benefits	-	-	33,980	47,402
Contributions to LSU	18,462,045	-	-	-
Coaches' supplement	512,000	-	-	-
Scoreboard expenses	210,810	-	-	-
Marketing and publicity	-	-	31,108	-
Dues and subscriptions	10,585	-	-	-
Professional fees	20,882	-	-	-
Academic awards	-	439,233	-	-
LSU Campus Transportation and Development Fund	-	-	-	-
Tickets purchased	-	-	-	-
Financing costs	-	-	-	29,153
Licensing rights	-	-	-	-
Interest expense	-	-	1,889,561	3,179,064
Catering and other expenses	-	-	1,226,139	1,482,379
Management fee	-	-	10,747	17,242
Occupancy	-	-	1,000	50,000
Event parking	-	-	84,900	-
Repairs and maintenance	-	-	123,063	69,051
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Baseball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	22,341	-
Insurance	-	-	164,880	345,565
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	2,050,946	-	885,783	3,612,648
Total expenses	\$ 21,267,268	\$ 439,233	\$ 4,565,639	\$ 8,977,749

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2016

	<u>Program Services</u>			
	Alex Box Suites	Supporting Services	Fundraising	Total
Salaries and wages	\$ 48,547	\$ 1,927,950	\$ 897,530	\$ 3,091,188
Payroll taxes	5,796	125,514	67,792	219,323
Employee benefits	23,360	413,758	247,566	766,066
Contributions to LSU	-	-	-	18,462,045
Coaches' supplement	-	-	-	512,000
Scoreboard expenses	-	-	-	210,810
Marketing and publicity	-	-	54,221	85,329
Dues and subscriptions	-	40,117	4,528	55,230
Professional fees	-	144,477	-	165,359
Academic awards	-	-	-	439,233
LSU Campus Transportation and Development Fund	-	-	-	-
Tickets purchased	-	-	191,977	191,977
Financing costs	-	-	-	29,153
Licensing rights	140,000	-	-	140,000
Interest expense	-	-	-	5,068,625
Catering and other expenses	121,857	-	-	2,830,375
Management fee	5,747	-	-	33,736
Occupancy	-	209,350	22,191	282,541
Event parking	-	61,788	-	146,688
Repairs and maintenance	31,339	13,830	-	237,283
Travel and entertainment	-	88,686	519,341	608,027
Membership	-	26,097	184,665	210,762
Meeting expense	-	25,071	-	25,071
Basketball	-	-	79,564	79,564
Baseball	-	-	-	-
Supplies and office equipment	-	53,649	34,761	88,410
Printing	-	8,636	-	8,636
Computer	-	93,704	28,419	122,123
Bank charges	-	757,916	-	757,916
Special events and other	-	85,545	110,259	218,145
Insurance	-	146,769	5,671	662,885
Bad debts and other allowances	-	434,811	-	434,811
Promotional expense	-	-	37,624	37,624
Depreciation	-	-	-	6,549,377
Total expenses	\$ 376,646	\$ 4,657,668	\$ 2,486,109	\$ 42,770,312

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	Program Services			
	Contributions to LSU Athletic	Contributions to LSU Nonathletic	Tiger Den Suites	Stadium Club
Salaries and wages	\$ -	\$ -	\$ 96,163	\$ 126,512
Payroll taxes	-	-	7,014	8,725
Employee benefits	-	-	30,232	43,011
Contributions to LSU	17,777,534	-	-	-
Coaches' supplement	512,000	-	-	-
Scoreboard expenses	176,612	-	-	-
Marketing and publicity	-	-	37,983	-
Dues and subscriptions	6,181	-	-	-
Professional fees	156,870	-	-	-
Academic awards	-	322,117	-	-
LSU Campus Transportation and Development Fund	-	-	-	-
Tickets purchased	-	-	-	-
Financing costs	-	-	389,030	1,961,315
Licensing rights	-	-	-	-
Interest expense	-	-	1,777,030	2,063,853
Catering and other expenses	-	-	1,231,939	1,450,922
Management fee	-	-	10,747	17,242
Occupancy	-	-	1,000	50,000
Event parking	-	-	85,200	-
Repairs and maintenance	-	-	57,436	87,200
Travel and entertainment	-	-	-	-
Membership	-	-	-	-
Meeting expense	-	-	-	-
Basketball	-	-	-	-
Baseball	-	-	-	-
Supplies and office equipment	-	-	-	-
Printing	-	-	-	-
Computer	-	-	-	-
Bank charges	-	-	-	-
Special events and other	-	-	30,432	-
Insurance	-	-	191,521	294,433
Bad debts and other allowances	-	-	-	-
Promotional expense	-	-	-	-
Depreciation	1,847,460	-	805,346	3,539,513
Total expenses	<u>\$ 20,476,657</u>	<u>\$ 322,117</u>	<u>\$ 4,751,073</u>	<u>\$ 9,642,726</u>

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

	<u>Program Services</u>			
	<u>Alex Box Suites</u>	<u>Supporting Services</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 44,812	\$ 1,779,966	\$ 717,965	\$ 2,765,418
Payroll taxes	7,003	116,455	55,173	194,370
Employee benefits	23,468	379,818	181,045	657,574
Contributions to LSU	-	-	-	17,777,534
Coaches' supplement	-	-	-	512,000
Scoreboard expenses	-	-	-	176,612
Marketing and publicity	-	-	27,269	65,252
Dues and subscriptions	-	34,926	2,036	43,143
Professional fees	-	161,083	-	317,953
Academic awards	-	-	-	322,117
LSU Campus Transportation and Development Fund	-	-	-	-
Tickets purchased	-	-	188,553	188,553
Financing costs	-	-	-	2,350,345
Licensing rights	140,000	-	-	140,000
Interest expense	-	-	-	3,840,883
Catering and other expenses	110,299	-	-	2,793,160
Management fee	5,747	-	-	33,736
Occupancy	-	198,662	20,055	269,717
Event parking	-	65,925	-	151,125
Repairs and maintenance	17,383	33,822	-	195,841
Travel and entertainment	-	88,117	560,299	648,416
Membership	-	35,852	123,314	159,166
Meeting expense	-	18,998	-	18,998
Basketball	-	-	84,597	84,597
Baseball	-	-	-	-
Supplies and office equipment	-	61,138	15,433	76,571
Printing	-	3,389	-	3,389
Computer	-	106,357	21,298	127,655
Bank charges	-	709,959	-	709,959
Special events and other	-	24,996	214,633	270,061
Insurance	-	156,565	4,345	646,864
Bad debts and other allowances	-	288,668	-	288,668
Promotional expense	-	-	4,953	4,953
Depreciation	-	-	-	6,192,319
Total expenses	<u>\$ 348,712</u>	<u>\$ 4,264,696</u>	<u>\$ 2,220,968</u>	<u>\$ 42,026,949</u>

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

TIGER ATHLETIC FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating activities		
Change in net assets	\$ 21,149,691	\$ 21,950,696
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,549,377	6,192,319
Change in allowance for unconditional promises to give	(406,778)	141,100
Recognized (gain) loss on investment available-for-sale	(448,766)	1,126,667
Transfer of property and equipment to LSU	13,368,932	22,725
Contributions restricted for long-term purposes	(2,711,887)	(2,559,668)
Amortization included in interest expense	47,436	128,471
Decrease (increase) in operating assets:		
Receivables and other prepaid assets	(776,544)	394,818
Unconditional promises to give	65,922	(456,300)
Contracts receivable	7,217,074	1,575,228
Assets held for donation to LSU	(5,738,108)	(1,699,268)
Other assets	142,764	49,365
(Decrease) increase in operating liabilities:		
Accounts payable	(470,360)	(1,392,259)
Retainage payable	(478,651)	(27,214)
Deferred revenues	(6,270,388)	(3,530,813)
Other noncurrent liabilities	-	(5,972,716)
Amounts held in custody for others	129,207	(1,299,812)
Net cash provided by operating activities	<u>31,368,921</u>	<u>14,643,339</u>
Investing activities		
Increase in restricted cash	(7,183,454)	(4,564,658)
Purchase of investments available-for-sale	(3,034,160)	(1,848,048)
Sales of investments available-for-sale	601,057	923,973
Purchase of investments held-to-maturity	(13,291,192)	(11,379,936)
Purchase of property and equipment	(448,355)	(4,577,947)
Net cash used in investing activities	<u>(23,356,104)</u>	<u>(21,446,616)</u>
Financing activities		
Proceeds from contributions restricted for investment in permanent endowments	2,711,887	2,559,668
Proceeds from term loan	-	7,717,333
Principal payments on borrowings	(10,763,842)	(4,092,724)
Net cash (used in) provided by financing activities	<u>(8,051,955)</u>	<u>6,184,277</u>
Net change in cash and cash equivalents	(39,138)	(619,000)
Cash and cash equivalents, beginning of year	675,524	1,294,524
Cash and cash equivalents, end of year	<u>\$ 636,386</u>	<u>\$ 675,524</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of the amount capitalized	<u>\$ 5,068,625</u>	<u>\$ 3,534,625</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.

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 statements of financial position. Securities classified as available-for-sale are reported at fair value in the statements of financial position and unrealized gains and losses are included in the change in net assets in the statements of activities.

Fair Values of Financial Instruments

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

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Fair Values of Financial Instruments (Continued)

The Foundation follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*. Under FASB ASC 820, 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 establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

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

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

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

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

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

Investments, available-for-sale - The fair value of 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. 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).

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Fair Values of Financial Instruments (Continued)

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 amended 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.

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 2017, 2018, and 2019 seasons. These receivables result in deferred revenue at December 31st. At December 31, 2016 and 2015, the Foundation's deferred revenue included \$50,292,882 and \$57,509,956, respectively, 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 \$13,125,540 and \$12,178,854 as of December 31, 2016 and 2015, 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 statements 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.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

It is TAF's policy to capitalize all fixed asset purchases greater than \$1,000. Property and equipment is depreciated using the straight-line method over estimated useful lives of 5 to 50 years.

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

Assets Held for Donation to LSU

Assets held for donation to LSU 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. At December 31, 2016 and 2015, the balance in this account was comprised entirely of construction in progress on capital projects that are expected to be donated to LSU upon completion.

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, 2016 and 2015.

Deferred Financing Costs

In April, 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. ASU 2015-03 amends current presentation guidance by requiring that debt issuance costs related to a recognized debt liability be presented as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Prior to the issuance of ASU 2015-03, debt issuance costs were required to be presented as an asset. The Foundation adopted the provisions of ASU 2015-03 as of December 31, 2016 and applied the new guidance on a retrospective basis. The adoption of ASU 2015-03 did not impact the Foundation's results of operations or cash flows. The effects of the adoption to the Foundation's statements of financial position as of December 31, 2015 were a decrease in total assets and total debt of \$777,559.

Deferred financing costs of \$795,861, associated with the Revenue Bonds Series 2012, Revenue Bonds Series 2015, and Revenue Bonds Series 2015A, are being amortized over the respective lives of the bond agreements. These costs are presented net of accumulated amortization of \$65,738 and \$18,302 as of December 31, 2016 and 2015, respectively. Amortization of the costs is recorded as a component of interest expense.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Capitalized Licensing Rights

Other assets includes \$4,200,000 of licensing rights associated with the construction of Alex Box baseball stadium. These costs are presented net of accumulated amortization of \$1,108,334 and \$968,334 as of December 31, 2016 and 2015, respectively. These costs will be amortized over the life of the stadium. Amortization of the costs is recorded as a component of operating expenses.

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 \$1,816,536 and \$2,341,855 of amounts held in custody for others as restricted cash within current assets as of December 31, 2016 and 2015, respectively.

The Foundation also has \$3,703,792 and \$3,498,826 of amounts held in custody for others as restricted investments held-to-maturity as of December 31, 2016 and 2015, respectively. These amounts, in total, are offset by a liability, current and non-current dependent on the maturity date, in the same amount.

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.

Contributions

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

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Contributions (Continued)

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.

As mentioned in Contracts Receivable and Deferred Revenue above, the Foundation has rights to receive cash under contracts with its members in exchange for the members right to purchase, primarily, certain "premium seating" football tickets in Tiger Stadium. The Foundation includes within Unrestricted Contributions on the statements of activities those amounts recognized relative to the contract terms and the completion of the athletic season associated with the contracts.

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.

Donated Services

During the years ended December 31, 2016 and 2015, 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 2015, the lease was amended to include the 2015 revenue bonds (see Note 7).

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Rents - LSU and University Club (Continued)

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. In 2015, the lease was amended to include the 2015A revenue bonds (see Note 7).

In 2012, the Foundation entered into a Bond Purchase Agreement that provided \$75,000,000 in revenue bonds for the purpose of financing or reimbursing a portion of the cost of the construction of the South End Zone (SEZ) at LSU's Tiger Stadium. The Bond Purchase Agreement was amended in 2014 to provide \$70,000,000 in revenue bonds for the same purpose. The Foundation also entered into a \$30,000,000 term loan in 2012, of which a portion was also used for the purpose of financing or reimbursing a portion of the cost of the construction of the SEZ. The agreement stipulates that LSU shall pay \$4,000,000 to the Foundation as annual rent for these facilities.

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

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.

Advertising

The Foundation's policy is to expense advertising costs as the costs are incurred.

Tax Status

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

Use of Estimates

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

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Significant New Accounting Pronouncements

In May 2015, FASB issued ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*. The guidance removes the requirement to include investments in the fair value hierarchy for which fair value is measured using the net asset value per share practical expedient. The guidance also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. This guidance is effective retrospectively for fiscal years beginning after December 15, 2016, and for interim periods within those fiscal years, with early adoption permitted. The Foundation early-adopted the guidance retrospectively as of December 31, 2016, and has removed certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient.

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled when products and services are transferred to customers. ASU 2014-09 will be effective for the Foundation beginning in the year ending December 31, 2019, though early adoption is permitted. The new revenue standard may be applied retrospectively as of the date of adoption.

The Foundation is currently evaluating the impact of adopting the new revenue standard on its financial statements.

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 will be effective for the Foundation beginning in the year ending December 31, 2020. Management is currently evaluating the impact ASU 2016-02 will have on the financial statements.

Reclassifications

Certain reclassifications have been made to the prior year balances in order to comply with current year presentation.

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 and Investments

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

	December 31, 2016					
	Cash		Investments		Total	
	Current	Noncurrent	Current	Noncurrent		
Donor Restricted	\$ 46,626,691	\$ -	\$ -	\$ 4,872,928	\$ 51,499,619	
Donor Restricted Endowments	-	-	-	14,107,028	14,107,028	
By Board for Designated Purposes	-	12,976,165	4,368,450	70,271,807	87,616,422	
Amounts Held in Custody for Others	1,816,536	-	-	3,703,792	5,520,328	
Contractually by Bond and Leases	10,584,508	8,543,660	-	3,488,496	22,616,664	
	<u>\$ 59,027,735</u>	<u>\$ 21,519,825</u>	<u>\$ 4,368,450</u>	<u>\$ 96,444,051</u>	<u>\$ 181,360,061</u>	

	December 31, 2015					
	Cash		Investments		Total	
	Current	Noncurrent	Current	Noncurrent		
Donor Restricted	\$ 40,568,486	\$ 193,784	\$ 367,522	\$ 4,249,217	\$ 45,379,009	
Donor Restricted Endowments	-	513,025	-	11,273,577	11,786,602	
By Board for Designated Purposes	6,141,807	3,643,696	2,532,616	59,360,795	71,678,914	
Amounts Held in Custody for Others	1,789,118	159,038	-	-	1,948,156	
Contractually by Bond and Leases	20,355,152	-	803,189	6,052,524	27,210,865	
	<u>\$ 68,854,563</u>	<u>\$ 4,509,543</u>	<u>\$ 3,703,327</u>	<u>\$ 80,936,113</u>	<u>\$ 158,003,546</u>	

The above totals are classified as current and noncurrent 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, 2016 consist of the following:

	Amortization / Cost Value	Fair Value	Unrealized Gain (Loss)
Held-to-maturity			
Debt securities, held in custody for others	\$ 3,703,791	\$ 3,693,549	\$ (10,242) *
Debt securities	82,516,531	82,122,774	(393,757) *
	<u>\$ 86,220,322</u>	<u>\$ 85,816,323</u>	<u>\$ (403,999)</u>
Available-for-sale			
LSU Foundation investment pool	\$ 13,968,888	\$ 14,107,028	\$ 138,140
Equities	500,000	485,151	(14,849)
	<u>\$ 14,468,888</u>	<u>\$ 14,592,179</u>	<u>\$ 123,291</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, 2015 consist of the following:

	<u>Amortization / Cost Value</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Held-to-maturity			
Debt securities, held in custody for others	\$ 3,498,826	\$ 3,504,400	\$ 5,574 *
Debt securities	69,430,304	69,257,507	(172,797) *
	<u>\$ 72,929,130</u>	<u>\$ 72,761,907</u>	<u>\$ (167,223)</u>
Available-for-sale			
LSU Foundation investment pool	\$ 11,550,650	\$ 11,273,577	\$ (277,073)
Equities	485,135	436,733	(48,402)
	<u>\$ 12,035,785</u>	<u>\$ 11,710,310</u>	<u>\$ (325,475)</u>

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

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

Available-for-sale investments 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, 2016 and 2015.

Investment return is summarized as follows:

	<u>2016</u>	<u>2015</u>
Interest and dividend income	\$ 2,292,324	\$ 2,289,422
Net unrealized and realized gains (losses)	<u>448,767</u>	<u>(1,126,667)</u>
Total investment return	<u>\$ 2,741,091</u>	<u>\$ 1,162,755</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, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Receivable in less than one year	\$ 15,225,530	\$ 15,840,953
Receivable in one to five years	10,288,364	9,557,066
Receivable in more than five years	272,477	454,274
Total contributions receivable	<u>25,786,371</u>	<u>25,852,293</u>
Less discount to net present value (discount rate was 4.0% as of December 31, 2016 and December 31, 2015)	(1,481,319)	(1,551,697)
Less allowance for unfulfilled pledges	<u>(2,722,500)</u>	<u>(3,058,900)</u>
Net contributions receivable	<u>\$ 21,582,552</u>	<u>\$ 21,241,696</u>

6. Property and Equipment

The Foundation's investment in property and equipment consisted of the following at December 31, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land	\$ 4,740,000	\$ -	\$ -	\$ -	\$ 4,740,000
Leaseholds and other improvements	4,568,038	-	-	-	4,568,038
Stadium expansion and scoreboard	248,794,311	(344,262)	-	-	248,450,049
Furniture and equipment	373,396	22,356	-	-	395,752
Vehicles	50,081	28,119	(27,978)	-	50,222
	258,525,826	(293,787)	(27,978)	-	258,204,061
Less accumulated depreciation	(35,299,050)	(6,549,377)	27,978	-	(41,820,449)
Construction in progress	2,247	742,142	-	-	744,389
Property and equipment, net	<u>\$ 223,229,023</u>	<u>\$ (6,101,022)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,128,001</u>

Additions of \$1,037,710 to stadium expansion and scoreboard during the year ended December 31, 2016 were offset by a \$1,280,973, net sales tax rebate received on property purchased in prior years that reduced the costs basis of those assets. This resulted in a net additions balance of (\$344,262).

The Foundation's investment in property and equipment consisted of the following at December 31, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land	\$ 3,090,000	\$ 1,650,000	\$ -	\$ -	\$ 4,740,000
Leaseholds and other improvements	4,568,038	-	-	-	4,568,038
Stadium expansion and scoreboard	245,888,619	136,755	-	2,768,937	248,794,311
Furniture and equipment	375,176	7,092	(8,872)	-	373,396
Vehicles	37,165	12,916	-	-	50,081
	253,958,998	1,806,763	(8,872)	2,768,937	258,525,826
Less accumulated depreciation	(29,115,603)	(6,192,319)	8,872	-	(35,299,050)
Construction in progress	-	2,771,184	-	(2,768,937)	2,247
Property and equipment, net	<u>\$ 224,843,395</u>	<u>\$ (1,614,372)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,229,023</u>

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

6. Property and Equipment (Continued)

Depreciation expense totaled \$6,549,377 and \$6,192,319 for the years ended December 31, 2016 and 2015, respectively.

7. Bonds and Note Payable

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

	December 31, 2016	December 31, 2015
Revenue Bonds Series 2012	\$ 70,000,000	\$ 70,000,000
Revenue Bonds Series 2015	48,980,000	52,000,000
Revenue Bonds Series 2015A	47,590,000	53,045,000
Term Loan	27,333,434	29,622,276
Less Deferred Financing Costs	(730,123)	(777,559)
	<u>\$ 193,173,311</u>	<u>\$ 203,889,717</u>

Revenue Bonds Series 1999 consisted 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 carried a floating interest rate, established through weekly remarketing. Effective November 2009, the bonds were reissued as a single fully registered bond without coupons, maturing September 2033. Effective July 2015, the 1999 revenue bonds were refunded into the 2015 revenue bonds discussed below.

The Foundation entered into an interest rate swap agreement with Morgan Stanley Capital Services, Inc. (MSCS), with an expiration date of September 1, 2028, to hedge its interest rate exposure on the Series 1999 revenue bonds. The Foundation accounted 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, were accounted for at fair value with the change in fair value reported as a change in net assets.

The interest rate swap agreement covered 100% of the outstanding principal balance over the life of the bonds and effectively fixed the interest rate to the Foundation at 4.01%. The floating rate payor was MSCS and the fixed rate payor was the Foundation. The floating rate was based on the SIFMA Index, formally referred to as the BMA Municipal Swap Index, as defined in the agreement.

In July 2015, the interest rate swap was settled upon refunding the 1999 revenue bonds. The fair market value of the swap agreement and the hedged item at termination was \$5,797,000, generating a termination gain of \$175,716 in 2015, which is presented as a component of other unrestricted revenues on the statements of activities.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (Continued)

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.

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 with a maturity of September 2039. Effective July 2015, the 2004 revenue bonds were partially refunded into the 2015 revenue bonds discussed below. Effective November 2015, the remaining 2004 revenue bonds were refunded into the 2015A revenue bonds discussed below.

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 Series 2012 Revenue Bonds, an aggregate principal of \$75,000,000. The Bond Purchase Agreement was amended in 2014 to an aggregate principal of \$70,000,000. 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 \$2,762,000 in 2018 to a high of \$4,350,000 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. From its origination through December 31, 2016, the Foundation has drawn \$70,000,000 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. The Bond Purchase Agreement was amended in 2015 to state for the period from the amendments closing date in 2015 through, but not including, October 1, 2022, this loan shall bear interest at the Special Bank Variable rate of 65% of the 90 day LIBOR Index rate plus 1.75% 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, 2016 and 2015, the interest rate was 2.357% and 2.142%, respectively.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (Continued)

As long as the Series 2012 Revenue Bonds are in the Special Bank Variable rate, the Bonds shall be subject to tender at the election of the Purchaser on the last day of each Special Bank Rate Period (optional Tender Date) upon the Purchaser providing written notice of their election not less than twelve months prior to each Optional Tender Date. During any Special Bank Rate Period, in the event the Purchaser has not elected to tender the Bonds pursuant to the terms of the Indenture, at the option of the Foundation, this Bond will bear interest at the Special Bank Variable Rate or the Special Bank Fixed Rate pursuant to the provisions in the Indenture and Purchase Agreement.

To finance the balance of the commitment, the Foundation issued a non-revolving taxable term loan for a principal amount of \$25,000,000. In 2014, the loan agreement was amended to a principal amount of \$30,000,000. 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, 2016, the Foundation has drawn \$30,000,000 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, 2016 and 2015 was 3.630% and 3.244%, respectively.

Interest only shall be payable through October 1, 2015. Effective November 1, 2015, the Foundation began paying regular monthly installments of accrued interest, plus monthly installments of principal. This term loan matures no later than October 1, 2025.

In July 2015, the Foundation entered into a Bond Purchase Agreement, and a resulting Loan Agreement, so that it could borrow the proceeds of the sale of Series 2015 Revenue Bonds for a principal amount of \$52,000,000. The Series 2015 Revenue Bonds were issued for the purpose of current refunding of all of the Series 1999 Bonds and a portion of the Series 2004 Bonds. The Series 2015 Revenue Bonds are secured by the pledged revenues on parity with the Series 2012 Revenue Bonds. The Bonds bear interest from their date until paid, at the rate of 2.49% per annum payable on the first calendar day of each month, commencing August 1, 2015 and shall mature, unless sooner paid, on September 1, 2028. The Bonds shall be subject to mandatory sinking fund redemption prior to maturity at the principal amount of such Bonds to be redeemed plus accrued interest to the date of redemption without premium on each September 1, beginning September 1, 2016 through September 1, 2028.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (Continued)

In November 2015, 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 Series 2015A Revenue Bonds for a principal amount of \$53,045,000. The Series 2015A Revenue Bonds were issued for the purpose of current refunding all of the outstanding Series 2004 Bonds. The Series 2015A Revenue Bonds are secured by the pledged revenues on parity with the Series 2012 revenue bonds. The Bonds bear interest from their date until paid, at a rate of 2.416% per annum payable on the first business day of each month, commencing December 1, 2015 and shall mature, unless sooner paid, on September 2, 2039. The Bonds shall be subject to mandatory sinking fund redemption prior to maturity at the principal amount of such Bonds to be redeemed plus accrued interest to the date of redemption without premium on each September 1, beginning September 1, 2016 through September 2, 2039. The Purchaser of the Bonds has the right to tender the Bonds to the Foundation for purchase on November 1, 2022 (Put Date), pursuant to the Bond Purchase Agreement. In the event the Bonds are not remarketed by the Foundation by the Put Date, the Bonds will be retained by the Purchaser for a period of one year following the Put Date (the Special Holding Period). At the end of the Special Holding Period, the outstanding principal of the Bonds, together with accrued interest, shall become due and payable in full by the Foundation.

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, 2016 and 2015.

The scheduled maturities of the debt outstanding at December 31, 2016 are as follows:

	Bonds and Note Payable
2017	\$ 10,584,508
2018	10,668,270
2019	10,691,441
2020	10,691,606
2021	10,703,069
2022 - 2026	54,719,540
2027 - 2031	49,570,000
2032 - 2036	29,675,000
2037 - 2040	6,600,000
Less deferred financing costs	<u>(730,123)</u>
Total	<u>\$ 193,173,311</u>

The Federal Home Loan Bank, in turn, charged approximately 20 bps for the confirmation which was passed on to the Foundation. Risk participations were sold to the participant banks for 190 bps with the difference accruing to Capital One. In conjunction with the 2015 revenue bonds mentioned above, the letters of credit were terminated in 2015. There were no outstanding amounts under the letter of credit at December 31, 2016 and 2015.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (Continued)

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 valuation of the Foundation's assets measured at fair value on a recurring basis at December 31, 2016 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				
Equities	\$ 485,151	\$ -	\$ -	\$ 485,151
Capital One Endowment Cash	569,563	-	-	569,563
Investments measured at NAV per share*	-	-	-	13,537,465
Total	\$ 1,054,714	\$ -	\$ -	\$ 14,592,179

The valuation of the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2015 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				
Equities	\$ 436,733	\$ -	\$ -	\$ 436,733
Investments measured at NAV per share*	-	-	-	11,273,577
Total	\$ 436,733	\$ -	\$ -	\$ 11,710,310

*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

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, 2016 and 2015.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

8. Fair Value Measurements (Continued)

Fair Value of Investments that Calculate Net Asset Value per Share

The FASB issued a standards update pertaining to *Fair Value Measurements and Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share*. Fair values are determined by the use of calculated net asset value per ownership share.

The following table summarizes investments measured at fair value based on net asset value (NAV) per share as of December 31, 2016 and 2015, respectively.

December 31, 2016	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
LSU Foundation Investment Pool	\$ 13,537,465	None	N/A	30 days

December 31, 2015	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
LSU Foundation Investment Pool	\$ 11,273,577	None	N/A	30 days

The LSU Foundation Investment Pool invests in a variety of funds including; private market funds, hedge funds, commodity and natural resource funds, and equity funds. The asset allocation rate is reviewed by the LSU Foundation at a minimum of every 3 years. The target rate of return for the pool is 8%.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

9. Temporarily Restricted Net Assets

Temporarily restricted net assets, which are comprised of cash and unconditional promises to give, are available for the following purposes:

	December 31, 2016	December 31, 2015
Donor restrictions		
Capital Programs	\$ 14,886,700	\$ 13,779,140
Nutrition Center	11,862,400	11,726,235
Football Complex	9,457,579	6,376,970
Preservation of Tiger Stadium	7,501,715	5,626,279
Annual Scholarship Fund	5,060,793	5,323,956
Make Your Pitch	1,322,048	1,317,645
Softball Complex	1,284,428	960,014
Tennis	1,147,761	1,146,802
Tiger Den - Mike's Habitat	976,724	931,028
LSU Golf Facility	887,518	1,143,969
Baseball Building	857,824	538,847
Unallocated Interest	498,932	392,130
Unappropriated Endowment Earnings	416,627	-
Academic Center	244,957	249,835
Soccer Complex	236,569	232,330
Gymnastics Facility	235,915	2,692,033
Women's Basketball Building	180,529	175,903
PMAC Restoration	138,326	133,825
Volleyball Building	118,906	117,534
LSU Greats - Statue Fund	108,850	66,000
L Club Renovations	106,176	103,501
Swimming Building	96,891	92,236
Athletic Trainer's Equipment	85,730	84,130
Basketball Bleachers	78,145	70,707
Band Hall	55,053	41,093
Golf Restricted Fund	50,000	-
Track and Field Building	48,935	65,229
Tigerama	25,763	39,491
Jeff Boss Honorarium	24,184	18,934
Women's Golf Building	9,610	5,160
Football Strength Equipment	6,987	6,988
Basketball Building	4,115	4,115
Hall of Fame	3,300	3,300
AD's Annual Fund	1,094	1,094
Sue Gunter Fund	806	807
LSU Employee Assistance	250	-
TAF Employee Assitance	140	-
Total temporarily restricted funds	\$ 58,022,280	\$ 53,467,260

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

10. Endowment Composition

The Foundation follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA), 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 have 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, 2016 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (1,508,650)	\$ 416,627	\$ 17,086,095	\$ 15,994,072
Total	\$ (1,508,650)	\$ 416,627	\$ 17,086,095	\$ 15,994,072

A summary of the changes in the Foundation's endowment net assets for the year ended December 31, 2016 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (1,508,650)	\$ -	\$ 14,374,208	\$ 12,865,558
Investment return:				
Investment income	-	51,484	-	51,484
Net appreciation (realized and unrealized)	-	415,214	-	415,214
Total investment return	-	466,698	-	466,698
Contributions	-	-	2,711,887	2,711,887
Appropriation of endowment assets for expenditure	-	(50,071)	-	(50,071)
Endowment net assets, end of year	\$ (1,508,650)	\$ 416,627	\$ 17,086,095	\$ 15,994,072

The Foundation's endowment net asset composition by fund type as of December 31, 2015 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (1,508,650)	\$ -	\$ 14,374,208	\$ 12,865,558
Total	\$ (1,508,650)	\$ -	\$ 14,374,208	\$ 12,865,558

A summary of the changes in the Foundation's endowment net assets for the year ended December 31, 2015 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)	\$ 935,210	\$ 11,814,540	\$ 11,393,136
Investment return:				
Investment income	-	449,776	-	449,776
Net losses (realized and unrealized)	(152,036)	(937,361)	-	(1,089,397)
Total investment return	(152,036)	(487,585)	-	(639,621)
Contributions	-	-	2,559,668	2,559,668
Appropriation of endowment assets for expenditure	-	(447,625)	-	(447,625)
Endowment net assets, end of year	\$ (1,508,650)	\$ -	\$ 14,374,208	\$ 12,865,558

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

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 entered 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. As of December 31, 2016, the Foundation has fully fulfilled this commitment.

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 is 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 7, are paid in full or legally defeased. The Foundation is committed to an annual rent of \$25,000 for the land.

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 Outfront Media Sports, whereby the Foundation leased its rights to the scoreboards to Viacom in return for an annual guaranteed rental payment. In November 2010, the lease agreement was amended extending the term for a period of one year through June 30, 2016, and increasing the compensation paid to the Foundation by \$500,000. Additionally, the amendment required the Foundation to expend an additional \$3-5 million over the next three years to construct, install, upgrade, maintain, service and replace scoreboards. This commitment was made by the Foundation in 2014. In June 2016, the Foundation entered into a new lease agreement with Outfront Media Sports through June 30, 2026. Annual compensation beginning at \$3,500,000, and increasing \$25,000 each subsequent year is paid in equal quarterly installments. The amended agreement also requires an additional \$2 million in compensation for the first three years of the agreement. The revenue received and recognized by the Foundation was \$3,750,000 and \$2,125,000 for the years ended December 31, 2016 and 2015, respectively.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

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% of the participants' elective deferrals that do not exceed 6% 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% 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%, and are vested in the Employer Discretionary Contribution at a rate of 20% per year after reaching one year of service, as defined.

The Foundation made matching contributions of approximately \$225,000 and \$203,000 for the years ended December 31, 2016 and 2015, respectively.

14. Uncertain Tax Position

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in operating expenses.

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued April 1, 2017, 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

**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, 2016 and 2015, and have issued our report thereon, dated April 1, 2017, 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 April 1, 2017.

The accompanying Statements of Net Assets, Statements of Revenues, Expenses, and Changes in Net Assets, Component Unit Description, Schedules of Capital Assets, Schedules of Bonds and Note Payable and Capital Leases, Schedules of Bonds and Note Payable, and Schedule of Bonds Payable Amortization are presented for purposes of additional analysis and are 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 Professional Accounting Corporation

Metairie, LA
April 1, 2017

TIGER ATHLETIC FOUNDATION

STATEMENTS OF NET ASSETS

DECEMBER 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 636,386	\$ 675,524
Restricted assets:		
Cash and cash equivalents	59,027,735	68,854,563
Investments, held-to-maturity	4,368,450	3,703,327
Investments, available-for-sale	-	-
Accounts receivable	1,009,202	345,177
Contracts receivable	22,863,476	22,750,887
Pledges receivable	15,225,530	15,840,953
Due from other campuses	-	-
Due from State Treasury	-	-
Inventories	-	-
Prepaid expenses	539,545	427,026
Notes receivable	-	-
Other current assets	234,128	238,035
Total current assets	<u>103,904,452</u>	<u>112,835,492</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	21,519,825	4,509,543
Investments, available-for-sale	14,592,179	11,710,310
Investments, held-to-maturity	81,851,872	69,225,803
Accounts receivable, net	-	-
Notes receivable	-	-
Other	-	-
Investments	-	-
Contracts receivable	27,429,406	34,759,069
Pledges receivable, net	6,357,022	5,400,743
Notes receivable	-	-
Capital assets, net	217,128,001	223,229,023
Assets held for donation to LSU	4,941,508	12,572,332
Assets under capital leases, net	-	-
Other noncurrent assets	2,982,461	3,121,318
Total noncurrent assets	<u>376,802,274</u>	<u>364,528,141</u>
Total assets	<u>\$ 480,706,726</u>	<u>\$ 477,363,633</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

STATEMENTS OF NET ASSETS (CONTINUED)

DECEMBER 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 926,148	\$ 1,396,508
Accounts payable - construction in progress	15,000	493,651
Due to other campuses	-	-
Due to State Treasury	-	-
Deferred revenues	35,418,538	34,521,681
Amounts held in custody for others	1,816,536	2,559,018
Compensated absences payable	-	-
Capital lease obligations	-	-
Line-of-credit	-	-
Note payable	-	-
Contracts payable	-	-
Bonds payable	8,160,000	8,475,000
Term loan	2,424,508	2,288,842
Other current liabilities	-	-
Total current liabilities	<u>48,760,730</u>	<u>49,734,700</u>
Noncurrent liabilities:		
Amounts held in custody for others	4,179,544	3,307,855
Compensated absences payable	-	-
Capital lease obligations	-	-
Note payable	-	-
Contracts payable	-	-
Deferred revenues	27,999,884	35,167,129
Bonds payable		
Principal amount	158,410,000	166,570,000
Deferred financing costs	(730,123)	(777,559)
Term loan	24,908,926	27,333,434
Other noncurrent liabilities	-	-
Total noncurrent liabilities	<u>214,768,231</u>	<u>231,600,859</u>
Total liabilities	<u>263,528,961</u>	<u>281,335,559</u>
Net assets:		
Invested in capital assets, net of related debt	23,224,567	18,561,747
Restricted for:		
Nonexpendable	17,086,095	14,374,208
Expendable	58,022,280	53,467,260
Unrestricted	118,844,823	109,624,859
Total net assets	<u>217,177,765</u>	<u>196,028,074</u>
Total liabilities and net assets	<u>\$ 480,706,726</u>	<u>\$ 477,363,633</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Student tuition and fees	\$ -	\$ -
Less scholarship allowances	-	-
Net student tuition and fees	-	-
Gifts received by the Foundation	45,304,474	48,410,082
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	13,162,551	11,845,140
Total operating revenues	<u>58,467,025</u>	<u>60,255,222</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	15,995,186	17,387,292
Total operating expenses	<u>15,995,186</u>	<u>17,387,292</u>
Operating income	<u>42,471,839</u>	<u>42,867,930</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Nonoperating revenues and (expenses):		
State appropriations	\$ -	\$ -
Gifts	-	-
Net investment income (loss)	2,741,091	1,162,755
Interest expense	(5,068,625)	(3,840,883)
Payments to or on behalf of the university	(21,706,501)	(20,798,774)
Other nonoperating revenues (expenses)	-	-
Net nonoperating revenues (expenses)	<u>(24,034,035)</u>	<u>(23,476,902)</u>
Income before other revenues, expenses, gains, and losses	<u>18,437,804</u>	<u>19,391,028</u>
Capital appropriations	-	-
Capital gifts and grants	-	-
Additions to permanent endowments	2,711,887	2,559,668
Other additions, net	-	-
Increase in net assets	<u>21,149,691</u>	<u>21,950,696</u>
Net assets, beginning of year	196,028,074	174,077,378
Change in fair value of interest rate swap agreement	-	-
Net assets, end of year	<u>\$ 217,177,765</u>	<u>\$ 196,028,074</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, 2016, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$21,706,501, \$1,397,104 from booster clubs, and \$305,390 from affiliated chapters. During the year ended December 31, 2015, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$20,798,774, \$1,375,569 from booster clubs, and \$429,779 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
YEAR ENDED DECEMBER 31, 2016

	Balance				Balance
	12/31/2015	Additions	Transfers	Retirements	12/31/2016
Capital assets not being depreciated:					
Land	\$ 4,740,000	\$ -	\$ -	\$ -	\$ 4,740,000
Capitalized collections	-	-	-	-	-
Livestock	-	-	-	-	-
Construction in progress	2,247	742,142	-	-	744,389
Total capital assets not being depreciated	<u>\$ 4,742,247</u>	<u>\$ 742,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,484,389</u>
Other capital assets:					
Land improvements	\$ 4,568,038	\$ -	\$ -	\$ -	\$ 4,568,038
Less accumulated depreciation	(538,576)	(40,570)	-	-	(579,146)
Total land improvements	<u>4,029,462</u>	<u>(40,570)</u>	<u>-</u>	<u>-</u>	<u>3,988,892</u>
Buildings	248,794,311	(344,262) *	-	-	248,450,049
Less accumulated depreciation	(34,418,343)	(6,482,528)	-	-	(40,900,871)
Total buildings	<u>214,375,968</u>	<u>(6,826,790)</u>	<u>-</u>	<u>-</u>	<u>207,549,178</u>
Equipment	373,396	22,356	-	-	395,752
Less accumulated depreciation	(311,211)	(19,046)	-	-	(330,257)
Total equipment	<u>62,185</u>	<u>3,310</u>	<u>-</u>	<u>-</u>	<u>65,495</u>
Vehicles	50,081	28,119	-	(27,978)	50,222
Less accumulated depreciation	(30,920)	(7,233)	-	27,978	(10,175)
Total vehicles	<u>19,161</u>	<u>20,886</u>	<u>-</u>	<u>-</u>	<u>40,047</u>
Total other capital assets	<u>\$ 218,486,776</u>	<u>\$ (6,843,164)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,643,612</u>
Capital asset summary:					
Capital assets not being depreciated	\$ 4,742,247	\$ 742,142	\$ -	\$ -	\$ 5,484,389
Other capital assets, at cost	253,785,826	(293,787)	-	(27,978)	253,464,061
Total cost of capital assets	<u>258,528,073</u>	<u>448,355</u>	<u>-</u>	<u>(27,978)</u>	<u>258,948,450</u>
Less accumulated depreciation	(35,299,050)	(6,549,377)	-	27,978	(41,820,449)
Capital assets, net	<u>\$ 223,229,023</u>	<u>\$ (6,101,022)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,128,001</u>

* Additions of \$1,037,710 to stadium expansion and scoreboard during the year ended December 31, 2016 were offset by a \$1,280,973, net sales tax rebate received on property purchased in prior years that reduced the costs basis of those assets. This resulted in a net additions balance of (\$344,262).

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2015

	Balance					Balance
	12/31/2014	Additions	Transfers	Retirements		12/31/2015
Capital assets not being depreciated:						
Land	\$ 3,090,000	\$ 1,650,000	\$ -	\$ -		\$ 4,740,000
Capitalized collections	-	-	-	-		-
Livestock	-	-	-	-		-
Construction in progress	-	2,771,184	(2,768,937)	-		2,247
Total capital assets not being depreciated	\$ 3,090,000	\$ 4,421,184	\$ (2,768,937)	\$ -		\$ 4,742,247
Other capital assets:						
Land improvements	\$ 4,568,038	\$ -	\$ -	\$ -		\$ 4,568,038
Less accumulated depreciation	(498,006)	(40,570)	-	-		(538,576)
Total land improvements	4,070,032	(40,570)	-	-		4,029,462
Buildings	245,888,619	136,755	2,768,937	-		248,794,311
Less accumulated depreciation	(28,288,255)	(6,130,088)	-	-		(34,418,343)
Total buildings	217,600,364	(5,993,333)	2,768,937	-		214,375,968
Equipment	375,176	7,092	-	(8,872)		373,396
Less accumulated depreciation	(300,905)	(19,178)	-	8,872		(311,211)
Total equipment	74,271	(12,086)	-	-		62,185
Vehicles	37,165	12,916	-	-		50,081
Less accumulated depreciation	(28,437)	(2,483)	-	-		(30,920)
Total vehicles	8,728	10,433	-	-		19,161
Total other capital assets	\$ 221,753,395	\$ (6,035,556)	\$ 2,768,937	\$ -		\$ 218,486,776
Capital asset summary:						
Capital assets not being depreciated	\$ 3,090,000	\$ 4,421,184	\$ (2,768,937)	\$ -		\$ 4,742,247
Other capital assets, at cost	250,868,998	156,763	2,768,937	(8,872)		253,785,826
Total cost of capital assets	253,958,998	4,577,947	-	(8,872)		258,528,073
Less accumulated depreciation	(29,115,603)	(6,192,319)	-	8,872		(35,299,050)
Capital assets, net	\$ 224,843,395	\$ (1,614,372)	\$ -	\$ -		\$ 223,229,023

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE AND CAPITAL LEASES

DECEMBER 31, 2016

	Balance at December 31, 2015	Additions	Reductions	Balance at December 31, 2016	Amounts Due Within One Year
Bonds and notes payable and capital leases:					
Bonds payable	\$ 175,045,000	\$ -	\$ 8,475,000	\$ 166,570,000	\$ 8,160,000
Note payable	29,622,276	-	2,288,842	27,333,434	2,424,508
Capital lease obligations	-	-	-	-	-
Less deferred financing costs	(777,559)	-	(47,436)	(730,123)	(47,436)
Total bonds, notes, and capital leases	<u>\$ 203,889,717</u>	<u>\$ -</u>	<u>\$ 10,716,406</u>	<u>\$ 193,173,311</u>	<u>\$ 10,537,072</u>
Other liabilities:					
Amounts held in custody for others	\$ 5,866,873	\$ 1,518,559	\$ 1,389,352	\$ 5,996,080	\$ 1,816,536
Deferred revenue	69,688,810	29,699,202	35,969,590	63,418,422	35,418,538
Other liabilities	-	-	-	-	-
Total other liabilities	<u>\$ 75,555,683</u>	<u>\$ 31,217,761</u>	<u>\$ 37,358,942</u>	<u>\$ 69,414,502</u>	<u>\$ 37,235,074</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE AND CAPITAL LEASES

DECEMBER 31, 2015

	Balance at December 31, 2014	Additions	Reductions	Balance at December 31, 2015	Amounts Due Within One Year
Bonds and notes payable and capital leases:					
Bonds payable	\$ 178,760,000	\$ 105,045,000	\$ 108,760,000	\$ 175,045,000	\$ 8,475,000
Note payable	22,282,667	7,717,333	377,724	29,622,276	2,288,842
Capital lease obligations	-	-	-	-	-
Less deferred financing costs	(766,030)	(795,861)	(784,332)	(777,559)	(47,436)
Total bonds, notes, and capital leases	<u>\$ 200,276,637</u>	<u>\$ 111,966,472</u>	<u>\$ 108,353,392</u>	<u>\$ 203,889,717</u>	<u>\$ 10,716,406</u>
Other liabilities:					
Amounts held in custody for others	\$ 7,166,685	\$ 1,310,076	\$ 2,609,888	\$ 5,866,873	\$ 2,559,018
Deferred revenue	73,219,623	33,894,654	37,425,467	69,688,810	34,521,681
Other liabilities	5,972,716	-	5,972,716	-	-
Total other liabilities	<u>\$ 86,359,024</u>	<u>\$ 35,204,730</u>	<u>\$ 46,008,071</u>	<u>\$ 75,555,683</u>	<u>\$ 37,080,699</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE

DECEMBER 31, 2016

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2015	(Redeemed) Issued	Principal Outstanding 12/31/2016	Interest Rates	Interest Outstanding 12/31/2016
Series 2012 Bonds	October 23, 2012	\$ 5,100,000	\$ 70,000,000	\$ -	\$ 70,000,000	Variable	\$ -
Series 2015 Bonds	July 1, 2015	52,000,000	52,000,000	(3,020,000)	48,980,000	2.49%	-
Series 2015A Bonds	November 1, 2015	53,045,000	53,045,000	(5,455,000)	47,590,000	2.42%	-
Less deferred financing costs		(795,861)	(777,559)	47,436	(730,123)		-
Total Bonds Payable		109,349,139	174,267,441	(8,427,564)	165,839,877		-
Term Loan	October 23, 2012	808,731	29,622,276	(2,288,842)	27,333,434	Variable	-
		<u>\$ 110,157,870</u>	<u>\$ 203,889,717</u>	<u>\$ (10,716,406)</u>	<u>\$ 193,173,311</u>		<u>\$ -</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE
DECEMBER 31, 2015

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2014	(Redeemed) Issued	Principal Outstanding 12/31/2015	Interest Rates	Interest Outstanding 12/31/2015
Series 1999 Bonds	March 4, 1999	\$ 43,575,000	\$ 35,485,000	\$ (35,485,000)	\$ -	Variable	\$ -
Series 2004 Bonds	March 23, 2004	90,000,000	73,275,000	(73,275,000)	-	Variable	-
Series 2012 Bonds	October 23, 2012	5,100,000	70,000,000	-	70,000,000	Variable	-
Series 2015 Bonds	July 1, 2015	52,000,000	-	52,000,000	52,000,000	2.49%	-
Series 2015A Bonds	November 1, 2015	53,045,000	-	53,045,000	53,045,000	2.42%	-
Less deferred financing costs		(1,193,794)	(766,030)	(11,529)	(777,559)		-
Total Bonds Payable		242,526,206	177,993,970	(3,726,529)	174,267,441		-
Term Loan	October 23, 2012	808,731	22,282,667	7,339,609	29,622,276	Variable	-
		<u>\$ 243,334,937</u>	<u>\$ 200,276,637</u>	<u>\$ 3,613,080</u>	<u>\$ 203,889,717</u>		<u>\$ -</u>

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS PAYABLE AMORTIZATION
YEAR ENDED DECEMBER 31, 2016

Fiscal Year				
Ending	Principal		Interest	Total
2017	\$ 8,160,000		Fixed	\$ 8,160,000
2018	8,102,000		Fixed/Variable	8,102,000
2019	7,969,000		Fixed/Variable	7,969,000
2020	7,807,000		Fixed/Variable	7,807,000
2021	7,647,000		Fixed/Variable	7,647,000
2022	7,459,000		Fixed/Variable	7,459,000
2023	7,483,000		Fixed/Variable	7,483,000
2024	7,753,000		Fixed/Variable	7,753,000
2025	8,025,000		Fixed/Variable	8,025,000
2026	10,320,000		Fixed/Variable	10,320,000
2027	10,656,000		Fixed/Variable	10,656,000
2028	10,669,000		Fixed/Variable	10,669,000
2029	10,614,000		Fixed/Variable	10,614,000
2030	10,796,000		Fixed/Variable	10,796,000
2031	6,835,000		Fixed/Variable	6,835,000
2032	7,121,000		Fixed/Variable	7,121,000
2033	7,405,000		Fixed/Variable	7,405,000
2034	5,251,000		Fixed/Variable	5,251,000
2035	4,899,000		Fixed/Variable	4,899,000
2036	4,999,000		Fixed/Variable	4,999,000
2037	5,100,000		Fixed/Variable	5,100,000
2038	750,000		Fixed/Variable	750,000
2039	750,000		Fixed/Variable	750,000
Total	<u>\$ 166,570,000</u>			<u>\$ 166,570,000</u>

See independent auditor's report on other financial information.

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

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

We have audited the financial statements of Tiger Athletic Foundation as of and for the years ended December 31, 2016 and 2015, and have issued our report thereon, dated April 1, 2017, 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 April 1, 2017.

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 Professional Accounting Corporation

Metairie, LA
April 1, 2017

TIGER ATHLETIC FOUNDATION

SUMMARIES OF EXPENSES PAID TO LOUISIANA STATE UNIVERSITY

YEARS ENDED DECEMBER 31, 2016 and DECEMBER 31, 2015

	<u>2016</u>	<u>2015</u>
Rent expense	\$ 114,886	\$ 112,986
Compensation for LSU contract staff	111,468	174,592
Telephone/Communications expenses	87,886	88,806
Ground lease payments	86,100	86,000
Repairs and maintenance expenses	50,094	14,608
Parking expenses	38,566	38,549
Security expenses	37,186	39,875
Computing services contract payment	30,712	31,208
Handling/Service fees	24,158	50,384
Postage expense	21,629	18,656
Supplies expense	8,198	11,885
Miscellaneous expense	8,003	438
Club card printing and readers/equipment for stadium club	3,902	3,851
Fuel expense	1,700	1,700
Printing expense	1,440	1,440
Computer expense for LSU contract staff	-	9,265
Travel for TAF staff/donors (lodging/airfare)	-	7,603
	<u>\$ 625,928</u>	<u>\$ 691,846</u>

See independent auditor's report on other financial information.

OTHER SUPPLEMENTARY INFORMATION

TIGER ATHLETIC FOUNDATION

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2016</u>
Revenues and gains:				
Donations - TAF members	\$ 36,134,085	\$ 9,170,389	\$ 2,711,887	\$ 48,016,361
Restricted revenue	-	-	-	-
Scoreboard sponsorships	3,750,000	-	-	3,750,000
Rents - University Club and LSU	8,739,203	-	-	8,739,203
Investment income	2,012,231	728,860	-	2,741,091
Net realized and unrealized gains	-	-	-	-
Merchandise revenue	-	-	-	-
Other revenue	673,348	-	-	673,348
Total revenues and gains	<u>51,308,867</u>	<u>9,899,249</u>	<u>2,711,887</u>	<u>63,920,003</u>
Net assets released from restrictions	5,344,229	(5,344,229)	-	-
Expenses:				
Program services:				
Contribution to LSU - athletic department	21,267,268	-	-	21,267,268
Contribution to LSU - non-athletic	439,233	-	-	439,233
Tiger Den Suites	4,565,639	-	-	4,565,639
Stadium Club	8,977,749	-	-	8,977,749
Alex Box Suites	376,646	-	-	376,646
Supporting activities:				
General and administrative	4,657,668	-	-	4,657,668
Fundraising	2,486,109	-	-	2,486,109
Total expenses	<u>42,770,312</u>	<u>-</u>	<u>-</u>	<u>42,770,312</u>
Increase in net assets	<u>\$ 13,882,784</u>	<u>\$ 4,555,020</u>	<u>\$ 2,711,887</u>	<u>\$ 21,149,691</u>

See independent auditor's report.

TIGER ATHLETIC FOUNDATION

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2015</u>
Revenues and gains:				
Donations - TAF members	\$ 39,232,347	\$ 9,177,735	\$ 2,559,668	\$ 50,969,750
Restricted revenue	-	-	-	-
Scoreboard sponsorships	2,125,000	-	-	2,125,000
Rents - University Club and LSU	8,727,899	-	-	8,727,899
Investment income	1,617,720	(454,965)	-	1,162,755
Net realized and unrealized gains	-	-	-	-
Merchandise revenue	-	-	-	-
Other revenue	992,241	-	-	992,241
Total revenues and gains	<u>52,695,207</u>	<u>8,722,770</u>	<u>2,559,668</u>	<u>63,977,645</u>
Net assets released from restrictions	13,059,814	(13,059,814)	-	-
Expenses:				
Program services:				
Contribution to LSU - athletic department	20,476,657	-	-	20,476,657
Contribution to LSU - non-athletic	322,117	-	-	322,117
Tiger Den Suites	4,751,073	-	-	4,751,073
Stadium Club	9,642,726	-	-	9,642,726
Alex Box Suites	348,712	-	-	348,712
Supporting activities:				
General and administrative	4,264,696	-	-	4,264,696
Fundraising	2,220,968	-	-	2,220,968
Total expenses	<u>42,026,949</u>	<u>-</u>	<u>-</u>	<u>42,026,949</u>
Increase (decrease) in net assets	<u>\$ 23,728,072</u>	<u>\$ (4,337,044)</u>	<u>\$ 2,559,668</u>	<u>\$ 21,950,696</u>

See independent auditor's report.

TIGER ATHLETIC FOUNDATION
STATEMENT OF REVENUES AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS
YEAR ENDED DECEMBER 31, 2016

	<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	\$ 1,491,420	\$ 385,315	\$ 26,109	\$ 14,196,415	\$ 6,301,665	\$ 22,400,924
Compensations and benefits provided by a third party	948,392	13,646	34,452	10,591	990	1,008,071
Total revenues	<u>\$ 2,439,812</u>	<u>\$ 398,961</u>	<u>\$ 60,561</u>	<u>\$ 14,207,006</u>	<u>\$ 6,302,655</u>	<u>\$ 23,408,995</u>
Expenses						
Coaching other compensation and benefits	\$ 644,929	\$ 13,646	\$ 6,435	\$ 10,591	\$ 991	\$ 676,592
Severance payments	303,463	-	28,017	-	-	331,480
Recruiting	277,397	39,028	3,598	72,398	-	392,421
Team travel	6,991	76	553	197,201	3,012	207,833
Equipment, uniforms, and supplies	4,604	7,097	312	76,874	833	89,720
Game expenses	146,770	7,093	-	94,067	-	247,930
Fundraising, marketing, and promotion	120,559	84,569	9,984	172,835	493,736	881,683
Direct facilities, maintenance, and rental	-	-	-	-	-	-
Spirit groups	-	-	-	-	2,456	2,456
Membership and dues	20,967	3,814	-	12,972	12,304	50,057
Other operating expenses	914,132	243,638	11,662	13,570,068	5,789,323	20,528,823
Total expenses	<u>\$ 2,439,812</u>	<u>\$ 398,961</u>	<u>\$ 60,561</u>	<u>\$ 14,207,006</u>	<u>\$ 6,302,655</u>	<u>\$ 23,408,995</u>

During the year ended December 31, 2016, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$21,706,501; \$1,397,104 from booster clubs; and \$305,390 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, 2015

	<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	\$ 1,645,255	\$ 200,919	\$ 75,529	\$ 14,903,073	\$ 5,158,960	\$ 21,983,736
Compensations and benefits provided by a third party	591,598	7,950	6,705	4,257	9,876	620,386
Total revenues	<u>\$ 2,236,853</u>	<u>\$ 208,869</u>	<u>\$ 82,234</u>	<u>\$ 14,907,330</u>	<u>\$ 5,168,836</u>	<u>\$ 22,604,122</u>
Expenses						
Coaching other compensation and benefits	\$ 591,598	\$ 7,950	\$ 6,705	\$ 4,257	\$ 9,876	\$ 620,386
Severance payments	-	-	-	-	-	-
Recruiting	262,695	58,490	12,266	25,076	-	358,527
Team travel	1,576	18,247	12,490	92,877	25,236	150,426
Equipment, uniforms, and supplies	2,763	22,781	-	49,284	-	74,828
Game expenses	602,923	7,647	-	52,364	-	662,934
Fundraising, marketing, and promotion	135,319	52,613	31,990	242,719	520,860	983,501
Direct facilities, maintenance, and rental	-	-	-	-	-	-
Spirit groups	-	-	-	-	3,622	3,622
Membership and dues	13,891	3,087	-	8,259	9,924	35,161
Other operating expenses	626,088	38,054	18,783	14,432,494	4,599,318	19,714,737
Total expenses	<u>\$ 2,236,853</u>	<u>\$ 208,869</u>	<u>\$ 82,234</u>	<u>\$ 14,907,330</u>	<u>\$ 5,168,836</u>	<u>\$ 22,604,122</u>

During the year ended December 31, 2015, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$20,798,774; \$1,375,569 from booster clubs; and \$429,779 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>
2016	\$ 1,254,668	\$ 9,170,389	\$ 2,711,887	\$ 13,136,944	\$ 11,081,205
2015	\$ 1,021,009	\$ 9,177,735	\$ 2,559,668	\$ 12,758,412	\$ 11,230,310
2014	\$ 1,057,022	\$ 12,079,537	\$ 1,104,993	\$ 14,241,552	\$ 12,524,077
2013	\$ 993,252	\$ 13,575,008	\$ 574,919	\$ 15,143,179	\$ 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, 2016 of Tiger Athletic Foundation (the Foundation). A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the *Schedule of Debt Service Coverage Ratio*. Accordingly, we do not express such an opinion.

The *Schedule of Debt Service Coverage Ratio* is prescribed by and related to the \$52,000,000 Revenue Bonds (Series 2015) reflecting the provisions of resolutions adopted by Tiger Athletic Foundation and issued July 1, 2015; the \$53,045,000 Revenue Bonds (Series 2015A) reflecting the provisions of resolutions adopted by Tiger Athletic Foundation and issued on November 1, 2015; 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, amended to \$70,000,000 in revenue on June 22, 2014.

Management's Responsibility for the *Schedule of Debt Service Coverage Ratio*

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; this includes the design, implementation and maintenance of internal control relevant to the preparations and fair presentation of the *Schedule of Debt Service Coverage Ratio* that is free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the *Schedule of Debt Service Coverage Ratio* for it to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying *Schedule of Debt Service Coverage Ratio* of Tiger Athletic Foundation for the year ended December 31, 2016 in order for it to be in accordance 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 handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
April 1, 2017

TIGER ATHLETIC FOUNDATION

**SCHEDULE OF DEBT SERVICE COVERAGE RATIO – SERIES 2012, SERIES 2015,
AND SERIES 2015A**

YEAR ENDED DECEMBER 31, 2016

Available Revenues

Total unrestricted revenues of \$51,308,867 less total expenses (\$36,265,375 minus depreciation of \$6,549,377, amortization of \$140,000 and discretionary expenses of \$18,451,521).

\$ 40,184,390

Debt Service Requirements

\$ 15,861,620

Debt Service Coverage Ratio

2.53

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 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 2012, Series 2015, and Series 2015A*, is prescribed by 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, amended to \$70,000,000 in revenue on June 22, 2014; \$52,000,000 Revenue Bonds (Series 2015) reflecting the provisions of Resolutions adopted by Tiger Athletic Foundation on July 1, 2015; and the Revenue Bond Resolution relating to the \$53,045,000 Revenue Bonds (Series 2015A) reflecting the provisions of Resolutions adopted by Tiger Athletic Foundation on November 1, 2015.

See independent accountants report.