

TIGER ATHLETIC
FOUNDATION

Financial Statements

December 31, 2020 and 2019



TIGER ATHLETIC FOUNDATION
FINANCIAL STATEMENTS, OTHER FINANCIAL INFORMATION, AND
OTHER SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020 AND 2019

CONTENTS

| | |
|--|-------|
| <u>Independent Auditor's Report</u> | 1 - 2 |
|--|-------|

Audited Financial Statements

| | |
|-----------------------------------|---------|
| Statements of Financial Position | 3 - 4 |
| Statements of Activities | 5 - 6 |
| Statements of Functional Expenses | 7 - 10 |
| Statements of Cash Flows | 11 |
| Notes to Financial Statements | 12 - 34 |

Other Financial Information

| | |
|---|---------|
| Independent Auditor's Report on Other Financial Information - Office of Statewide Reporting and Accounting Policy for State of Louisiana | 36 |
| Statements of Net Assets | 37 - 38 |
| Statements of Revenues, Expenses, and Changes in Net Assets | 39 - 40 |
| Component Unit Description | 41 |
| Schedules of Capital Assets | 42 - 43 |
| Schedules of Bonds and Note Payable and Capital Leases | 44 - 45 |
| Schedules of Bonds and Note Payable | 46 - 47 |
| Schedule of Bonds Payable Amortization | 48 |
| Independent Auditor's Report on Other Financial Information - Tiger Athletic Foundation Uniform Affiliation Agreement with Louisiana State University | 49 |
| Summaries of Expenses Paid to Louisiana State University | 50 |

Other Supplementary Information

| | |
|--|---------|
| Statements of Activities | 52 - 53 |
| Statements of Revenues and Expenses in Support of Intercollegiate Athletics | 54 - 55 |
| Philanthropic Activity Summary Report | 56 |
| Independent Accountants Report on Schedule of Debt Service Coverage Ratio | 58 - 59 |
| Schedule of Debt Service Coverage Ratio - Series 2012, Series 2015, and Series 2015A | 60 |
| Note to Schedule of Debt Service Coverage Ratio | 61 |

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, 2020 and 2019, 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, 2020 and 2019, 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 52 through 56 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 52 through 56 is fairly stated, in all material respects, in relation to the financial statements as a whole.



A Professional Accounting Corporation

Metairie, LA
April 20, 2021

TIGER ATHLETIC FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 and 2019

ASSETS

| | 2020 | 2019 |
|-------------------------------------|--------------------|--------------------|
| <u>CURRENT ASSETS</u> | | |
| Cash and cash equivalents | \$ 13,534,428 | \$ 16,811,970 |
| Investments | 21,889,925 | 15,710,504 |
| Restricted assets: | | |
| Cash and cash equivalents | 34,627,312 | 32,360,764 |
| Investments | 3,912,706 | 3,811,525 |
| Other receivables | 3,364,160 | 3,379,860 |
| Contracts receivable | 6,623,397 | 24,285,429 |
| Unconditional promises to give | 6,034,981 | 6,130,807 |
| Prepaid expenses | 195,917 | 182,574 |
| Other current assets | 196,476 | 187,557 |
| Total current assets | 90,379,302 | 102,860,990 |
| <u>NONCURRENT ASSETS</u> | | |
| Restricted assets: | | |
| Cash and cash equivalents | 16,088,416 | 10,244,284 |
| Investments | 114,735,177 | 103,463,266 |
| Other receivables | 2,313,797 | 4,535,138 |
| Contracts receivable | 29,806,224 | 31,147,008 |
| Unconditional promises to give, net | 4,794,884 | 6,241,693 |
| Property and equipment, net | 209,055,655 | 216,736,243 |
| Assets held for donation to LSU | 8,556,443 | 6,000,678 |
| Other noncurrent assets | 4,993,709 | 2,610,772 |
| Total noncurrent assets | 390,344,305 | 380,979,082 |
| Total assets | \$ 480,723,607 | \$ 483,840,072 |

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

TIGER ATHLETIC FOUNDATION

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2020 and 2019

LIABILITIES AND NET ASSETS

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------|-----------------------|
| <u>CURRENT LIABILITIES</u> | | |
| Accounts payable | \$ 1,803,799 | \$ 2,763,780 |
| Retainage payable | 54,965 | 1,081,363 |
| Other current liabilities | 36,121 | - |
| Deferred revenues | 27,858,349 | 26,546,111 |
| Amounts held in custody for others | 2,552,482 | 2,495,786 |
| Bonds payable | 7,647,000 | 7,807,000 |
| Term loan | 3,056,068 | 2,884,606 |
| Total current liabilities | <u>43,008,784</u> | <u>43,578,646</u> |
| <u>NONCURRENT LIABILITIES</u> | | |
| Deferred revenues | 30,017,905 | 31,248,216 |
| Amounts held in custody for others | 613,258 | 544,700 |
| Bonds payable, net of current | | |
| Principal amount | 126,885,000 | 134,532,000 |
| Deferred financing costs | (690,756) | (747,617) |
| Term loan, net of current amount | | |
| Principal amount | 13,679,540 | 16,735,608 |
| Deferred financing costs | (43,104) | (52,763) |
| Total noncurrent liabilities | <u>170,461,843</u> | <u>182,260,144</u> |
| Total liabilities | <u>213,470,627</u> | <u>225,838,790</u> |
| <u>NET ASSETS</u> | | |
| Without donor restrictions | | |
| Undesignated | 122,514,814 | 125,809,941 |
| Designated by the Board for operating reserves | 85,722,807 | 76,977,923 |
| | <u>208,237,621</u> | <u>202,787,864</u> |
| With donor restrictions | 59,015,359 | 55,213,418 |
| Total net assets | <u>267,252,980</u> | <u>258,001,282</u> |
| Total liabilities and net assets | <u>\$ 480,723,607</u> | <u>\$ 483,840,072</u> |

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

TIGER ATHLETIC FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| Change in net assets without donor restrictions: | | |
| Revenues without donor restrictions: | | |
| Contributions | \$ 1,603,596 | \$ 1,733,453 |
| Contract revenue | 6,433,382 | 33,466,076 |
| Investment return, net | 8,040,290 | 7,837,223 |
| Other revenues | <u>13,836,867</u> | <u>13,571,387</u> |
| Total revenues without donor restrictions | 29,914,135 | 56,608,139 |
| Net assets released from donor restrictions: | | |
| Satisfaction of purpose restrictions | <u>10,916,391</u> | <u>25,876,485</u> |
| Total net assets released from donor restrictions | <u>10,916,391</u> | <u>25,876,485</u> |
| Total revenues and other support without donor restrictions | <u>40,830,526</u> | <u>82,484,624</u> |
| Program expenses: | | |
| Amounts incurred to benefit Louisiana State University for: | | |
| Projects specified by the Board of Directors | 17,411,680 | 60,289,287 |
| Catering and other | 981,656 | 2,899,260 |
| Financing costs | 35,578 | 29,153 |
| Interest | 3,828,176 | 5,066,893 |
| Personnel | 451,400 | 507,026 |
| Repairs and maintenance | 94,740 | 383,611 |
| Insurance | 578,142 | 532,269 |
| Depreciation | 5,228,209 | 4,987,867 |
| Other | <u>237,969</u> | <u>268,685</u> |
| Total program expenses | <u>28,847,550</u> | <u>74,964,051</u> |
| General and administrative expenses | <u>3,799,571</u> | <u>5,117,747</u> |
| Fundraising expenses | <u>2,733,648</u> | <u>3,021,397</u> |
| Total expenses | <u>35,380,769</u> | <u>83,103,195</u> |
| Change in net assets without donor restrictions | <u>5,449,757</u> | <u>(618,571)</u> |

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

TIGER ATHLETIC FOUNDATION

STATEMENTS OF ACTIVITIES (CONTINUED)

YEARS ENDED DECEMBER 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------|-----------------------|
| Change in net assets with donor restrictions: | | |
| Revenues with donor restrictions: | | |
| Contributions | 10,032,864 | 11,676,416 |
| Investment return, net | <u>4,685,468</u> | <u>2,684,261</u> |
| Total revenues with donor restrictions | <u>14,718,332</u> | <u>14,360,677</u> |
| Net assets released from donor restrictions: | | |
| Satisfaction of purpose restrictions | <u>(10,916,391)</u> | <u>(25,876,485)</u> |
| Total revenues and other support with donor restrictions | <u>3,801,941</u> | <u>(11,515,808)</u> |
| Change in net assets with donor restrictions: | <u>3,801,941</u> | <u>(11,515,808)</u> |
| Change in net assets | 9,251,698 | (12,134,379) |
| Net assets at beginning of year | <u>258,001,282</u> | <u>270,135,661</u> |
| Net assets at end of year | <u>\$ 267,252,980</u> | <u>\$ 258,001,282</u> |

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

| | Program Services | | | |
|--------------------------------|-------------------------------------|--|---------------------|-----------------|
| | Contributions to LSU Athletic | Contributions to LSU Nonathletic | Tiger Den Suites | Stadium Club |
| Salaries and wages | \$ - | \$ - | \$ 117,334 | \$ 173,106 |
| Payroll taxes | - | - | 10,029 | 13,846 |
| Employee benefits | - | - | 27,118 | 69,207 |
| Contributions to LSU | 13,512,230 | - | - | - |
| Coaches' supplement | 400,000 | - | - | - |
| Scoreboard expenses | 285,713 | - | - | - |
| Marketing and publicity | - | - | 16,012 | - |
| Dues and subscriptions | 34,014 | - | - | - |
| Professional fees | 31,427 | - | - | - |
| Academic awards | - | 400,000 | - | - |
| Tickets purchased | - | - | - | - |
| Financing costs | - | - | - | 35,578 |
| Licensing rights | - | - | - | - |
| Interest expense | - | - | 1,145,625 | 2,682,551 |
| Catering and other expenses | - | - | 373,176 | 557,366 |
| Management fee | - | - | - | - |
| Occupancy | - | - | 1,000 | 50,000 |
| Event parking | - | - | 30,240 | - |
| Repairs and maintenance | - | - | 42,242 | 35,691 |
| Travel and entertainment | - | - | - | - |
| Membership | - | - | - | - |
| Meeting expense | - | - | - | - |
| Basketball | - | - | - | - |
| Baseball | - | - | - | - |
| Supplies and office equipment | - | - | - | - |
| Printing | - | - | - | - |
| Computer | - | - | - | - |
| Bank charges | - | - | - | - |
| Special events and other | - | - | 717 | - |
| Insurance | - | - | 190,300 | 387,842 |
| Bad debts and other allowances | - | - | - | - |
| Promotional expense | - | - | - | - |
| Depreciation | 2,748,296 | - | 1,348,149 | 3,880,060 |
| Total expenses | \$ 17,011,680 | \$ 400,000 | \$ 3,301,942 | \$ 7,885,247 |

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

YEAR ENDED DECEMBER 31, 2020

| Program Services | | | | | |
|--------------------------------|----------------------------|---------------|---------------------------------------|--------------------|---------------|
| | Alex Box Suites | Total | General and Administrative | Fundraising | Total |
| Salaries and wages | \$ 30,846 | \$ 321,286 | \$ 2,239,302 | \$ 1,006,983 | \$ 3,567,571 |
| Payroll taxes | 2,916 | 26,791 | 145,124 | 78,949 | 250,864 |
| Employee benefits | 6,998 | 103,323 | 534,907 | 258,303 | 896,533 |
| Contributions to LSU | - | 13,512,230 | - | - | 13,512,230 |
| Coaches' supplement | - | 400,000 | - | - | 400,000 |
| Scoreboard expenses | - | 285,713 | - | - | 285,713 |
| Marketing and publicity | - | 16,012 | - | 300,452 | 316,464 |
| Dues and subscriptions | - | 34,014 | 28,652 | 7,204 | 69,870 |
| Professional fees | - | 31,427 | 106,893 | - | 138,320 |
| Academic awards | - | 400,000 | - | - | 400,000 |
| Tickets purchased | - | - | - | 334,924 | 334,924 |
| Financing costs | - | 35,578 | - | - | 35,578 |
| Licensing rights | 140,000 | 140,000 | - | - | 140,000 |
| Interest expense | - | 3,828,176 | - | - | 3,828,176 |
| Catering and other expenses | 51,114 | 981,656 | - | - | 981,656 |
| Management fee | - | - | - | - | - |
| Occupancy | - | 51,000 | 217,273 | 27,928 | 296,201 |
| Event parking | - | 30,240 | 16,550 | - | 46,790 |
| Repairs and maintenance | 16,807 | 94,740 | 8,699 | - | 103,439 |
| Travel and entertainment | - | - | 72,889 | 355,776 | 428,665 |
| Membership | - | - | 21,003 | 239,532 | 260,535 |
| Meeting expense | - | - | 5,538 | - | 5,538 |
| Basketball | - | - | - | 63,616 | 63,616 |
| Baseball | - | - | - | - | - |
| Supplies and office equipment | - | - | 14,441 | 9,421 | 23,862 |
| Printing | - | - | 10,037 | - | 10,037 |
| Computer | - | - | 87,448 | 50,560 | 138,008 |
| Bank charges | - | - | 846,593 | - | 846,593 |
| Special events and other | - | 717 | 74,423 | - | 75,140 |
| Insurance | - | 578,142 | 121,134 | - | 699,276 |
| Bad debts and other allowances | - | - | (751,335) | - | (751,335) |
| Promotional expense | - | - | - | - | - |
| Depreciation | - | 7,976,505 | - | - | 7,976,505 |
| Total expenses | \$ 248,681 | \$ 28,847,550 | \$ 3,799,571 | \$ 2,733,648 | \$ 35,380,769 |

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

| | Program Services | | | |
|--|-------------------------------------|--|---------------------|-----------------|
| | Contributions to LSU Athletic | Contributions to LSU Nonathletic | Tiger Den Suites | Stadium Club |
| Salaries and wages | \$ - | \$ - | \$ 121,149 | \$ 155,782 |
| Payroll taxes | - | - | 11,113 | 14,240 |
| Employee benefits | - | - | 37,450 | 63,358 |
| Contributions to LSU | 56,434,214 | - | - | - |
| Coaches' supplement | 400,000 | - | - | - |
| Scoreboard expenses | 254,653 | - | - | - |
| Marketing and publicity | - | - | 20,798 | - |
| Dues and subscriptions | 9,147 | - | - | - |
| Professional fees | 39,897 | - | - | - |
| Academic awards | - | 459,482 | - | - |
| LSU Campus Transportation and Development Fund | - | - | - | - |
| Tickets purchased | - | - | - | - |
| Financing costs | - | - | - | 29,153 |
| Licensing rights | - | - | - | - |
| Interest expense | - | - | 1,606,860 | 3,460,033 |
| Catering and other expenses | - | - | 1,284,509 | 1,505,200 |
| Management fee | - | - | - | - |
| Occupancy | - | - | 1,000 | 50,000 |
| Event parking | - | - | 45,300 | - |
| Repairs and maintenance | - | - | 143,043 | 212,879 |
| Travel and entertainment | - | - | - | - |
| Membership | - | - | - | - |
| Meeting expense | - | - | - | - |
| Basketball | - | - | - | - |
| Baseball | - | - | - | - |
| Supplies and office equipment | - | - | - | - |
| Printing | - | - | - | - |
| Computer | - | - | - | - |
| Bank charges | - | - | - | - |
| Special events and other | - | - | 11,587 | - |
| Insurance | - | - | 174,093 | 358,176 |
| Bad debts and other allowances | - | - | - | - |
| Promotional expense | - | - | - | - |
| Depreciation | 2,691,894 | - | 1,309,669 | 3,678,198 |
| Total expenses | \$ 59,829,805 | \$ 459,482 | \$ 4,766,571 | \$ 9,527,019 |

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

TIGER ATHLETIC FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

YEAR ENDED DECEMBER 31, 2019

| | Program Services | | | | |
|--|----------------------------|---------------|---------------------------------------|--------------------|---------------|
| | Alex Box Suites | Total | General and Administrative | Fundraising | Total |
| Salaries and wages | \$ 78,144 | \$ 355,075 | \$ 2,203,390 | \$ 899,226 | \$ 3,457,691 |
| Payroll taxes | 7,728 | 33,081 | 144,053 | 71,645 | 248,779 |
| Employee benefits | 18,062 | 118,870 | 501,930 | 209,446 | 830,246 |
| Contributions to LSU | - | 56,434,214 | - | - | 56,434,214 |
| Coaches' supplement | - | 400,000 | - | - | 400,000 |
| Scoreboard expenses | - | 254,653 | - | - | 254,653 |
| Marketing and publicity | - | 20,798 | - | 295,975 | 316,773 |
| Dues and subscriptions | - | 9,147 | 38,770 | 7,876 | 55,793 |
| Professional fees | - | 39,897 | 136,299 | - | 176,196 |
| Academic awards | - | 459,482 | - | - | 459,482 |
| LSU Campus Transportation and Development Fund | - | - | - | - | - |
| Tickets purchased | - | - | - | 286,127 | 286,127 |
| Financing costs | - | 29,153 | - | - | 29,153 |
| Licensing rights | 140,000 | 140,000 | - | - | 140,000 |
| Interest expense | - | 5,066,893 | - | - | 5,066,893 |
| Catering and other expenses | 109,551 | 2,899,260 | - | - | 2,899,260 |
| Management fee | - | - | - | - | - |
| Occupancy | - | 51,000 | 240,079 | 29,194 | 320,273 |
| Event parking | - | 45,300 | 53,155 | - | 98,455 |
| Repairs and maintenance | 27,689 | 383,611 | 14,335 | - | 397,946 |
| Travel and entertainment | - | - | 107,675 | 537,054 | 644,729 |
| Membership | - | - | 22,103 | 453,768 | 475,871 |
| Meeting expense | - | - | 33,338 | - | 33,338 |
| Basketball | - | - | - | 95,817 | 95,817 |
| Baseball | - | - | - | - | - |
| Supplies and office equipment | - | - | 51,323 | 32,223 | 83,546 |
| Printing | - | - | 11,832 | - | 11,832 |
| Computer | - | - | 111,048 | 79,487 | 190,535 |
| Bank charges | - | - | 555,536 | - | 555,536 |
| Special events and other | - | 11,587 | 60,320 | 16,047 | 87,954 |
| Insurance | - | 532,269 | 113,698 | - | 645,967 |
| Bad debts and other allowances | - | - | 718,863 | - | 718,863 |
| Promotional expense | - | - | - | 7,512 | 7,512 |
| Depreciation | - | 7,679,761 | - | - | 7,679,761 |
| Total expenses | \$ 381,174 | \$ 74,964,051 | \$ 5,117,747 | \$ 3,021,397 | \$ 83,103,195 |

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

TIGER ATHLETIC FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|---|----------------------|----------------------|
| Operating activities | | |
| Change in net assets | \$ 9,251,698 | \$ (12,134,379) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 7,976,505 | 7,679,761 |
| Change in allowance for accounts receivable | (188,609) | (277,509) |
| Change in allowance for unconditional promises to give | (1,560,045) | (60,905) |
| Net unrealized and realized gains on investments | (9,559,240) | (6,052,760) |
| Loss on sale of property and equipment | 192,558 | 453,979 |
| Transfer of property and equipment to LSU | 5,594,174 | 43,867,159 |
| Contributions restricted for long-term purposes | (1,274,671) | (1,392,956) |
| Amortization included in interest expense | 66,520 | 47,436 |
| (Increase) decrease in operating assets: | | |
| Receivables and other prepaid assets | 2,412,307 | 2,683,956 |
| Unconditional promises to give | 3,102,680 | (958,541) |
| Contracts receivable | 19,002,816 | (25,963,303) |
| Other assets | (2,391,856) | 127,261 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | (959,981) | (2,103,751) |
| Retainage payable | (1,026,398) | 361,798 |
| Other current liabilities | 36,121 | - |
| Deferred revenues | 81,927 | 25,357,893 |
| Amounts held in custody for others | 125,254 | (432,678) |
| Net cash provided by operating activities | <u>30,881,760</u> | <u>31,202,461</u> |
| Investing activities | | |
| Purchase of investments | (100,978,760) | (349,600,163) |
| Sales of investments | 92,985,487 | 336,398,334 |
| Purchase of property and equipment | (8,638,414) | (28,450,285) |
| Net cash used in investing activities | <u>(16,631,687)</u> | <u>(41,652,114)</u> |
| Financing activities | | |
| Proceeds from contributions restricted for investment in perpetual endowments | 1,274,671 | 1,392,956 |
| Cost of debt issuance | - | (212,565) |
| Principal payments on borrowings | (10,691,606) | (10,691,442) |
| Net cash used in financing activities | <u>(9,416,935)</u> | <u>(9,511,051)</u> |
| Net change in cash, cash equivalents, and restricted cash | 4,833,138 | (19,960,704) |
| Cash, cash equivalents, and restricted cash, beginning of year | 59,417,018 | 79,377,722 |
| Cash, cash equivalents, and restricted cash, end of year | <u>\$ 64,250,156</u> | <u>\$ 59,417,018</u> |
| Supplemental disclosures of cash flow information: | | |
| Cash paid for interest | <u>\$ 3,792,055</u> | <u>\$ 5,066,893</u> |
| Non cash transfer of completed construction in progress to assets held for donation to LSU | <u>\$ 8,149,939</u> | <u>\$ 37,806,090</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 also oversees the management of the Tiger Den Suites, Stadium Club, and Alex Box Suites for LSU. 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.

Significant New Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-03, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*, which modify the disclosure requirements on fair value measurements. The Organization adopted ASU 2018-03 during the year ended December 31, 2020. The adoption of this guidance did not have a material impact on the 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.

In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities* which provided a limited deferral of the effective dates of ASU 2016-02 for certain entities in the "all other category." Therefore, ASU 2016-02 will be effective for the Foundation beginning in the year ending December 31, 2022. Management is currently evaluating the impact ASU 2016-02 will have on the financial statements.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

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. Certain cash equivalents generated in the Foundation's investment accounts are classified as investments.

Concentration on Credit Risk for Cash Held in Bank

TAF periodically maintains cash in bank accounts in excess of insured limits. At December 31, 2020 and 2019, the Foundation had \$63,257,082 and \$58,719,792, respectively, in excess of the FDIC insured limit. Custodial credit risk for these deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to cover these deposits.

Investments

As further presented in Note 4, the Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expense.

Fair Values of Financial Instruments

The carrying values of the Foundation's financial instruments approximate fair value.

The Foundation follows the provisions of the FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*. Under FASB ASC Topic 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 Topic 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.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Fair Values of Financial Instruments (Continued)

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 – The Foundation invests in certificates of deposit through various financial institutions, which generally mature within one year, and are reported at cost, which approximates fair value. Interest income on certificates of deposit is accrued at each month end. The fair value of money market accounts is the closing price reported on the active market on which the individual securities are traded. 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. The fair value of debt securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. The fair value of real estate securities is based on pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. The fair value of real assets is based on pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. The fair value of alternative investments is valued at net asset value per share 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 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.

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 donor 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 revenues without donor restrictions 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 revenues with donor restrictions.

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 are not used in the operations of TAF and are, therefore, not included within property and equipment. At December 31, 2020 and 2019, the balance in this account was comprised entirely of construction in progress on capital projects that were completed and expected to be donated to LSU within one year of the statement of financial position date.

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, 2020 and 2019.

Deferred Financing Costs

The Foundation follows the FASB Accounting Standards Update (ASU) 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*, which requires 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.

Deferred financing costs of \$1,008,426 as of December 31, 2020 and 2019 associated with the Revenue Bonds Series 2012, Revenue Bonds Series 2015, Revenue Bonds Series 2015A, and 2019 term loan are being amortized over the respective lives of the bond agreements. These costs are presented net of accumulated amortization of \$274,566 and \$208,046 as of December 31, 2020 and 2019, respectively. Amortization of the costs is recorded as a component of interest expense.

Capitalized Licensing Rights

Other noncurrent 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 \$1,668,334 and \$1,528,334 as of December 31, 2020 and 2019, respectively. These costs are being amortized over the life of the stadium. Amortization of the costs is recorded as a component of total expenses.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Amounts Held in Custody for Others

The amounts held in custody for others 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 \$2,548,734 and \$2,495,786 of amounts held in custody for others as restricted cash within current assets as of December 31, 2020 and 2019, respectively. The Foundation also has \$613,258 and \$577,640 of amounts held in custody for others as restricted investments as of December 31, 2020 and 2019, 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

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, the Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions include those net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for operating reserves that may be drawn upon in the event of financial distress or an immediate liquidity need in line with TAF's mission. Net assets with donor restrictions are those net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions

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 net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, these contributions are recognized as changes in net assets without donor restrictions.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Donated Services

During the years ended December 31, 2020 and 2019, the value of contributed services meeting the requirements for recognition in the financial statements was not considered material and has not been recorded.

Revenue from Contracts with Customers

The Foundation recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Foundation has rights 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 right to purchase tickets is primarily marketed and sold to end-user consumers in the United States. The results of the Foundation’s revenue related to the right to purchase tickets are affected by economic conditions, which can vary by market, and can be impacted by consumer disposable income levels and spending habits. The Foundation includes within contract revenue on the statements of activities those amounts recognized relative to the contract terms.

Nature of Products and Services

The Foundation recognizes the revenues for the right to purchase season tickets at a point in time in the year the athletic season starts, which is when the performance obligation is satisfied.

Payment is due and payable prior to March 1st of each year of the contract term. In instances where the timing of revenue recognition differs from the timing of the right to invoice, the Foundation has determined that a significant financing component does not exist. The primary purpose of the Foundation’s invoicing terms is to provide customers with simplified and predictable ways purchasing the rights to purchase tickets and not to receive financing from or provide financing to the customer. Additionally, the Foundation has elected the practical expedient that permits an entity to not recognize a significant financing component if the time between the transfer of a good or service and payment is one year or less.

Transaction Price

The transaction price is the amount of consideration to which the Foundation expects to be entitled in exchange for transferring the right to purchase tickets to the customer. Revenue related to the right to purchase tickets are recorded based on the transaction price, which includes fixed consideration only.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Revenue from Contracts with Customers (Continued)

Contract Balances

The timing of revenue recognition may not align with the right to invoice the customer. The Foundation records contracts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. The Foundation's receivables include contracts for the 2020 through 2024 seasons. The amount of the contracts receivable 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. When consideration is received and revenue has not yet been recognized, and for the contracts receivable for future seasons, a contract liability (deferred revenue) also is recorded.

Balances as of December 31, 2020 and 2019 are included in the statements of financial position. Opening balances as of January 1, 2019 were as follows:

| | | |
|----------------------|----|------------|
| Contracts Receivable | \$ | 29,469,134 |
| Deferred Revenue | \$ | 32,436,434 |

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).

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.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

Rents - LSU and University Club (Continued)

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

Functional Expenses

The costs of providing various program and supporting activities, which include fundraising and general and administrative activities, have been summarized on a functional basis in the financial statements. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Payroll expenses are allocated on the basis of time and effort. 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. All other expenses are specifically identified to the applicable functional expense category.

Advertising

The Foundation's policy is to expense advertising costs as the costs are incurred. Advertising costs totaled \$316,494 and \$314,954 for the years ended December 31, 2020 and 2019, respectively.

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.

Reclassifications

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

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

| | <u>December 31,</u> <u>2020</u> | <u>December 31,</u> <u>2019</u> |
|-------------------------------------|------------------------------------|------------------------------------|
| Cash and cash equivalents | \$ 13,534,428 | \$ 16,811,970 |
| Investments | 21,889,925 | 15,710,504 |
| Other receivables | 3,364,160 | 3,379,860 |
| Contracts receivable | 6,623,397 | 24,285,429 |
| Unconditional promises to give, net | 23,737 | 24,530 |
| | <u>\$ 45,435,647</u> | <u>\$ 60,212,293</u> |

As part of the Foundation's liquidity management plan, the Foundation invests balances in excess of daily requirements in three separate portfolios: perpetually endowed portfolio, long term non-endowed portfolio, and short term non-endowed portfolio.

The perpetually endowed portfolio consists of funds donated for the purpose of establishing or contributing to an endowment in perpetuity. The investment objectives of this portfolio are to maintain the purchase power of its endowed assets in perpetuity by targeting a total rate of return that will, at a minimum, maintain the value of the portfolio in real terms (i.e., adjusted for inflation as measured by the CPI-U or other appropriate index designated by the investment committee) after annual distributions and expenses and to maximize total returns over the long term consistent with prudent funds management; provide annual and consistent levels of fund distributions to beneficiaries; and minimize risk through diversification.

The long term non-endowed portfolio consists of funds held or donated to TAF that (a) are typically not donor restricted for a particular purpose, and (b) in the judgment of the investment committee will not be required to satisfy TAF's short or intermediate term capital or operating needs. The investment objectives of this portfolio are to preserve the real purchasing power of the portfolio (adjusted for inflation as measured by the CPI-U or other appropriate index) after deducting expenses, with a secondary emphasis on long-term moderate capital growth, maximize long term total return consistent with the time horizon for the portfolio and prudent funds management practices, and minimize risk through diversification.

The short term non-endowed portfolio consists of funds held or donated to TAF that (a) are non-endowed, (b) may be donor restricted for a particular purpose, and (c) are required to satisfy short to intermediate operation or capital needs. The investment objectives of this portfolio are to provide liquidity sufficient to meet short term capital needs, preserve principal and provided for the safety of temporary funds, and maximize short term total return consistent with the time horizon for this portfolio and prudent funds management practices.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

2. Liquidity and Availability (Continued)

The board designates on an annual basis as operating reserves, that may be drawn upon in the event of financial distress or an immediate liquidity need, in line with TAF's mission: 10% of available cash after debt service as shown in TAF's operating budget, any interest savings on annual TAF debt service (calculated as annual budgeted interest less annual actual interest expense), and revenues derived from the University Club Lease and License Agreement (lease payments and annual University Club membership contributions).

3. Restricted Cash and Cash Equivalents and Investments

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

| | December 31, 2020 | | | | | |
|------------------------------------|-------------------|---------------|--------------|----------------|----------------|--|
| | Cash | | Investments | | Total | |
| | Current | Noncurrent | Current | Noncurrent | | |
| Donor Restricted Purposes | \$ 21,383,388 | \$ - | \$ - | \$ 3,311,594 | \$ 24,694,982 | |
| Donor Restricted Endowments | - | 578,305 | - | 23,548,496 | 24,126,801 | |
| By Board for Designated Purposes | - | 1,748,199 | - | 84,240,046 | 85,988,245 | |
| Amounts Held in Custody for Others | 2,552,482 | - | - | 613,258 | 3,165,740 | |
| Contractually by Bond and Leases | 10,691,442 | 13,761,912 | 3,912,706 | 3,021,783 | 31,387,843 | |
| | \$ 34,627,312 | \$ 16,088,416 | \$ 3,912,706 | \$ 114,735,177 | \$ 169,363,611 | |

| | December 31, 2019 | | | | | |
|------------------------------------|-------------------|---------------|--------------|----------------|----------------|--|
| | Cash | | Investments | | Total | |
| | Current | Noncurrent | Current | Noncurrent | | |
| Donor Restricted Purposes | \$ 19,173,536 | \$ - | \$ - | \$ 3,935,768 | \$ 23,109,304 | |
| Donor Restricted Endowments | - | 261,086 | - | 20,203,017 | 20,464,103 | |
| By Board for Designated Purposes | - | 1,737,562 | - | 75,499,995 | 77,237,557 | |
| Amounts Held in Custody for Others | 2,495,786 | - | - | 577,640 | 3,073,426 | |
| Contractually by Bond and Leases | 10,691,442 | 8,245,636 | 3,811,525 | 3,246,846 | 25,995,449 | |
| | \$ 32,360,764 | \$ 10,244,284 | \$ 3,811,525 | \$ 103,463,266 | \$ 149,879,839 | |

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.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

| | December 31, 2020 | December 31, 2019 |
|--|----------------------|----------------------|
| Cash and cash equivalents | \$ 13,534,428 | \$ 16,811,970 |
| Restricted cash and cash equivalents | 50,715,728 | 42,605,048 |
| Total cash, cash equivalents, and restricted cash shown in the statements of cash flows | \$ 64,250,156 | \$ 59,417,018 |

TIGER ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS

4. Investments

Investments at December 31, 2020 and 2019 consist of the following:

| | December 31, 2020 | December 31, 2019 |
|-------------------------|------------------------------|------------------------------|
| Money Market Accounts | \$ 2,499,629 | \$ 2,282,395 |
| Certificates of deposit | 2,165,402 | 2,135,558 |
| Domestic Equities | 17,307,053 | 14,938,159 |
| International Equities | 14,106,266 | 12,336,394 |
| Fixed Income | 100,626,754 | 89,245,768 |
| Real Estate | 1,152,322 | 1,043,850 |
| Real Assets | 991,845 | 1,003,171 |
| Alternative Investments | 1,688,537 | - |
| | <u>\$ 140,537,808</u> | <u>\$ 122,985,295</u> |

5. Unconditional Promises to Give

Unconditional promises to give at December 31, 2020 and 2019 were as follows:

| | 2020 | 2019 |
|--|-----------------------------|-----------------------------|
| Receivable in less than one year | \$ 6,034,981 | \$ 6,130,807 |
| Receivable in one to five years | 6,919,194 | 9,694,048 |
| Receivable in more than five years | 494,000 | 726,000 |
| Total contributions receivable | <u>13,448,175</u> | <u>16,550,855</u> |
| Less discount to net present value (discount rate was 3% and 4% as of December 31, 2020 and December 31, 2019, respectively) | (1,159,810) | (2,031,855) |
| Less allowance for unfulfilled pledges | (1,458,500) | (2,146,500) |
| Net contributions receivable | <u>\$ 10,829,865</u> | <u>\$ 12,372,500</u> |

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

6. Property and Equipment

The Foundation's investment in property and equipment consisted of the following at December 31, 2020:

| | <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 | 5,359,961 | - | - | - | 5,359,961 |
| Stadium expansion and scoreboard | 261,148,474 | 141,648 | (1,880,346) | 3,749,021 | 263,158,797 |
| Furniture and equipment | 314,837 | 5,395 | - | - | 320,232 |
| Vehicles | 50,222 | - | - | - | 50,222 |
| | <u>271,613,494</u> | <u>147,043</u> | <u>(1,880,346)</u> | <u>3,749,021</u> | <u>273,629,212</u> |
| Less: accumulated depreciation | (62,543,014) | (7,976,505) | 1,880,346 | - | (68,639,173) |
| Construction in progress | 7,665,763 | 8,491,371 | (192,558) | (11,898,960) | 4,065,616 |
| Property and equipment, net | <u>\$ 216,736,243</u> | <u>\$ 661,909</u> | <u>\$ (192,558)</u> | <u>\$ (8,149,939)</u> | <u>\$ 209,055,655</u> |

During the year ended December 31, 2020, \$8,149,939 of completed construction in progress was transferred out of capital assets and into assets held for donation to LSU.

The Foundation's investment in property and equipment consisted of the following at December 31, 2019:

| | <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 | 5,359,961 | - | - | - | 5,359,961 |
| Stadium expansion and scoreboard | 255,198,448 | - | - | 5,950,026 | 261,148,474 |
| Furniture and equipment | 315,595 | 1,204 | (1,962) | - | 314,837 |
| Vehicles | 50,222 | - | - | - | 50,222 |
| | <u>265,664,226</u> | <u>1,204</u> | <u>(1,962)</u> | <u>5,950,026</u> | <u>271,613,494</u> |
| Less: accumulated depreciation | (54,864,433) | (7,679,761) | 1,180 | - | (62,543,014) |
| Construction in progress | 23,425,994 | 28,449,081 | (453,196) | (43,756,116) | 7,665,763 |
| Property and equipment, net | <u>\$ 234,225,787</u> | <u>\$ 20,770,524</u> | <u>\$ (453,978)</u> | <u>\$ (37,806,090)</u> | <u>\$ 216,736,243</u> |

During the year ended December 31, 2019, \$37,806,090 of completed construction in progress was transferred out of capital assets and into assets held for donation to LSU.

Depreciation expense totaled \$7,976,505 and \$7,679,761 for the years ended December 31, 2020 and 2019, respectively.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable

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

| | December 31, 2020 | December 31, 2019 |
|-------------------------------|------------------------------|-----------------------|
| Revenue Bonds Series 2012 | \$ 61,512,000 | \$ 64,409,000 |
| Revenue Bonds Series 2015 | 35,460,000 | 39,070,000 |
| Revenue Bonds Series 2015A | 37,560,000 | 38,860,000 |
| Term Loan | 16,735,608 | 19,620,214 |
| Less Deferred Financing Costs | (733,860) | (800,380) |
| | \$ 150,533,748 | \$ 161,158,834 |

In order to finance the design, development, performance, and construction of the Facilities/South and Olympic Sports Improvements in accordance with the plans and specifications approved by LSU, 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. For the period from the loan's closing date in 2012 through, but not including, October 1, 2022, this loan was to bear interest at the Special Bank Variable rate. This variable rate was 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 was to 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. On December 1, 2019, the Bonds were amended to include a Special Bank Fixed Rate equal to 2.37% through, but not including December 2, 2029.

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.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (Continued)

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. 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%. Effective February 2017, the interest rate formula on the term loan was reduced by 1%, changing the Elective Interest Rate to the 30 day LIBOR Index Rate plus 2.00%. On December 2, 2019, the parties entered into a non-revolving taxable term loan for the current balance of \$19,622,014 for the same terms with the exception of the interest rate. The new loan agreement interest rate is 2.59%.

Interest only was 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.

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. Effective November 1, 2019, the bonds were amended to bear interest at a rate of 2.25% per annum.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

7. Bonds and Note Payable (Continued)

Under the provisions of the above revenue bond agreements, the Foundation is required to maintain a minimum debt service coverage ratio. At December 31, 2020 and 2019, The Foundation was either in compliance with its debt service coverage calculation loan covenant or had obtained a waiver from the lender.

The scheduled maturities of the debt outstanding at December 31, 2020 are as follows:

| | Bonds and Note Payable |
|-------------------------------|-----------------------------------|
| 2021 | \$ 10,703,068 |
| 2022 | 10,695,692 |
| 2023 | 10,914,240 |
| 2024 | 11,421,518 |
| 2025 | 11,368,090 |
| 2026 - 2030 | 53,055,000 |
| 2031 - 2035 | 31,511,000 |
| 2036 - 2040 | 11,599,000 |
| Less deferred financing costs | <u>(733,860)</u> |
| Total | <u>\$ 150,533,748</u> |

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, 2020 are as follows:

| ASSETS | Level 1 | Level 2 | Level 3 | Net Balance |
|-------------------------------|----------------------|----------------------|-------------------|-----------------------|
| Money Market Accounts | \$ 2,499,629 | \$ - | \$ - | \$ 2,499,629 |
| Certificates of Deposit | 2,165,402 | - | - | 2,165,402 |
| Domestic Equities | 17,307,053 | - | - | 17,307,053 |
| International Equities | 14,106,266 | - | - | 14,106,266 |
| Fixed Income | 52,319,269 | 48,110,610 | 196,875 | 100,626,754 |
| Real Estate | 1,152,322 | - | - | 1,152,322 |
| Real Assets | 991,845 | - | - | 991,845 |
| Investments at NAV per share* | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,688,537</u> |
| Total | <u>\$ 90,541,786</u> | <u>\$ 48,110,610</u> | <u>\$ 196,875</u> | <u>\$ 140,537,808</u> |

*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.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

8. Fair Value Measurements (Continued)

The changes in investments measured at fair value for which the Foundation has used Level 3 inputs to determine fair value for the year ending December 31, 2020 are as follow:

| ASSETS | Level 3 Beginning Balance | Net Realized and Unrealized Gains (Losses) | Sales | Purchases | Net Transfers In (Out) of Level 3 | Level 3 Ending Balance |
|---------------|--------------------------------------|---|--------------------|------------------|--|-----------------------------------|
| Investments | \$ 590,553 | \$ (57,946) | \$ (44,827) | \$ - | \$ (290,905) | \$ 196,875 |
| Total | <u>\$ 590,553</u> | <u>\$ (57,946)</u> | <u>\$ (44,827)</u> | <u>\$ -</u> | <u>\$ (290,905)</u> | <u>\$ 196,875</u> |

The valuation of the Foundation's assets and liabilities measured at fair value on a recurring basis at December 31, 2019 are as follows:

| ASSETS | Level 1 | Level 2 | Level 3 | Net Balance |
|-------------------------|----------------------|----------------------|-------------------|-----------------------|
| Money Market Accounts | \$ 2,282,395 | \$ - | \$ - | \$ 2,282,395 |
| Certificates of Deposit | 2,135,558 | - | - | 2,135,558 |
| Domestic Equities | 14,938,159 | - | - | 14,938,159 |
| International Equities | 12,336,394 | - | - | 12,336,394 |
| Fixed Income | 47,300,228 | 41,354,987 | 590,553 | 89,245,768 |
| Real Estate | 1,043,850 | - | - | 1,043,850 |
| Real Assets | 1,003,171 | - | - | 1,003,171 |
| Total | <u>\$ 81,039,755</u> | <u>\$ 41,354,987</u> | <u>\$ 590,553</u> | <u>\$ 122,985,295</u> |

The changes in investments measured at fair value for which the Foundation has used Level 3 inputs to determine fair value for the year ending December 31, 2020 are as follow:

| ASSETS | Level 3 Beginning Balance | and Unrealized Gains (Losses) | Sales | Purchases | Net Transfers In (Out) of Level 3 | Level 3 Ending Balance |
|---------------|--------------------------------------|--|--------------------|-------------------|--|-----------------------------------|
| Investments | \$ - | \$ 10,532 | \$ (39,856) | \$ 619,877 | \$ - | \$ 590,553 |
| Total | <u>\$ -</u> | <u>\$ 10,532</u> | <u>\$ (39,856)</u> | <u>\$ 619,877</u> | <u>\$ -</u> | <u>\$ 590,553</u> |

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value to another. In such instances, the transfer is reported at the beginning of the reporting period. As presented in the tables above, there were no transfers in or out of Level 3 for the years ended December 31, 2020 and 2019.

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 NAV per share as of December 31, 2020.

| December 31, 2020 | Fair Value | Unfunded Commitments | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|--|---------------------|----------------------|--|--------------------------|
| Aetos Capital Multi-Strategy Arbitrage Cayman Fund | A) \$ 501,316 | None | Quarterly | 90 days |
| Aetos Capital Distressed Investment Strategies Cayman Fund | B) 314,187 | None | Quarterly | 90 days |
| Aetos Capital Long/Short Strategies Cayman Fund | C) <u>873,034</u> | None | Quarterly | 90 days |
| | <u>\$ 1,688,537</u> | | | |

There were no investments measured at fair value based on net asset value (NAV) per share as of December 31, 2019.

- A) Aetos Capital Multi-Strategy Cayman Fund was formed in the state of Delaware as a limited liability company. The fund operates as a master fund under a master fund/feeder fund structure. The fund seeks to produce an attractive absolute return on invested capital, largely independent of the various benchmarks associated with traditional asset classes, by allocating its assets amount a select group of portfolio managers that utilize a variety of arbitrage strategies.
- B) Aetos Capital Distressed Investment Strategies Cayman Fund was formed in the state of Delaware as a limited liability company. The fund operates as a master fund under a master fund/feeder fund structure. The fund seeks to produce an attractive absolute return on invested capital, largely independent of the various benchmarks associated with traditional asset classes, by allocating its assets amount a select group of portfolio managers that utilize a variety of distressed investment strategies.
- C) Aetos Capital Long/Short Term Strategies Cayman Fund was formed in the state of Delaware as a limited liability company. The fund operates as a master fund under a master fund/feeder fund structure. The fund seeks to produce an attractive absolute return on invested capital, largely independent of the various benchmarks associated with traditional asset classes, by allocating its assets amount a select group of portfolio managers that utilize a variety of long/short strategies.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

9. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

| | December 31, 2020 | December 31, 2019 |
|---|----------------------|----------------------|
| Subject to expenditure for a specified purpose: | | |
| Capital Programs | \$ 5,238,593 | \$ 6,708,030 |
| Annual Scholarship Fund | 3,345,585 | 4,015,694 |
| Preservation of Tiger Stadium | 3,222,833 | 3,151,282 |
| Football Complex | 3,097,946 | 4,019,756 |
| Victory Fund | 2,788,133 | - |
| Baseball Building | 2,588,549 | 3,267,265 |
| Basketball Building | 2,513,197 | 1,956,173 |
| Nutrition Center | 2,268,509 | 2,797,999 |
| AD's Excellence Fund | 1,934,014 | 497,394 |
| Football Excellence | 1,204,473 | 488,541 |
| Tennis | 992,984 | 976,352 |
| Academic Center | 787,696 | 1,586,028 |
| Softball Complex | 699,317 | 803,967 |
| Tiger Den - Mike's Habitat | 495,012 | 447,337 |
| Swimming Building | 364,366 | 303,552 |
| Gymnastics Facility | 302,178 | 345,094 |
| Basketball Bleachers | 233,147 | 190,671 |
| L Club Renovations | 111,358 | 110,443 |
| Athletic Trainer's Equipment | 87,988 | 86,488 |
| Women's Basketball Building | 84,257 | 118,455 |
| Band Hall | 75,418 | 80,710 |
| Track and Field Building | 73,634 | 72,224 |
| Volleyball Building | 68,393 | 74,290 |
| LSU Golf Facility | 61,010 | 231,997 |
| 74 Society | 50,836 | 47,703 |
| PMAC Restoration | 42,149 | 42,149 |
| Jeff Boss Honorarium | 40,786 | 35,536 |
| Academic Center Operations | 32,931 | - |
| Women's Basketball Locker Room | 18,898 | - |
| Tigerama | 17,126 | 53,846 |
| Beach Volleyball | 15,936 | 13,568 |
| LSU Employee Assistance | 15,303 | 15,303 |
| Women's Golf Building | 14,934 | 14,934 |
| Spirit Squad | 12,480 | 10,726 |
| Football Strength Equipment | 7,104 | 7,104 |
| Hall of Fame | 7,072 | 7,072 |
| Soccer Complex | 3,000 | (2,246) |
| TAF Employee Assistance | 1,458 | 1,098 |
| Sue Gunter Fund | 844 | 844 |
| | 32,919,447 | 32,577,379 |
| Endowments: | | |
| Subject to TAF's spending policy and appropriation: | | |
| Investment in perpetuity (including amounts above original investment of \$4,153,346 and \$1,968,144 at December 31, 2020 and 2019, respectively), which, once appropriated, is expendable to support annual scholarships | 24,126,801 | 20,464,103 |
| Unconditional promises to give, net | 1,969,111 | 2,171,936 |
| | 26,095,912 | 22,636,039 |
| Total net assets with donor restrictions | \$ 59,015,359 | \$ 55,213,418 |

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 restricted net assets meet the definition of endowment funds under UPMIFA.

The Foundation's endowment includes donor-restricted funds established to support LSU Athletics scholarships. 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 retains in perpetuity (a) the original value of gift amounts donated to the endowment, and (b) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor restricted amounts not retained in perpetuity are subject to appropriation 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 by Wells Fargo and managed by FIA Investments, the outsourced chief investment officer. TAF has established prudent investment and spending policies with the objective of maintaining the purchase power of its endowed assets in perpetuity by targeting a total rate of return that will, at a minimum, maintain the value of the portfolio in real terms (i.e., adjusted for inflation as measured by the CPI-U or other appropriate index designated by the investment committee) after annual distributions and expenses and to maximize total returns over the long term consistent with prudent funds management; provide annual and consistent levels of fund distributions to beneficiaries; and minimize risk through diversification. To achieve this objective, the TAF'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. TAF, in the absence of specific donor intent, has an approved spending rate of 4% plus reimbursement of administrative expenses after investment values at each June 30th are finalized.

The Foundation's endowment net asset composition by fund type as of December 31, 2020 is as follows:

| | With Donor Restrictions | Total |
|---|------------------------------------|----------------------|
| Donor-restricted endowment funds | \$ 26,095,912 | \$ 26,095,912 |
| Total | \$ 26,095,912 | \$ 26,095,912 |

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

10. Endowment Composition (Continued)

A summary of the changes in the Foundation's endowment net assets for the year ended December 31, 2020 is as follows:

| | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|------------------------------------|----------------------|
| Endowment net assets, beginning of year | \$ 22,636,039 | \$ 22,636,039 |
| Investment return, net | 2,840,355 | 2,840,355 |
| Contributions | 1,274,671 | 1,274,671 |
| Appropriation of endowment assets for expenditure | <u>(655,153)</u> | <u>(655,153)</u> |
| Endowment net assets, end of year | <u>\$ 26,095,912</u> | <u>\$ 26,095,912</u> |

The Foundation's endowment net asset composition by fund type as of December 31, 2019 is as follows:

| | <u>With Donor Restrictions</u> | <u>Total</u> |
|----------------------------------|------------------------------------|----------------------|
| Donor-restricted endowment funds | \$ 22,636,039 | \$ 22,636,039 |
| Total | <u>\$ 22,636,039</u> | <u>\$ 22,636,039</u> |

A summary of the changes in the Foundation's endowment net assets for the year ended December 31, 2019 is as follows:

| | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|------------------------------------|----------------------|
| Endowment net assets, beginning of year | \$ 19,491,044 | \$ 19,491,044 |
| Investment return, net | 2,512,478 | 2,512,478 |
| Contributions | 1,392,956 | 1,392,956 |
| Appropriation of endowment assets for expenditure | <u>(760,439)</u> | <u>(760,439)</u> |
| Endowment net assets, end of year | <u>\$ 22,636,039</u> | <u>\$ 22,636,039</u> |

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.

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 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.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Foundation operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Foundation. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

12. Scoreboard Sponsorships

In 1999, the Foundation entered into a Cooperative Endeavor Agreement with LSU that obligated the Foundation to acquire, construct, and maintain new scoreboards in LSU athletic venues at a total cost of approximately \$5.2 million. In return for its fulfillment of this obligation, the Foundation was given an eight year license to solicit certain qualified corporate sponsorship contracts. In connection with its issuance of the Series 2004 Revenue Bonds, LSU extended the Foundation's rights to solicit qualified corporate sponsorship contracts for a period of approximately 35 years. Effective July 1, 2005, the Foundation, with approval of LSU, entered into a ten year lease agreement with Viacom Outdoor Advertising, Inc., d/b/a 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 \$4,688,748 and \$3,800,197 for the years ended December 31, 2020 and 2019, respectively, and is included in other revenues on the statements of activities.

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 \$248,000 and \$238,000 for the years ended December 31, 2020 and 2019, respectively.

TIGER ATHLETIC FOUNDATION

NOTES TO FINANCIAL STATEMENTS

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 total expenses.

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued April 20, 2021 and determined that no events have occurred that require disclosure. No subsequent events occurring after April 20, 2021 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, 2020 and 2019, and have issued our report thereon, dated April 20, 2021, 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 20, 2021.

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 20, 2021

TIGER ATHLETIC FOUNDATION

STATEMENTS OF NET ASSETS

DECEMBER 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|----------------------------------|-----------------------|-----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 13,534,428 | \$ 16,811,970 |
| Restricted assets: | | |
| Cash and cash equivalents | 34,627,312 | 32,360,764 |
| Investments | 3,912,706 | 3,811,525 |
| Investments | 21,889,925 | 15,710,504 |
| Other receivables | 3,364,160 | 3,379,860 |
| Contracts receivable | 6,623,397 | 24,285,429 |
| Pledges receivable | 6,034,981 | 6,130,807 |
| Due from other campuses | - | - |
| Due from State Treasury | - | - |
| Inventories | - | - |
| Prepaid expenses | 195,917 | 182,574 |
| Notes receivable | - | - |
| Other current assets | 196,476 | 187,557 |
| Total current assets | <u>90,379,302</u> | <u>102,860,990</u> |
| Noncurrent assets: | | |
| Restricted assets: | | |
| Cash and cash equivalents | 16,088,416 | 10,244,284 |
| Investments | 114,735,177 | 103,463,266 |
| Notes receivable | - | - |
| Other | - | - |
| Investments | - | - |
| Other receivables | 2,313,797 | 4,535,138 |
| Contracts receivable | 29,806,224 | 31,147,008 |
| Pledges receivable, net | 4,794,884 | 6,241,693 |
| Notes receivable | - | - |
| Capital assets, net | 209,055,655 | 216,736,243 |
| Assets held for donation to LSU | 8,556,443 | 6,000,678 |
| Assets under capital leases, net | - | - |
| Other noncurrent assets | 4,993,709 | 2,610,772 |
| Total noncurrent assets | <u>390,344,305</u> | <u>380,979,082</u> |
| Total assets | <u>\$ 480,723,607</u> | <u>\$ 483,840,072</u> |

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

STATEMENTS OF NET ASSETS (CONTINUED)

DECEMBER 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-----------------------|-----------------------|
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 1,803,799 | \$ 2,763,780 |
| Accounts payable - construction in progress | 54,965 | 1,081,363 |
| Due to other campuses | - | - |
| Due to State Treasury | - | - |
| Deferred revenues | 27,858,349 | 26,546,111 |
| Amounts held in custody for others | 2,552,482 | 2,495,786 |
| Compensated absences payable | - | - |
| Capital lease obligations | - | - |
| Line-of-credit | - | - |
| Note payable | - | - |
| Contracts payable | - | - |
| Bonds payable | 7,647,000 | 7,807,000 |
| Term loan | 3,056,068 | 2,884,606 |
| Other current liabilities | 36,121 | - |
| Total current liabilities | <u>43,008,784</u> | <u>43,578,646</u> |
| Noncurrent liabilities: | | |
| Amounts held in custody for others | 613,258 | 544,700 |
| Compensated absences payable | - | - |
| Capital lease obligations | - | - |
| Note payable | - | - |
| Contracts payable | - | - |
| Deferred revenues | 30,017,905 | 31,248,216 |
| Bonds payable | | |
| Principal amount | 126,885,000 | 134,532,000 |
| Deferred financing costs | (690,756) | (747,617) |
| Term loan | | |
| Principal amount | 13,679,540 | 16,735,608 |
| Deferred financing costs | (43,104) | (52,763) |
| Other noncurrent liabilities | - | - |
| Total noncurrent liabilities | <u>170,461,843</u> | <u>182,260,144</u> |
| Total liabilities | <u>213,470,627</u> | <u>225,838,790</u> |
| Net assets: | | |
| Invested in capital assets, net of related debt | 58,521,907 | 55,577,409 |
| Restricted for: | | |
| Nonexpendable | 24,127,768 | 22,419,934 |
| Expendable | 34,887,591 | 32,793,484 |
| Unrestricted | 149,715,714 | 147,210,455 |
| Total net assets | <u>267,252,980</u> | <u>258,001,282</u> |
| Total liabilities and net assets | <u>\$ 480,723,607</u> | <u>\$ 483,840,072</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, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|--------------------------|--------------------------|
| Operating revenues: | | |
| Student tuition and fees | \$ - | \$ - |
| Less scholarship allowances | - | - |
| Net student tuition and fees | - | - |
| Gifts received by the Foundation | 10,361,789 | 12,016,913 |
| Earnings on Foundation endowments | - | - |
| Federal appropriations | - | - |
| Federal grants and contracts | - | - |
| State and local grants and contracts | - | - |
| Nongovernmental grants and contracts | 6,433,382 | 33,466,076 |
| 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 | 13,836,867 | 13,571,387 |
| Total operating revenues | <u>30,632,038</u> | <u>59,054,376</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 | 14,140,913 | 17,747,015 |
| Total operating expenses | <u>14,140,913</u> | <u>17,747,015</u> |
| Operating income | <u>16,491,125</u> | <u>41,307,361</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, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------|-----------------------|
| Nonoperating revenues and (expenses): | | |
| State appropriations | - | - |
| Gifts | - | - |
| Net investment income (loss) | 12,725,758 | 10,521,484 |
| Interest expense | (3,828,176) | (5,066,893) |
| Payments to or on behalf of the university | (17,411,680) | (60,289,287) |
| Other nonoperating revenues (expenses) | - | - |
| Net nonoperating (expenses) revenues | <u>(8,514,098)</u> | <u>(54,834,696)</u> |
| Income (loss) before other revenues, expenses, gains, and losses | <u>7,977,027</u> | <u>(13,527,335)</u> |
| | | |
| Capital appropriations | - | - |
| Capital gifts and grants | - | - |
| Additions to permanent endowments | 1,274,671 | 1,392,956 |
| Other additions, net | - | - |
| Increase (decrease) in net assets | <u>9,251,698</u> | <u>(12,134,379)</u> |
| | | |
| Net assets, beginning of year | 258,001,282 | 270,135,661 |
| Change in fair value of investments, available-for-sale | - | - |
| Net assets, end of year | <u>\$ 267,252,980</u> | <u>\$ 258,001,282</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, 2020, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$17,411,680, \$994,734 from booster clubs, and \$199,015 from affiliated chapters. During the year ended December 31, 2019, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$60,289,287, \$1,141,124 from booster clubs, and \$219,307 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, 2020

| | Balance 12/31/2019 | Additions | Transfers | Retirements | Balance 12/31/2020 |
|--|-------------------------------|-----------------------|-------------------------|---------------------|-------------------------------|
| Capital assets not being depreciated: | | | | | |
| Land | \$ 4,740,000 | \$ - | \$ - | \$ - | \$ 4,740,000 |
| Capitalized collections | - | - | - | - | - |
| Livestock | - | - | - | - | - |
| Construction in progress | 7,665,763 | 8,491,371 | (11,898,960) | (192,558) | 4,065,616 |
| Total capital assets not being depreciated | <u>\$ 12,405,763</u> | <u>\$ 8,491,371</u> | <u>\$ (11,898,960)</u> | <u>\$ (192,558)</u> | <u>\$ 8,805,616</u> |
| Other capital assets: | | | | | |
| Land improvements | \$ 5,359,961 | \$ - | \$ - | \$ - | \$ 5,359,961 |
| Less accumulated depreciation | (825,550) | (81,863) | - | - | (907,413) |
| Total land improvements | <u>4,534,411</u> | <u>(81,863)</u> | <u>-</u> | <u>-</u> | <u>4,452,548</u> |
| Buildings | 261,148,474 | 141,648 | 3,749,021 | (1,880,346) | 263,158,797 |
| Less accumulated depreciation | (61,395,825) | (7,877,826) | - | 1,880,346 | (67,393,305) |
| Total buildings | <u>199,752,649</u> | <u>(7,736,178)</u> | <u>3,749,021</u> | <u>-</u> | <u>195,765,492</u> |
| Equipment | 314,837 | 5,395 | - | - | 320,232 |
| Less accumulated depreciation | (281,790) | (9,255) | - | - | (291,045) |
| Total equipment | <u>33,047</u> | <u>(3,860)</u> | <u>-</u> | <u>-</u> | <u>29,187</u> |
| Vehicles | 50,222 | - | - | - | 50,222 |
| Less accumulated depreciation | (39,849) | (7,561) | - | - | (47,410) |
| Total vehicles | <u>10,373</u> | <u>(7,561)</u> | <u>-</u> | <u>-</u> | <u>2,812</u> |
| Total other capital assets | <u>\$ 204,330,480</u> | <u>\$ (7,829,462)</u> | <u>\$ 3,749,021</u> | <u>\$ -</u> | <u>\$ 200,250,039</u> |
| Capital asset summary: | | | | | |
| Capital assets not being depreciated | \$ 12,405,763 | \$ 8,491,371 | \$ (11,898,960) | \$ (192,558) | \$ 8,805,616 |
| Other capital assets, at cost | 266,873,494 | 147,043 | 3,749,021 | (1,880,346) | 268,889,212 |
| Total cost of capital assets | <u>279,279,257</u> | <u>8,638,414</u> | <u>(8,149,939)</u> | <u>(2,072,904)</u> | <u>277,694,828</u> |
| Less accumulated depreciation | (62,543,014) | (7,976,505) | - | 1,880,346 | (68,639,173) |
| Capital assets, net | <u>\$ 216,736,243</u> | <u>\$ 661,909</u> | <u>\$ (8,149,939) *</u> | <u>\$ (192,558)</u> | <u>\$ 209,055,655</u> |

* During the year ended December 31, 2020, \$8,149,939 of completed construction in progress was transferred out of capital assets and into assets held for donation to LSU.

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2019

| | Balance | | | | | Balance |
|--|-----------------------|-----------------------|--------------------------|---------------------|--|-----------------------|
| | 12/31/2018 | Additions | Transfers | Retirements | | 12/31/2019 |
| Capital assets not being depreciated: | | | | | | |
| Land | \$ 4,740,000 | \$ - | \$ - | \$ - | | \$ 4,740,000 |
| Capitalized collections | - | - | - | - | | - |
| Livestock | - | - | - | - | | - |
| Construction in progress | 23,425,994 | 28,449,081 | (43,756,116) | (453,196) | | 7,665,763 |
| Total capital assets not being depreciated | <u>\$ 28,165,994</u> | <u>\$ 28,449,081</u> | <u>\$ (43,756,116)</u> | <u>\$ (453,196)</u> | | <u>\$ 12,405,763</u> |
| Other capital assets: | | | | | | |
| Land improvements | \$ 5,359,961 | \$ - | \$ - | \$ - | | \$ 5,359,961 |
| Less accumulated depreciation | (727,429) | (98,121) | - | - | | (825,550) |
| Total land improvements | <u>4,632,532</u> | <u>(98,121)</u> | <u>-</u> | <u>-</u> | | <u>4,534,411</u> |
| Buildings | 255,198,448 | - | 5,950,026 | - | | 261,148,474 |
| Less accumulated depreciation | (53,834,043) | (7,561,782) | - | - | | (61,395,825) |
| Total buildings | <u>201,364,405</u> | <u>(7,561,782)</u> | <u>5,950,026</u> | <u>-</u> | | <u>199,752,649</u> |
| Equipment | 315,595 | 1,204 | - | (1,962) | | 314,837 |
| Less accumulated depreciation | (272,697) | (10,273) | - | 1,180 | | (281,790) |
| Total equipment | <u>42,898</u> | <u>(9,069)</u> | <u>-</u> | <u>(782)</u> | | <u>33,047</u> |
| Vehicles | 50,222 | - | - | - | | 50,222 |
| Less accumulated depreciation | (30,264) | (9,585) | - | - | | (39,849) |
| Total vehicles | <u>19,958</u> | <u>(9,585)</u> | <u>-</u> | <u>-</u> | | <u>10,373</u> |
| Total other capital assets | <u>\$ 206,059,793</u> | <u>\$ (7,678,557)</u> | <u>\$ 5,950,026</u> | <u>\$ (782)</u> | | <u>\$ 204,330,480</u> |
| Capital asset summary: | | | | | | |
| Capital assets not being depreciated | \$ 28,165,994 | \$ 28,449,081 | \$ (43,756,116) | \$ (453,196) | | \$ 12,405,763 |
| Other capital assets, at cost | 260,924,226 | 1,204 | 5,950,026 | (1,962) | | 266,873,494 |
| Total cost of capital assets | <u>289,090,220</u> | <u>28,450,285</u> | <u>(37,806,090)</u> | <u>(455,158)</u> | | <u>279,279,257</u> |
| Less accumulated depreciation | (54,864,433) | (7,679,761) | - | 1,180 | | (62,543,014) |
| Capital assets, net | <u>\$ 234,225,787</u> | <u>\$ 20,770,524</u> | <u>\$ (37,806,090) *</u> | <u>\$ (453,978)</u> | | <u>\$ 216,736,243</u> |

* During the year ended December 31, 2019, \$37,806,090 of completed construction in progress was transferred out of capital assets and into assets held for donation to LSU.

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE AND CAPITAL LEASES

DECEMBER 31, 2020

| | Balance at December 31, 2019 | Additions | Reductions | Balance at December 31, 2020 | Amounts Due Within One Year |
|---|---|----------------------|----------------------|---|--|
| Bonds and notes payable and capital leases: | | | | | |
| Bonds payable | \$ 142,339,000 | \$ - | \$ 7,807,000 | \$ 134,532,000 | \$ 7,647,000 |
| Note payable | 19,620,214 | - | 2,884,606 | 16,735,608 | 3,056,068 |
| Capital lease obligations | - | - | - | - | - |
| Less deferred financing costs | (800,380) | - | (66,520) | (733,860) | (65,052) |
| Total bonds, notes, and capital leases | <u>\$ 161,158,834</u> | <u>\$ -</u> | <u>\$ 10,625,086</u> | <u>\$ 150,533,748</u> | <u>\$ 10,638,016</u> |
| Other liabilities: | | | | | |
| Amounts held in custody for others | \$ 3,040,486 | \$ 22,617,666 | \$ 22,492,412 | \$ 3,165,740 | \$ 2,552,482 |
| Other current liabilities | - | 384,335 | 348,214 | 36,121 | 36,121 |
| Deferred revenue | 57,794,327 | 53,505,830 | 53,423,903 | 57,876,254 | 27,858,349 |
| Total other liabilities | <u>\$ 60,834,813</u> | <u>\$ 76,507,831</u> | <u>\$ 76,264,529</u> | <u>\$ 61,078,115</u> | <u>\$ 30,446,952</u> |

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE AND CAPITAL LEASES

DECEMBER 31, 2019

| | Balance at December 31, 2018 | Additions | Reductions | Balance at December 31, 2019 | Amounts Due Within One Year |
|---|---|----------------------|----------------------|---|--|
| Bonds and notes payable and capital leases: | | | | | |
| Bonds payable | \$ 150,308,000 | \$ - | \$ 7,969,000 | \$ 142,339,000 | \$ 7,807,000 |
| Note payable | 22,342,656 | - | 2,722,442 | 19,620,214 | 2,884,606 |
| Capital lease obligations | - | - | - | - | - |
| Less deferred financing costs | (635,251) | (212,565) | (47,436) | (800,380) | (66,520) |
| Total bonds, notes, and capital leases | <u>\$ 172,015,405</u> | <u>\$ (212,565)</u> | <u>\$ 10,644,006</u> | <u>\$ 161,158,834</u> | <u>\$ 10,625,086</u> |
| Other liabilities: | | | | | |
| Amounts held in custody for others | \$ 3,473,164 | \$ 1,538,273 | \$ 1,970,951 | \$ 3,040,486 | \$ 2,495,786 |
| Deferred revenue | 32,436,434 | 50,480,581 | 25,122,688 | 57,794,327 | 26,546,111 |
| Other liabilities | - | - | - | - | - |
| Total other liabilities | <u>\$ 35,909,598</u> | <u>\$ 52,018,854</u> | <u>\$ 27,093,639</u> | <u>\$ 60,834,813</u> | <u>\$ 29,041,897</u> |

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE

DECEMBER 31, 2020

| Issue | Date of Issue | Original Issue | Principal Outstanding 12/31/2019 | (Redeemed) Issued | Principal Outstanding 12/31/2020 | Interest Rates | Interest Outstanding 12/31/2020 |
|-------------------------------|----------------------|-----------------------|---|--------------------------|---|-----------------------|--|
| Series 2012 Bonds | October 23, 2012 | \$ 5,100,000 | \$ 64,409,000 | \$ (2,897,000) | \$ 61,512,000 | Fixed/Variable* | \$ - |
| Series 2015 Bonds | July 1, 2015 | 52,000,000 | 39,070,000 | (3,610,000) | 35,460,000 | 2.49% | - |
| Series 2015A Bonds | November 1, 2015 | 53,045,000 | 38,860,000 | (1,300,000) | 37,560,000 | 2.25% | - |
| Less deferred financing costs | | (955,663) | (747,617) | 57,604 | (690,013) | | - |
| Total Bonds Payable | | 109,189,337 | 141,591,383 | (7,749,396) | 133,841,987 | | - |
| Term Loan | December 1, 2019 | 19,620,214 | 19,620,214 | (2,884,606) | 16,735,608 | 2.59% | 36,121 |
| Less deferred financing costs | | (52,763) | (52,763) | 8,916 | (43,847) | | - |
| | | <u>\$ 128,756,788</u> | <u>\$ 161,158,834</u> | <u>\$ (10,625,086)</u> | <u>\$ 150,533,748</u> | | <u>\$ 36,121</u> |

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS AND NOTE PAYABLE

DECEMBER 31, 2019

| Issue | Date of Issue | Original Issue | Principal Outstanding 12/31/2018 | (Redeemed) Issued | Principal Outstanding 12/31/2019 | Interest Rates | Interest Outstanding 12/31/2019 |
|-------------------------------|----------------------|-----------------------|---|--------------------------|---|-----------------------|--|
| Series 2012 Bonds | October 23, 2012 | \$ 5,100,000 | \$ 67,238,000 | \$ (2,829,000) | \$ 64,409,000 | Fixed/Variable* | \$ - |
| Series 2015 Bonds | July 1, 2015 | 52,000,000 | 42,520,000 | (3,450,000) | 39,070,000 | 2.49% | - |
| Series 2015A Bonds | November 1, 2015 | 53,045,000 | 40,550,000 | (1,690,000) | 38,860,000 | 2.25% | - |
| Less deferred financing costs | | (955,663) | (635,251) | (112,366) | (747,617) | | - |
| Total Bonds Payable | | 109,189,337 | 149,672,749 | (8,081,366) | 141,591,383 | | - |
| Term Loan | December 1, 2019 | 19,620,214 | - | 19,620,214 | 19,620,214 | 2.59% | - |
| Term Loan | October 23, 2012 | 808,731 | 22,342,656 | (22,342,656) | - | Variable | - |
| Less deferred financing costs | | (52,763) | - | (52,763) | (52,763) | | - |
| | | <u>\$ 129,565,519</u> | <u>\$ 172,015,405</u> | <u>\$ (10,856,571)</u> | <u>\$ 161,158,834</u> | | <u>\$ -</u> |

* Fixed rate of 2.37% through 2029, and variable thereafter

See independent auditor's report on other financial information.

TIGER ATHLETIC FOUNDATION

SCHEDULE OF BONDS PAYABLE AMORTIZATION

YEAR ENDED DECEMBER 31, 2020

| Fiscal Year Ending | Principal | Interest | Total |
|-------------------------------|-----------------------|-----------------|-----------------------|
| 2021 | \$ 7,647,000 | Fixed | \$ 7,647,000 |
| 2022 | 7,459,000 | Fixed | 7,459,000 |
| 2023 | 7,483,000 | Fixed | 7,483,000 |
| 2024 | 7,753,000 | Fixed | 7,753,000 |
| 2025 | 8,025,000 | Fixed | 8,025,000 |
| 2026 | 10,320,000 | Fixed | 10,320,000 |
| 2027 | 10,656,000 | Fixed | 10,656,000 |
| 2028 | 10,669,000 | Fixed | 10,669,000 |
| 2029 | 10,614,000 | Fixed | 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>\$ 134,532,000</u> | | <u>\$ 134,532,000</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, 2020 and 2019, and have issued our report thereon, dated April 20, 2021, 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 20, 2021.

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 20, 2021

TIGER ATHLETIC FOUNDATION

SUMMARIES OF EXPENSES PAID TO LOUISIANA STATE UNIVERSITY

YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| Rent expense | \$ 98,422 | \$ 95,636 |
| Ground lease payments | 87,100 | 60,000 |
| Telephone/Communications expenses | 63,735 | 73,507 |
| Security expenses | 53,429 | 25,654 |
| Compensation for LSU contract staff | 30,643 | 32,678 |
| Parking expenses | 28,081 | 31,312 |
| Computing services contract payment | 25,304 | 34,649 |
| Club card printing and readers/equipment for stadium club | 4,537 | 5,471 |
| Postage expense | 3,326 | 18,112 |
| Repairs and maintenance expenses | 2,165 | 19,045 |
| Miscellaneous expense | 960 | 10,243 |
| Travel for TAF staff/donors (lodging/airfare) | 296 | 8,279 |
| Handling/Service fees | - | 18,833 |
| Printing expense | - | 1,440 |
| Supplies expense | - | 1,280 |
| Fuel expense | - | - |
| | <u>\$ 397,998</u> | <u>\$ 436,139</u> |

See independent auditor's report on other financial information.

OTHER SUPPLEMENTARY INFORMATION

TIGER ATHLETIC FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total 2020</u> |
|---|---------------------------------------|------------------------------------|-----------------------|
| Revenues and gains: | | | |
| Donations - TAF members | \$ 1,603,596 | \$ 10,032,864 | \$ 11,636,460 |
| Contract revenue | 6,433,382 | - | 6,433,382 |
| Restricted revenue | - | - | - |
| Scoreboard sponsorships | 4,688,748 | - | 4,688,748 |
| Rents - University Club and LSU | 8,755,001 | - | 8,755,001 |
| Investment return, net | 2,789,397 | 377,121 | 3,166,518 |
| Net realized and unrealized gains | 5,250,893 | 4,308,347 | 9,559,240 |
| Merchandise revenue | - | - | - |
| Other revenue | 393,118 | - | 393,118 |
| Total revenues and gains | <u>29,914,135</u> | <u>14,718,332</u> | <u>44,632,467</u> |
| Net assets released from restrictions | 10,916,391 | (10,916,391) | - |
| Expenses: | | | |
| Program services: | | | |
| Contribution to LSU - athletic department | 17,011,680 | - | 17,011,680 |
| Contribution to LSU - non-athletic | 400,000 | - | 400,000 |
| Tiger Den Suites | 3,301,942 | - | 3,301,942 |
| Stadium Club | 7,885,247 | - | 7,885,247 |
| Alex Box Suites | 248,681 | - | 248,681 |
| Supporting activities: | | | |
| General and administrative | 3,799,571 | - | 3,799,571 |
| Fundraising | 2,733,648 | - | 2,733,648 |
| Total expenses | <u>35,380,769</u> | <u>-</u> | <u>35,380,769</u> |
| Increase in net assets | <u>\$ 5,449,757</u> | <u>\$ 3,801,941</u> | <u>\$ 9,251,698</u> |

See independent auditor's report.

TIGER ATHLETIC FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total 2019</u> |
|---|--|---|------------------------------|
| Revenues and gains: | | | |
| Donations - TAF members | \$ 1,733,453 | \$ 11,676,416 | \$ 13,409,869 |
| Contract revenue | 33,466,076 | - | 33,466,076 |
| Restricted revenue | - | - | - |
| Scoreboard sponsorships | 3,800,197 | - | 3,800,197 |
| Rents - University Club and LSU | 8,738,037 | - | 8,738,037 |
| Investment return, net | 3,725,885 | 491,907 | 4,217,792 |
| Net realized and unrealized gains | 4,111,338 | 2,192,354 | 6,303,692 |
| Merchandise revenue | - | - | - |
| Other revenue | 1,033,153 | - | 1,033,153 |
| Total revenues and gains | <u>56,608,139</u> | <u>14,360,677</u> | <u>70,968,816</u> |
| Net assets released from restrictions | 25,876,485 | (25,876,485) | - |
| Expenses: | | | |
| Program services: | | | |
| Contribution to LSU - athletic department | 59,829,805 | - | 59,829,805 |
| Contribution to LSU - non-athletic | 459,482 | - | 459,482 |
| Tiger Den Suites | 4,766,571 | - | 4,766,571 |
| Stadium Club | 9,527,019 | - | 9,527,019 |
| Alex Box Suites | 381,174 | - | 381,174 |
| Supporting activities: | | | |
| General and administrative | 5,117,747 | - | 5,117,747 |
| Fundraising | 3,021,397 | - | 3,021,397 |
| Total expenses | <u>83,103,195</u> | <u>-</u> | <u>83,103,195</u> |
| Decrease in net assets | <u>\$ (618,571)</u> | <u>\$ (11,515,808)</u> | <u>\$ (12,134,379)</u> |

See independent auditor's report.

TIGER ATHLETIC FOUNDATION
STATEMENT OF REVENUES AND EXPENSES IN SUPPORT OF INTERCOLLEGIATE ATHLETICS
YEAR ENDED DECEMBER 31, 2020

| | <u>Football</u> | <u>Men's Basketball</u> | <u>Women's Basketball</u> | <u>Other Sports</u> | <u>Non-Program Specific</u> | <u>Total</u> |
|---|---------------------|-----------------------------|-------------------------------|---------------------|---------------------------------|----------------------|
| Revenues | | | | | | |
| Contributions | \$ 2,369,805 | \$ 422,888 | \$ 32,250 | \$ 4,511,448 | \$ 10,064,793 | \$ 17,401,184 |
| Compensations and benefits provided by a third party | 483,964 | 1,527 | - | 41,082 | 677,672 | 1,204,245 |
| Total revenues | <u>\$ 2,853,769</u> | <u>\$ 424,415</u> | <u>\$ 32,250</u> | <u>\$ 4,552,530</u> | <u>\$ 10,742,465</u> | <u>\$ 18,605,429</u> |
| Expenses | | | | | | |
| Coaching other compensation and benefits | \$ 483,964 | \$ 1,527 | \$ - | \$ 41,082 | \$ 677,672 | \$ 1,204,245 |
| Severance payments | - | - | - | - | - | - |
| Recruiting | 124,303 | 66,072 | 8,447 | 14,059 | - | 212,881 |
| Team travel | 15,875 | 3,904 | - | 17,018 | - | 36,797 |
| Equipment, uniforms, and supplies | - | - | - | 64,281 | - | 64,281 |
| Game expenses | 17,228 | 2,505 | - | 15,763 | - | 35,496 |
| Fundraising, marketing, and promotion | - | 114,185 | 425 | 102,872 | 376,876 | 594,358 |
| Direct facilities, maintenance, and rental | - | - | - | - | - | - |
| Spirit groups | - | - | - | - | 44,905 | 44,905 |
| Membership and dues | 9,816 | 1,775 | 3,549 | 15,617 | 14,155 | 44,912 |
| Other operating expenses | 2,202,583 | 234,447 | 19,829 | 4,281,838 | 9,628,857 | 16,367,554 |
| Total expenses | <u>\$ 2,853,769</u> | <u>\$ 424,415</u> | <u>\$ 32,250</u> | <u>\$ 4,552,530</u> | <u>\$ 10,742,465</u> | <u>\$ 18,605,429</u> |

During the year ended December 31, 2020, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$17,411,680; \$994,734 from booster clubs; and \$199,015 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, 2019

| | <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 | \$ 42,992,748 | \$ 949,014 | \$ 200,021 | \$ 2,813,130 | \$ 12,246,388 | \$ 59,201,301 |
| Compensations and benefits provided by a third party | 996,458 | 35,000 | - | 12,460 | 1,404,499 | 2,448,417 |
| Total revenues | <u>\$ 43,989,206</u> | <u>\$ 984,014</u> | <u>\$ 200,021</u> | <u>\$ 2,825,590</u> | <u>\$ 13,650,887</u> | <u>\$ 61,649,718</u> |
| Expenses | | | | | | |
| Coaching other compensation and benefits | \$ 996,458 | \$ 35,000 | \$ - | \$ 12,460 | \$ 1,404,499 | \$ 2,448,417 |
| Severance payments | - | - | - | - | - | - |
| Recruiting | 509,070 | 723,485 | 79,543 | 35,597 | 4,401 | 1,352,096 |
| Team travel | - | 2,412 | 500 | 190,628 | 529 | 194,069 |
| Equipment, uniforms, and supplies | - | 14,710 | 11,981 | 608,603 | 13,140 | 648,434 |
| Game expenses | 91,286 | 8,546 | - | 87,558 | - | 187,390 |
| Fundraising, marketing, and promotion | 84,377 | 125,242 | 3,495 | 179,411 | 349,326 | 741,851 |
| Direct facilities, maintenance, and rental | - | - | - | - | - | - |
| Spirit groups | - | - | - | - | 78,132 | 78,132 |
| Membership and dues | 16,247 | - | 2,366 | 13,603 | 3,553 | 35,769 |
| Other operating expenses | 42,291,768 | 74,619 | 102,136 | 1,697,730 | 11,797,307 | 55,963,560 |
| Total expenses | <u>\$ 43,989,206</u> | <u>\$ 984,014</u> | <u>\$ 200,021</u> | <u>\$ 2,825,590</u> | <u>\$ 13,650,887</u> | <u>\$ 61,649,718</u> |

During the year ended December 31, 2019, the Tiger Athletic Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$60,289,287; \$1,141,124 from booster clubs; and \$219,307 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>Contributions without Donor Restrictions - Team TAF Championship Donations</i> | <i>Contributions with Donor Restrictions - Restrictions for Purpose</i> | <i>Contributions with Donor Restrictions - Restrictions that are Perpetual in Nature</i> | Grand Total | <i>Total Donor Restricted Collections</i> |
|--------------|--|--|---|--------------------|--|
| 2020 | \$ 1,552,559 | \$ 8,758,193 | \$ 1,274,671 | \$ 11,585,423 | \$ 12,113,222 |
| 2019 | \$ 1,687,270 | \$ 10,283,460 | \$ 1,392,956 | \$ 13,363,686 | \$ 9,731,943 |
| 2018 | \$ 1,470,025 | \$ 7,502,551 | \$ 1,242,157 | \$ 10,214,733 | \$ 8,643,553 |
| 2017 | \$ 1,469,043 | \$ 8,993,110 | \$ 946,687 | \$ 11,408,840 | \$ 9,861,017 |
| 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 |

See independent auditor's report.

PAGE INTENTIONALLY LEFT BLANK

**Independent Accountants Report
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, 2020 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* as prescribed by the Revenue Bonds; 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 as prescribed by the Revenue Bonds. 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, 2020 in order for it to be as prescribed by the Revenue Bonds.

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 20, 2021

TIGER ATHLETIC FOUNDATION

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

YEAR ENDED DECEMBER 31, 2020

Available Revenues

Total revenues without donor restrictions of \$24,991,712 less
total expenses (\$28,599,077 minus depreciation of \$7,976,505,
amortization of \$140,000 and discretionary expenses of \$10,348,497). \$ 14,857,637

Debt Service Requirements

\$ 14,555,360

Debt Service Coverage Ratio

1.02

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.

2. Covenant Waiver

At December 31, 2020, the Foundation was not in compliance with its debt service coverage calculation loan covenant, and had obtained a waiver from the lender.