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

AGREED-UPON PROCEDURES REPORT
ISSUED MARCH 10, 2010

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

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA

January 13, 2010

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

DR. MICHAEL V. MARTIN, CHANCELLOR
LOUISIANA STATE UNIVERSITY
AND A&M COLLEGE
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as chancellor of the university, solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (Statement) of the Louisiana State University and A&M College (LSU) Athletic Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3 for the year ended June 30, 2009, and to assist you in your evaluation of the effectiveness of the university's internal control over financial reporting as of June 30, 2009. LSU's management is responsible for the Statement (unaudited) and related notes (unaudited) and compliance with NCAA requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of LSU. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

STATEMENT OF REVENUES AND EXPENSES

GENERAL PROCEDURES

1. We obtained written representations from management as to the fair presentation of the Statement, completeness of required schedules and related financial information, adequacy of controls, compliance with NCAA rules and regulations, and other information we considered necessary for the year ended June 30, 2009.

In its representation letter, management disclosed minor instances of Level II secondary violations of NCAA rules and regulations, which were self-reported to the NCAA during the year ended June 30, 2009.

2. We verified the mathematical accuracy of the amounts on the Statement and agreed the amounts to supporting schedules provided by the university and the university's general ledger.

   We found no exceptions as a result of these procedures.

3. We determined that the university's internal auditor issued no audit reports related to the intercollegiate athletics program during fiscal year 2009.

4. We compared each operating revenue and expense category for June 30, 2008, and June 30, 2009, to identify variances of 5 percent and greater than $50,000 between individual revenue and expense categories that are 5 percent or more of the total.

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

   <u>Revenues</u>
   Football:
   - Ticket sales
   - Contributions
   - NCAA/Conference distributions

   Other Sports:
   - Contributions

   Non-program specific:
   - Contributions
   - Broadcast, television, radio, and Internet rights

   <u>Expenses</u>
   Football - Coaching salaries paid by the university
   Non-program specific:
   - Support staff/administrative salaries paid by the university
   - Direct facilities, maintenance, and rental
   - Other operating expenses

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

   We found no exceptions as a result of these procedures.

5. We compared the budgeted revenues and expenses to actual revenues and expenses related to athletics in the university's general ledger for the year ended June 30, 2009, to identify any variances of 25 percent or greater in individual revenue and expense accounts that are 5 percent or more of the total.

   We identified no variances of 25 percent or greater in individual revenue and expense accounts that are 5 percent or more of the total.

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES

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

   We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of these procedures.

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

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

4. Based on the relevant terms and conditions of agreements related to the university's participation in revenues from football post-season activity during the period, we compared and agreed the related revenues to the general ledger. We recalculated the totals.

   We found no exceptions as a result of these procedures.

5. Based on the relevant terms and conditions of one agreement related to the university's participation in revenues from broadcasts, television, radio, and

Internet rights during the period, we compared and agreed the related revenues to the general ledger. We recalculated the totals.

We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of this procedure.

7. Based on the relevant terms and conditions of one agreement related to the university's participation in revenues from royalties, licensing, advertisements, and sponsorships during the period, we compared and agreed the related revenues to the general ledger. We recalculated the totals.

   We found no exceptions as a result of these procedures.

8. We selected one operating revenue receipt from each category not previously mentioned and agreed to adequate supporting documentation.

   We found no exceptions as a result of this procedure.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

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

   We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of these procedures.

3. We obtained from management a list of coaches and support staff/administrative personnel paid by the university and selected four coaches from football, baseball, and men's and women's basketball, and three support staff/administrative personnel. The following procedures were performed:

   (a) We compared and agreed the financial terms and conditions in the contract of each coach selected to the related coaching salaries, benefits, and other compensation recorded in the university's payroll and accounts payable systems during the reporting period.

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

   (c) We compared and agreed related W-2s and 1099s for each selection to the related salaries, benefits, and other compensation recorded in the university's payroll and accounts payable systems during the reporting period.

   We found no exceptions as a result of these procedures.

4. We obtained and inspected a listing of coaches' salaries paid by third parties during the reporting period. We compared and agreed the financial terms and conditions in the coaches' contracts to the related coaching other compensation and benefits paid by a third party recorded by the university in the Statement during the reporting period.

   We found no exceptions as a result of these procedures.

5. Using a list prepared by the university, we selected an athletic employee with a severance payment and agreed the severance pay to the related settlement agreement. We recalculated the totals.

   We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of these procedures.

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

   We found no exceptions as a result of this procedure.

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

   We found no exceptions as a result of this procedure.

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

    We found no exceptions as a result of this procedure.

11. We selected six operating expenses, including two administrative travel expenses, from the other operating expense category and agreed to adequate supporting documentation. We recalculated the totals.

    We found no exceptions as a result of this procedure.

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

    We found no exceptions as a result of this procedure.

MINIMUM AGREED-UPON PROCEDURES FOR NOTES AND DISCLOSURES

1. We obtained from university management a list of contributions received by the athletic department to identify any individual contributions that constitute more than 10 percent of total contributions. We obtained and reviewed supporting documentation for such contributions and ensured that the source of funds, goods, and services, as well as the value associated with these items, is disclosed within the notes to the statement.

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

2. We obtained a description of the university's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets along with a schedule of changes in those assets. We agreed the schedule of changes to supporting schedules provided by the university and the university's general ledger. We agreed the Tiger Athletic Foundation's capital

asset schedule to its audited financial statements for the year ended December 31, 2008. We ensured that the university's policies and procedures and schedule of changes are properly disclosed within the notes to the Statement.

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

3. We obtained the repayment schedules for all outstanding intercollegiate athletics debt maintained by the university during the reporting period. We recalculated annual maturities and agreed to supporting schedules provided by the university and the university's general ledger. We agreed the Tiger Athletic Foundation's repayment schedules to its audited financial statements for the year ended December 31, 2008. We ensured that the repayment schedules are properly disclosed within the notes to the statement.

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

MINIMUM AGREED-UPON PROCEDURES FOR AFFILIATED AND OUTSIDE ORGANIZATIONS

1. We obtained written representation from management of the university that the Tiger Athletic Foundation and the LSU Track and Field Officials Association were the only outside organizations created for or on behalf of the athletic department. The LSU Track and Field Officials Association does not make any disbursements on behalf of the athletic department. Instead, the LSU Track and Field Officials Association supports athletics with direct contributions to the Tiger Athletic Foundation. For the year ended December 31, 2008, the LSU Track and Field Officials Association donated $51,000 to the Tiger Athletic Foundation.

2. We obtained from management a summary of revenues and expenses for or on behalf of intercollegiate athletics programs by the Tiger Athletic Foundation to be included with the agreed-upon procedures report. We obtained written representations as to the fair presentation of the summary and agreed the amounts reported to the Tiger Athletic Foundation's general ledger and audited financial statements for the year ended December 31, 2008.

   The following is the summary of revenues and expenses for or on behalf of intercollegiate athletics programs by the Tiger Athletic Foundation for the year ended December 31, 2008:

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
REVENUES						
Contributions	$2,676,283	$112,815	$225,461	$3,365,643	$5,630,316	$12,010,518
Compensation and benefits provided by a third party	512,000					512,000
Total revenues	3,188,283	112,815	225,461	3,365,643	5,630,316	12,522,518
EXPENSES						
Coaching other compensation and benefits paid by a third party	512,000					512,000
Recruiting	39,084	783	2,788	10,797	15,000	68,452
Team travel	17,076	155	929	50,552	231	68,943
Equipment, uniforms, and supplies	5,757		289	38,161		44,207
Game expenses	307,511	1,127	4,734	34,056	9,531	356,959
Fund raising, marketing, and promotion	183,087	5,827	57,466	169,392	429,261	845,033
Spirit groups					47,034	47,034
Membership and dues	28,671		4,186	4,972	3,564	41,393
Other operating expense	2,095,097	104,923	155,069	3,057,713	5,125,695	10,538,497
Total expenses	3,188,283	112,815	225,461	3,365,643	5,630,316	12,522,518
EXCESS (Deficiency) OF REVENUES OVER EXPENSES	NONE	NONE	NONE	NONE	NONE	NONE

These amounts include contributions totaling $10,648,537 from the Tiger Athletic Foundation; $1,341,735 from booster clubs; and $532,246 from affiliated chapters. The booster club and affiliated chapter accounts are maintained by the Tiger Athletic Foundation.

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

   The financial statements of the Tiger Athletic Foundation for the year ended December 31, 2008, were audited by an independent certified public accounting firm. The audit report was dated March 9, 2009, and included no significant deficiencies relating to the outside organization's internal control.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Revenues and Expenses and related notes of the Louisiana State University and A&M College Athletic Department or on its compliance with NCAA Bylaw 6.2.3 or on the effectiveness of the LSU Athletic Department's internal control over financial reporting for the year ended June 30, 2009. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Respectfully submitted,

Daryl G. Purpera, CPA
Temporary Legislative Auditor

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Statement A

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

Statement of Revenues and Expenses
For the Year Ended June 30, 2009

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON-PROGRAM SPECIFIC	TOTAL
REVENUES						
Operating Revenues:						
Ticket sales	$29,529,447	$2,276,225	$332,680	$2,411,153	$900,688	$35,450,193
Game guarantees		40,000		4,000		44,000
Contributions	19,788,486	177,815	290,461	5,198,098	5,719,316	31,174,176
Compensation and benefits provided by a third party	613,040	10,750		82,008	94,950	800,748
NCAA/Conference distributions including all tournament revenues	9,048,211	3,449,938	52,765	182,658	768,261	13,501,833
Broadcast, television, radio, and Internet rights					7,254,295	7,254,295
Program sales, concessions, novelty sales, and parking	2,056,165	90,200	9,600	193,946	3,859,175	6,209,086
Royalties, advertisements, and sponsorships					2,846,361	2,846,361
Endowment and investment income					1,235,611	1,235,611
Other					2,362,328	2,362,328
Total operating revenues	61,035,349	6,044,928	685,506	8,071,863	25,040,985	100,878,631
EXPENSES						
Operating Expenses:						
Athletics student aid	2,883,286	438,793	501,446	4,120,699	551,832	8,496,056
Game guarantees	2,900,000	623,229	122,225	75,436		3,720,890
Coaching salaries and benefits paid by the university and related entities	6,462,848	2,076,852	1,137,333	4,295,735		13,972,768
Coaching other compensation and benefits paid by a third party	602,790	10,750		82,008		695,548
Support staff/administrative salaries and benefits paid by the university and related entities	1,192,806	136,135	109,360	305,820	11,982,748	13,726,869
Support staff/administrative other compensation and benefits paid by a third party	10,250				94,950	105,200
Severance payments	84,690	219,471	4,423	29,804	39,092	377,480
Recruiting	427,833	125,540	89,948	445,760	18,274	1,107,355
Team travel	1,600,637	409,882	326,511	2,098,233	22,977	4,458,240
Equipment, uniforms, and supplies	1,075,214	82,903	88,290	1,016,421	333,618	2,596,446
Game expenses	882,476	376,451	161,414	322,669	3,235,401	4,978,411
Fund raising, marketing, and promotion	183,087	5,827	57,466	169,392	645,020	1,060,792
Direct facilities, maintenance, and rental	47,968	705	1,066	37,536	18,725,954	18,813,229
Spirit groups					695,197	695,197
Medical expenses and medical insurance	109,099	50,937	16,512	149,797	287,922	614,267
Memberships and dues	32,451	475	4,436	12,736	17,624	67,722
Other operating expense	4,425,109	243,820	259,128	4,089,272	9,947,897	18,965,226
Total operating expenses	22,920,544	4,801,770	2,879,558	17,251,318	46,598,506	94,451,696
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES	$38,114,805	$1,243,158	($2,194,052)	($9,179,455)	($21,557,521)	$6,426,935

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INTRODUCTION

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

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

The accompanying statement of revenues and expenses presents information as to the transactions for the intercollegiate athletics program of both LSU and TAF for their fiscal years ended June 30, 2009, and December 31, 2008, respectively.

1. CONTRIBUTIONS

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

The athletic department received contributions totaling $12,522,518 from TAF for the year ended December 31, 2008. Contributions from TAF on Statement A reflect gifts in the form of goods, services, and benefits paid for or on behalf of the athletic department as follows:

Contributions	$12,010,518
Compensation and benefits provided by a third party	512,000
Total	$12,522,518

2. CAPITAL ASSETS

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

Cooperative Endeavors - Expansion of Tiger Stadium

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

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

Property and Equipment - TAF

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

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

UNAUDITED

Capital asset activity for the athletic department for the year ended June 30, 2009, is as follows:

LSU ATHLETIC DEPARTMENT

	Balance June 30, 2008	Additions	Transfers	Retirements	Balance June 30, 2009
Capital assets not being depreciated:					
Construction-in-progress	$25,016,670	$7,396,539	($24,470,092)	NONE	$7,943,117
Other capital assets:					
Depreciable land improvements	$2,227,932	$4,694			$2,232,626
Less - accumulated depreciation	(972,506)	(78,243)			(1,050,749)
Total land improvements	1,255,426	(73,549)	NONE	NONE	1,181,877
Buildings	106,267,555	26,085,670	$24,470,092		156,823,317
Less - accumulated depreciation	(42,180,751)	(3,792,710)			(45,973,461)
Total buildings	64,086,804	22,292,960	24,470,092	NONE	110,849,856
Equipment	5,840,548	530,428		($146,560)	6,224,416
Less - accumulated depreciation	(4,744,625)	(407,775)		146,560	(5,005,840)
Total equipment	1,095,923	122,653	NONE	NONE	1,218,576
Total other capital assets	$66,438,153	$22,342,064	$24,470,092	NONE	$113,250,309
Capital asset summary:					
Capital assets not being depreciated	$25,016,670	$7,396,539	($24,470,092)		$7,943,117
Other capital assets, at cost	114,336,035	26,620,792	24,470,092	($146,560)	165,280,359
Total cost of capital assets	139,352,705	34,017,331	NONE	(146,560)	173,223,476
Less - accumulated depreciation	(47,897,882)	(4,278,728)	NONE	146,560	(52,030,050)
Capital assets, net	$91,454,823	$29,738,603	NONE	NONE	$121,193,426

Capital asset activity for TAF for the year ended December 31, 2008, is as follows:

TAF

	Balance December 31, 2007	Additions	Balance December 31, 2008
Capital assets not being depreciated:			
Land	$3,090,000		$3,090,000
Construction-in-progress	76,588	$5,372,529	5,449,117
Total capital assets not being depreciated	$3,166,588	$5,372,529	$8,539,117
Other capital assets:			
Land and improvements	$1,620,158	$4,015	$1,624,173
Less - accumulated depreciation	(330,906)	(59,087)	(389,993)
Total land improvements	1,289,252	(55,072)	1,234,180
Buildings	129,989,279	234,046	130,223,325
Less - accumulated depreciation	(7,982,923)	(2,177,573)	(10,160,496)
Total buildings	122,006,356	(1,943,527)	120,062,829
Equipment	451,095	7,743	458,838
Less - accumulated depreciation	(299,542)	(38,015)	(337,557)
Total equipment	151,553	(30,272)	121,281
Vehicles	25,580	2,398	27,978
Less - accumulated depreciation		(5,516)	(5,516)
Total vehicles	25,580	(3,118)	22,462
Total other capital assets	$123,472,741	($2,031,989)	$121,440,752
Capital asset summary:			
Capital assets not being depreciated	$3,166,588	$5,372,529	$8,539,117
Other capital assets, at cost	132,086,112	248,202	132,334,314
Total cost of capital assets	135,252,700	5,620,731	140,873,431
Less - accumulated depreciation	(8,613,371)	(2,280,191)	(10,893,562)
Capital assets, net	$126,639,329	$3,340,540	$129,979,869

UNAUDITED

3. LONG-TERM LIABILITIES

Notes Payable - TAF

The following is a summary of notes payable for TAF for the year ended December 31, 2008:

Issue	Date of Issue	Principal Outstanding December 31, 2007	(Redeemed) Issued	Principal Outstanding December 31, 2008
Capital One Term and Revolver Loa	July 26, 2001	$1,736,336	($1,736,336)	NONE

The notes payable is secured by a lien on pledged revenues. This note payable was paid off in November 2008.

Bonds Payable - LSU Athletic Department

The following is a detailed summary of bonds payable for the athletic department for the year ended June 30, 2009:

Issue	Date of Issue	Original Issue	Principal Outstanding June 30, 2008	(Redeemed) Issued	Principal Outstanding June 30, 2009	Interest Rates	Maturities	Interest Outstanding June 30, 2009
2005 A, B	June 2, 2005	$12,325,000	$4,360,000	($490,000)	$3,870,000	3.0% to 5.0%	2009-2017	$712,832
2006	August 9, 2006	47,280,000	47,280,000		47,280,000	4.0% to 5.0%	2009-2036	42,537,253
2007	December 11, 2007	24,091,200	23,966,500	(423,000)	23,543,500	4.0% to 5.0%	2009-2037	19,581,314
2008	June 27, 2008	9,095,000	8,950,000	(1,430,000)	7,520,000	2.0% to 5.0%	2009-2026	3,544,528
Total		$92,791,200	$84,556,500	($2,343,000)	$82,213,500			$66,375,927

Originally, the 2005 bond issue consisted of refunding the Series 1996 bonds for $9,995,000 (2005A for $3,965,000 and 2005B for $6,030,000) and of refunding the Series 1997 bonds for $2,330,000. The interest rate structure for the 2005B bonds included a separate interest rate swap agreement. However, the 2008 bond issue refunded the 2005B bonds as well as the 1988 LPFA loan agreement. The interest rate swap was terminated with the refunding of the 2005B bonds.

The 2006 bond issue will fund the construction of the new Alex Box Stadium and the new Women's Softball Complex. The 2007 bond issue will fund renovations and additions to various athletic facilities, including parking facilities.

The following is the amortization schedule for the outstanding bonds payable for the athletic department as of June 30, 2009:

Fiscal Year Ending	Principal	Interest	Total
2010	$2,430,900	$3,881,659	$6,312,559
2011	1,558,800	3,784,423	5,343,223
2012	1,736,700	3,722,071	5,458,771
2013	1,806,700	3,652,603	5,459,303
2014	1,879,600	3,574,535	5,454,135
2015-2019	10,637,300	16,613,218	27,250,518
2020-2024	13,288,800	13,877,674	27,166,474
2025-2029	16,511,400	10,398,152	26,909,552
2030-2034	21,000,400	5,926,381	26,926,781
2035-2037	11,362,900	945,211	12,308,111
Total	$82,213,500	$66,375,927	$148,589,427

Bonds Payable - TAF

The following is a detailed summary of bonds payable for TAF for the year ended December 31, 2008:

Issue	Date of Issue	Original Issue	Principal Outstanding December 31, 2007	(Redeemed) Issued	Principal Outstanding December 31, 2008	Interest Rates	Maturities
Series 1999 Bonds	March 4, 1999	$43,575,000	$43,575,000		$43,575,000	Variable	2010-2028
Series 2001 Bonds	July 26, 2001	10,200,000	700,000	($700,000)		Variable	2009-2011
Series 2004 Bonds	March 23, 2004	90,000,000	87,000,000	(1,690,000)	85,310,000	Variable	2009-2034
Total		$143,775,000	$131,275,000	($2,390,000)	$128,885,000		

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

In 2001, the foundation issued $10,200,000 in revenue bonds for certain improvements and renovations to the Gym Armory at LSU. The bonds were paid off in May 2008.

In 2004, the foundation issued $90,000,000 in revenue bonds for financing or reimbursing a portion of the cost of certain improvements and renovations to the West Side Upper Deck at LSU's Tiger Stadium and construction of the Football Operations Center, as well as miscellaneous improvements to Tiger Stadium. On March 15, 2007, an amendment was made to the original loan agreement which waived the principal payment due on September 1, 2007, and extended the payment schedule an additional year, through 2034, with the intent that the 2007 principal payment will be paid on September 1, 2034.

The following is the amortization schedule for the outstanding bonds payable for TAF as of December 31, 2008:

Fiscal Year Ending	Principal	Interest
2009	$1,775,000	Variable
2010	3,335,000	Variable
2011	3,490,000	Variable
2012	3,660,000	Variable
2013	3,840,000	Variable
2014-2018	22,150,000	Variable
2019-2023	28,010,000	Variable
2024-2028	35,450,000	Variable
2029-2033	25,565,000	Variable
2034	1,610,000	Variable
Total	$128,885,000	

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