

BLACK & GOLD FACILITIES, INC.
FINANCIAL AUDIT TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/9/09

Sean M. Bruno
Certified Public Accountants

BLACK & GOLD FACILITIES, INC.
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Sean M. Bruno
Certified Public Accountants

Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Black & Gold Facilities, Inc.
Grambling, Louisiana

I have audited the accompanying statement of financial position of **Black & Gold Facilities, Inc. (the Facilities)** as of June 30, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the **Facilities'** management. My responsibility is to express an opinion on these financial statements based on my audit.

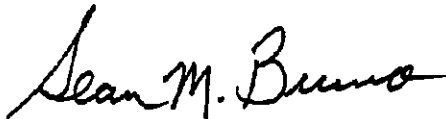
I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Facilities** as of June 30, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT
(CONTINUED)**

To the Board of Directors
Black & Gold Facilities, Inc.
Grambling, Louisiana – Page 2

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the report (shown on pages 16 through 23) is presented for the purpose of additional analysis and is not a required part of the financial statements of **the Facilities**. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



**SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS**

July 15, 2009

BLACK & GOLD FACILITIES, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2009

ASSETS

Current assets:	
Cash and cash equivalents (NOTE 2)	\$ 146,832
Investments - bond reserves (NOTE 6)	7,172,023
Due from management agent	37,588
Prepaid Insurance	<u>175,471</u>
Total current assets	<u>7,531,914</u>
Non-current assets	
Investments - bond reserves (NOTE 6)	13,605,971
Fixed assets, net of accumulated depreciation of \$3,438,524 (NOTES 2 and 3)	83,453,603
Prepaid bond insurance costs, net of accumulated amortization of \$214,733 (NOTE 4)	3,163,048
Bond issuance costs, net of accumulated amortization of \$237,316 (NOTE 4)	<u>2,084,844</u>
Total non-current assets	<u>102,307,466</u>
Total assets	<u>\$ 109,839,380</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accrued liabilities	\$ 38,416
Taxable bonds payable (NOTE 8)	930,000
Interest payable	2,550,226
Due to Affiliate	<u>42,718</u>
Total current liabilities	<u>3,561,360</u>
Long-term liabilities:	
Bonds payable:	
Taxable bonds payable (NOTES 8)	10,845,000
Tax-exempt bonds payable (NOTES 8)	<u>95,035,000</u>
Total bonds payable	<u>105,880,000</u>
Bond discount, net of accumulated amortization of \$13,066 (NOTE 9)	(210,450)
Bond premium, net of accumulated amortization of \$51,778 (NOTE 9)	<u>716,006</u>
Bond discount / premium, net	<u>505,556</u>
Total long-term liabilities	<u>106,385,556</u>
Total liabilities	<u>109,946,916</u>
Net assets, unrestricted (NOTE 2)	<u>(107,536)</u>
Total liabilities and net assets	<u>\$ 109,839,380</u>

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

BLACK & GOLD FACILITIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Revenues	
Student housing income	\$ 8,664,907
Investment income	646,378
Rental income	<u>356,106</u>
 Total revenues	 <u>9,667,391</u>
 Expenses	
Amortization of bond insurance expense	111,081
Amortization of bond issuance costs	77,171
Depreciation / amortization expense	2,467,327
Interest expense	4,204,470
Contract labor	340,792
Contract services	20,960
Travel	29,680
Repairs and maintenance	381,391
Marketing and leasing	4,576
Administrative expense	32,638
Utilities expense	756,327
Management fees	529,406
Property insurance	263,441
Telephone and internet	731,641
Security services	65,137
Professional development	3,432
Trustee fees	22,000
Professional services	<u>17,097</u>
 Total expenses	 <u>10,058,567</u>
 Change in net assets	 (391,176)
 Net assets	
Beginning of the year	<u>283,640</u>
 End of the year	 <u>\$ (107,536)</u>

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

BLACK & GOLD FACILITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Operating activities:	
Change in net assets	\$ (391,176)
Adjustments to reconcile change in net assets to	
Net cash used in operating activities:	
Depreciation and amortization expense	2,655,578
Amortization of bond premium / discount	(9,334)
Decrease in due from management agent	88,457
Increase in prepaid insurance	(76,965)
Decrease in interest payable	(151,329)
Decrease in accrued liabilities	<u>(3,586,493)</u>
Net cash used in operating activities	<u>(1,471,262)</u>
Investing activities:	
Purchase of investments	(38,745,559)
Sale of investments	50,709,302
Increase in plant and equipment	<u>(10,292,619)</u>
Net cash provided by investing activities	<u>1,671,124</u>
Financing activities:	
Repayment of bonds payable	<u>(115,000)</u>
Net cash used in financing activities	<u>(115,000)</u>
Net increase in cash and cash equivalents	<u>84,862</u>
Cash and cash equivalents	
Beginning of year	<u>61,970</u>
End of year	\$ <u>146,832</u>
Interest paid in cash	\$ <u>5,261,471</u>

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

BLACK & GOLD FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BACKGROUND

Black & Gold Facilities, Inc. (the Facilities) is a private nonprofit organization and is formed to promote, assist, and benefit the mission of Grambling State University through acquiring, constructing, developing, renovating, rehabilitating, repairing, managing, leasing, assessing, lessee, mortgaging, and/or converting residential, classroom, administrative, and other facilities on the campus of Grambling State University.

The Facilities participated in a bond issuance by borrowing money from the Louisiana Public Facility Authority (the Issuer) who issued \$65,000,000 in revenue bonds (Series 2006) and \$41,925,000 in revenue bonds (series 2007) which will be payable solely from the revenues of **the Facilities**. The revenue bonds are issued pursuant to a Trust Indenture dated October, 1, 2006, between the Issuer and the Bond Trustee. The proceeds of the primarily tax-exempt bonds are loaned to **the Facilities** pursuant to a Loan Agreement dated as of October 1, 2006 between the Issuer and **the Facilities** and will be used to construct a new residence hall, acquisition of Steeple's Glen Apartments, related parking facilities, and related sewer and water lines on the campus of Grambling State University. To secure **the Facilities** obligations to repay the moneys loaned, **the Facilities** executed a Mortgage, Assignment of Leases and Security Agreement. **The Facilities** granted to the Trustee, first mortgage lien on its leasehold interest in the property, equipment, furnishings and other intangible property included in the facilities and first priority security interest in the leases and subleases affecting the facilities, including, without limitation, the facilities lease agreement and all revenue rentals, and other sums due or becoming due under the leases. The underlying property on which the housing project is located is leased to **the Facilities** by a Ground and Building Lease Agreement. The facilities are leased to the Board of Supervisors for the University of Louisiana System (the "Board") under a facilities lease agreement. At such time as the financing for **the Facilities** is paid in full, the obligation is cancelled and the interest in the facility and the underlying property is conveyed to Grambling State University.

BLACK & GOLD FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Revenues are recognized when earned; expenses and costs are recognized when incurred. Actual results could differ from those estimates.

Fair values of financial instruments

The following methods and assumptions are used by the Facilities in estimating its fair value disclosures for financial instruments:

Cash and Cash Equivalents - The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments.

Investments securities

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

BLACK & GOLD FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Reporting

The Facilities has adopted SFAS No. 117, *Financial Statements for Not-For-Profit Organizations*, which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (i.e. unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) according to externally (donor) imposed restrictions.

A description of the three (3) net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of **the Facilities** are included in this category. **The Facilities** has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of **the Facilities**, and therefore, **the Facilities's** policy is to record these net assets as unrestricted.

Temporarily restricted net assets include realized gains and losses, investment income and gifts, appropriations and contributions for which donor-imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions.

At June 30, 2009, **the Facilities** did not have any temporarily or permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from these estimates; however, in the opinion of management such differences will not be material to the financial statements.

BLACK & GOLD FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and cash equivalents

For the purpose of the Statement of Cash Flows, **the Facilities** considers all unrestricted cash on hand and unrestricted temporary investments purchased with an initial maturity of three months or less, except for Treasury bills, commercial paper, and other short-term financial instruments included in **the Facilities'** investment account which are primarily held for investments in long-term assets, to be cash and cash equivalents. The carrying amount of cash and cash equivalents approximates fair value due to the short maturity of these financial instruments.

Fixed Assets

Fixed assets are capitalized at cost and are being depreciated over the estimated useful life of the respective asset. Maintenance and repairs are charged to expense as incurred while additions and betterments are capitalized. The Facilities capitalizes all fixed assets that exceed \$1,000, per item. Depreciation on buildings is computed over the life of the bonds using the straight-line method.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefitted.

Income Taxes:

The Facilities is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

BLACK & GOLD FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - FIXED ASSETS

Fixed assets are comprised of the following at June 30, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ -0-	\$ 334,029	\$ -0-	\$ 334,029
Building	43,396,261	35,863,936	-0-	79,260,197
Furniture and equipment	2,573,456	547,121	-0-	3,120,577
Construction in progress	26,452,467	8,843,720	(35,296,187)	-0-
Leasehold improvements	4,177,324	-0-	-0-	4,177,324
Accumulated depreciation/ amortization	<u>(971,197)</u>	<u>(2,467,327)</u>	<u>-0-</u>	<u>(3,438,524)</u>
	<u>\$ 75,628,311</u>	<u>\$ 43,121,479</u>	<u>\$ (35,296,187)</u>	<u>\$ 83,453,603</u>

Depreciation/amortization expense totaled \$2,467,327 for the year ended June 30, 2009.

Construction in progress

Construction in progress consists of development costs, direct and indirect construction costs and capitalized interest. The costs are accounted for as construction in progress until such time as the project is complete and the assets are placed into service. The assets are then classified as property and equipment and depreciated accordingly. During the year ended June 30, 2009, **the Facilities** completed the construction of a new residence hall. **The Facilities** constructed the facility as specified by the University and the facility will be leased back to the University. The revenues generated by this facility will be used to pay for the financing of the project. All projects were completed at June 30, 2009.

BLACK & GOLD FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - BOND ISSUANCE COSTS / PREPAID BOND INSURANCE COSTS

Cost incurred in connection with the issuance of the bonds and prepaid bond insurance are amortized using the straight-line method over the lives of the bonds. These costs are shown as follows:

	<u>Costs</u>	<u>P/Y Accumulated Amortization</u>	<u>C/Y Amortization</u>	<u>Total Accumulated Amortization</u>	<u>Costs, net of Accumulated Amortization</u>
Prepaid bond insurance	\$ 3,377,781	\$ (103,652)	\$ (111,081)	\$ (214,733)	\$ 3,163,048
Bond issuance costs	\$ 2,322,160	\$ (160,145)	\$ (77,171)	\$ (237,316)	\$ 2,084,844

NOTE 5 - CONCENTRATION OF CREDIT RISK

The Facilities maintains cash balances with creditworthy, high quality, financial institutions located in several states. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Management monitors the soundness of these financial institutions and feels the Facilities' risk is not significant. The balances in investments - bond reserves are invested according to bond documents, which work to mitigate the credit risk of those investments.

NOTE 6 - INVESTMENTS - BOND RESERVES

The funds held by the Bond Trustee consist of cash, money market investments, securities that are primarily issued by the U.S. Government and various other financial instruments. These short-term investments are primarily stated at cost, which approximates market.

Under the terms of the various Trust Indentures or similar documents, various funds such a Project, Capitalized Interest, Replacement, and Debt Service must be established and maintained for each of the projects. These or associated documents govern the types of investments and requirements for collateralization.

BLACK & GOLD FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - INVESTMENTS - BOND RESERVES, CONTINUED

The bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum bond coverages.

Investments-bond reserve accounts consist of the following at June 30, 2009:

	<u>Reserve Requirements</u>	<u>Reserve Balances</u>
Debt Service	\$ 7,500,890	\$ 7,605,716
Maintenance	5,370,766	6,000,255
Other Accounts	-0-	7,318,855

The investment-bond reserves account balances total \$20,924,826 in short-term investments and cash equivalents, with \$7,172,023 being classified as current assets and \$13,605,971 being classified as non-current assets. Those investments that are being utilized to fund the maintenance and debt service reserve accounts are being classified as non-current assets as a result of their long-term restricted use.

NOTE 7 - GROUND LEASE

Pursuant to a ground lease agreement between **the Facilities** and the Board of Supervisors of the University of Louisiana System, **the Facilities** (the Lessee) will lease the land, on which the student housing is being constructed, from the Board of Supervisors of the University of Louisiana System (the Lessor).

BLACK & GOLD FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - BONDS PAYABLE

On October 1, 2006 and December 1, 2007, the Louisiana Public Facilities Authority issued \$65,000,000 and \$41,925,000, respectively, of Louisiana Public Facilities Authority Revenue Bonds (Series 2006 and 2007) to the Facilities. The proceeds of the bonds are being used for the financing, planning, design, construction, furnishing and equipping of residence facilities for use by Grambling State University, including all equipment, furnishings, fixtures and facilities incidental or necessary in connection therewith. The proceeds will also be utilized to purchase an apartment complex and to pay the costs associated with the issuance of the bonds and funding reserve accounts. The bond agreement provides for interest on the outstanding bonds at rates ranging from 3.79% to 5.80% per annum. The balances of the bonds payable at June 30, 2009 totaled the following:

\$55,705,000 tax exempt term bonds payable dated October 1, 2006; due at various intervals through July 1, 2038; payable in semi-annual installments of interest and annual installments of principal; average coupon rate of 3.79% - 4.38%; secured by leasehold deed and assignment of rents.	<u>\$ 55,705,000</u>
\$3,595,000 taxable term bonds payable dated October 1, 2006; due at various intervals through July 1, 2012; payable in semi-annual installments of interest and annual installments of principal; average coupon rate of 5.32% - 5.41%; secured by leasehold deed and assignment of rents.	<u>3,595,000</u>
\$5,700,000 taxable term bonds payable dated October 1, 2006; due at various intervals through April 1, 2038; payable in semi-annual installments of interest and annual installments of principal; average coupon rate of 5.15% - 5.80%; secured by leasehold deed and assignment of rents.	<u>5,585,000</u>
\$39,330,000 tax exempt term bonds payable dated December 1, 2007; due at various intervals through July 1, 2039; payable in annual installments of interest and annual installments of principal; average coupon rate of 4.00% - 5.00%; secured by leasehold deed and assignment of rents.	<u>39,330,000</u>
\$2,595,000 taxable term bonds payable dated December 1, 2007; due at various intervals through July 1, 2015; payable in annual installments of interest and annual installments of principal; average coupon rate of 5.72%; secured by leasehold deed and assignment of rents.	<u>2,595,000</u>
Total bonds payable	<u>106,810,000</u>
Less: current maturities	<u>930,000</u>
Total long-term bonds payable	<u>\$ 105,880,000</u>

BLACK & GOLD FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - BONDS PAYABLE, Continued

The outstanding bonds, which are purchased at premiums and a discount, are required to be repaid as follows over the next five years and thereafter:

2010	\$ 930,000
2011	1,240,000
2012	1,445,000
2013	1,590,000
2014	1,745,000
2015-2040	<u>99,860,000</u>
Total	\$ <u>106,810,000</u>

Bonds funds totaling \$ 20,924,826 have been deposited with the bond trustee at June 30, 2009.

NOTE 9 - BONDS PREMIUM /DISCOUNT

The bond premium and discount received upon the issuance of the bonds are being amortized over the life of the bonds using the straight line method. Total bond premium and bond discount at issuance totaled \$767,784 and \$223,516, respectively. Annual amortization will be charged against "Interest Expense".

	<u>Bond Premium</u>	<u>Bond Discount</u>
Beginning balance	\$ <u>767,784</u>	\$ <u>(223,516)</u>
Prior year accumulated amortization	(35,037)	(5,660)
Current year amortization	<u>(16,741)</u>	<u>(7,406)</u>
Total accumulated amortization	<u>(51,778)</u>	<u>(13,066)</u>
Ending Balance	\$ <u>716,006</u>	\$ <u>(210,450)</u>

BLACK & GOLD FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

NOTE 10 - Related Party Transaction / Due to Affiliate:

GRAMBLING STATE UNIVERSITY

The Facilities entered into an affiliation agreement with Grambling State University (The University) to acquire, renovate, rehabilitate, repair, construct, develop, manage, leasing as lessor or lessee, mortgage, and/or convey residential, classrooms, administrative and other facilities on the campus of Grambling State University. The Facilities operates and manages the housing facilities constructed with the bond proceeds and leases the rooms to the students of the University. The University collects all room and boards, on behalf of the Facilities, and remits all amounts collected to the Bond Trustee.

The Facilities also entered into an agreement with the University to lease and renovate the food court in the Student Union. Upon completion of the renovation, the Facilities leased the food court back to the University. The lease calls for the University to remit the rent (debt service payments) to the trustee as amounts are due. Total rental income paid to the Facilities by the University totaled \$356,106 for the year ended June 30, 2009.

The University also charges the Facilities for its portion of utilities, telephone, and internet charges on a monthly basis. The total amount charged to and paid by the Facilities to the University totaled \$1,487,968 for the year ended June 30, 2009. The University also provides administrative office space, utilities, University personnel, and the use of office furniture and equipment. The value of these services has not been recorded in the financial statements since the related amount has not been determined.

SUPPLEMENTARY INFORMATION

BLACK & GOLD FACILITIES, INC.
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2009

ASSETS

Current Assets

Cash and cash equivalents	\$ 146,832
Investments	7,172,023
Receivables	37,588
Prepaid insurance	<u>175,471</u>

Total current assets 7,531,914

Noncurrent Assets

Investments	13,605,971
Capital assets, net	83,453,603
Other noncurrent assets	<u>5,247,892</u>

Total noncurrent assets 102,307,466

Total assets 109,839,380

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	38,416
Bonds payable, current	930,000
Other current liabilities	<u>2,592,944</u>

Total current liabilities 3,561,360

Noncurrent Liabilities

Bonds payable, net	<u>106,385,556</u>
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Total noncurrent liabilities 106,385,556

Total liabilities 109,946,916

NET ASSETS

Invested in capital assets, net of related debt Unrestricted	<u>(107,536)</u>
-----------------------------------------------------------------	------------------

Total Net Assets \$ (107,536)

BLACK & GOLD FACILITIES, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

OPERATING REVENUES

Other operating revenues \$ 9,021,013

Total operating revenues 9,021,013

OPERATING EXPENSES

Depreciation 2,467,327

Other operating expenses 3,386,770

Total operating expenses 5,854,097

Operating income (loss) 3,166,916

NONOPERATING REVENUES AND (EXPENSES)

Net investment income (loss) 646,378

Interest expense (4,204,470)

Net nonoperating revenues (expenses) (3,558,092)

Increase (decrease) in net assets (391,176)

Net assets at beginning of year 283,640

Net assets at end of year \$ (107,536)

BLACK AND GOLD FACILITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Cash flows from operating activities:	
Other receipts	\$ 9,021,013
Other payments	<u>(6,934,182)</u>
Net cash provided by operating activities	<u>2,086,831</u>
Cash flows from Investing activities:	
Purchase of investments	(38,745,559)
Proceeds from sale of investments	50,709,302
Investment income received on investments	<u>646,378</u>
Net cash provided by investing activities	<u>12,610,121</u>
Cash flows from capital financing activities:	
Interest paid on capital debt	(4,204,471)
Principal paid on capital debt	(115,000)
Purchase of capital assets	<u>(10,292,619)</u>
Net cash used in capital financing activities	<u>(14,612,090)</u>
Net increase in cash and cash equivalents	<u>84,862</u>
Cash and cash equivalents	
Beginning of year	<u>61,970</u>
End of year	\$ <u><u>146,832</u></u>
Reconciliation of changes in net assets to net cash used in operating activities	
Change in net assets, adjusted	\$ 3,166,917
Depreciation and amortization	2,655,578
Amortization of bond premium/discount	(9,334)
Decrease in interest payable	(151,329)
Increase in prepaid insurance	(76,965)
Decrease in accrued liabilities	(3,586,493)
Increase in due from management agent	<u>88,457</u>
Net cash provided by operating activities	\$ <u><u>2,086,831</u></u>

OTHER SUPPLEMENTARY INFORMATION

BLACK & GOLD FACILITIES, INC.
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION

ORGANIZATION

The Grambling Black and Gold Facilities Inc. is a legally separate, tax-exempt organization supporting the University of Louisiana System, specifically Grambling State University. This foundation was included in the University's financial statements because its assets equalled 3% or more of the assets of Grambling State University.

During the year ended June 30, 2009, Grambling Black and Gold Facilities, Inc. made no distributions to or on behalf of Grambling State University.

Complete financial statements for Grambling Black and Gold Facilities, Inc. can be obtained from the President's Office at 403 Main Street, Grambling, LA 71245.

The Grambling Black and Gold Facilities Inc. is a nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. 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.

BLACK & GOLD FACILITIES, INC.
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL ASSETS

	Balance 6/30/2008	Prior Period Adjustment	Restated Balance 6/30/2008	Additions	*Transfers	**Retirements	Balance 6/30/2009
Capital assets not being depreciated							
Land	\$ -	-	\$ -	\$ 334,029	\$ -	\$ -	\$ 334,029
Non-depreciable land improvements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Livestock	-	-	-	-	-	-	-
Construction in progress	26,452,467	-	26,452,467	8,843,720	(35,296,187)	-	-
Total capital assets not being depreciated	\$ 26,452,467	\$ -	\$ 26,452,467	\$ 9,177,749	\$ (35,296,187)	\$ -	\$ 334,029
Depreciable land improvements	4,177,324	-	4,177,324	-	-	-	4,177,324
** Less accumulated depreciation	(69,622)	-	(69,622)	(139,244)	-	-	(208,866)
Total land improvements	4,107,702	-	4,107,702	(139,244)	-	-	3,968,458
Buildings	43,396,261	-	43,396,261	35,863,936	-	-	79,260,197
** Less accumulated depreciation	(772,904)	-	(772,904)	(2,043,382)	-	-	(2,816,286)
Total buildings	42,623,357	-	42,623,357	33,820,554	-	-	76,443,911
Equipment	2,573,456	-	2,573,456	547,121	-	-	3,120,577
** Less accumulated depreciation	(128,671)	-	(128,671)	(284,701)	-	-	(413,372)
Total equipment	2,444,785	-	2,444,785	262,420	-	-	2,707,205
Total other capital assets	\$ 49,175,844	\$ -	\$ 49,175,844	\$ 33,943,730	\$ -	\$ -	\$ 83,119,574
Capital Asset Summary:							
Capital assets not being depreciated	\$ 26,452,467	\$ -	\$ 26,452,467	\$ 9,177,749	\$ (35,296,187)	\$ -	\$ 334,029
Other capital assets, at cost	50,147,041	-	50,147,041	36,411,057	-	-	86,558,098
Total cost of capital assets	76,599,508	-	76,599,508	45,588,806	(35,296,187)	-	86,892,127
Less accumulated depreciation	(971,197)	-	(971,197)	(2,467,327)	-	-	(3,438,524)
Capital assets, net	\$ 75,628,311	\$ -	\$ 75,628,311	\$ 43,121,479	\$ (35,296,187)	\$ -	\$ 83,453,603

BLACK & GOLD FACILITIES, INC.
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF BONDS, NOTES PAYABLE, AND OTHER LIABILITIES

	Balance			Amounts	
	July 1, 2008	Additions	Reductions	Balance at June 30, 2009	due within one year
Bonds & notes payable:					
Bonds payable	\$ 106,925,000	\$ -	\$ 115,000	\$ 106,810,000	\$ 930,000
Notes payable	-	-	-	-	-
Total bonds and notes payable	<u>106,925,000</u>	<u>-</u>	<u>115,000</u>	<u>106,810,000</u>	<u>930,000</u>
Other liabilities:					
Amounts held in custody for others	-	-	-	-	-
Total other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>\$ 106,925,000</u>	<u>\$ -</u>	<u>\$ 115,000</u>	<u>\$ 106,810,000</u>	<u>\$ 930,000</u>

BLACK & GOLD FACILITIES, INC.
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF BONDS PAYABLE:

Issue	Date of Issue	Original Issue	Principal Outstanding 7/1/08	(Redeemed) Issued	Principal Outstanding 6/30/09	Interest Rates	Total Interest Outstanding 6/30/09
Louisiana Public Facilities Authority Revenue Bonds-							
Tax Exempt- Grambling Black and Gold Facilities, Inc. Project- 2006A	6/25/07	\$ 55,705,000	\$ 55,705,000	\$ -	\$ 55,705,000	3.79% - 4.38%	\$ 51,165,150
Taxable- Grambling Black and Gold Facilities, Inc. Project- 2006B	6/25/07	3,595,000	3,595,000	-	3,595,000	5.32% - 5.41%	394,016
Taxable- Grambling Black and Gold Facilities, Inc. Project- 2006C	6/25/07	5,700,000	5,700,000	(115,000)	5,585,000	5.15% - 5.80%	6,067,720
Tax Exempt- Grambling Black and Gold Facilities, Inc. Project- 2007A	7/25/07	39,330,000	39,330,000	-	39,330,000	4.00% - 5.00%	41,333,363
Taxable- Grambling Black and Gold Facilities, Inc. Project- 2007B	7/25/07	2,595,000	2,595,000	-	2,595,000	5.720%	629,343
Total		\$ 106,925,000	\$ 106,925,000	\$ (115,000)	\$ 106,810,000		\$ 99,589,592

BLACK & GOLD FACILITIES, INC.
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF BOND AMORTIZATION:

Fiscal Year Ending	Principal	Interest	Total
2010	\$ 930,000	\$ 5,236,032	\$ 6,166,032
2011	1,240,000	5,177,549	6,417,549
2012	1,445,000	5,104,394	6,549,394
2013	1,590,000	5,022,607	6,612,607
2014	1,750,000	4,939,862	6,689,862
2015	1,900,000	4,849,653	6,749,653
2016	2,155,000	4,747,203	6,902,203
2017	2,255,000	4,641,851	6,896,851
2018	2,380,000	4,532,991	6,912,991
2019	2,485,000	4,414,080	6,899,080
2020	2,615,000	4,285,915	6,900,915
2021	2,745,000	4,151,055	6,896,055
2022	2,895,000	4,009,410	6,904,410
2023	3,035,000	3,860,155	6,895,155
2024	3,185,000	3,703,740	6,888,740
2025	3,350,000	3,539,380	6,889,380
2026	3,515,000	3,366,700	6,881,700
2027	3,690,000	3,185,450	6,875,450
2028	3,875,000	2,995,130	6,870,130
2029	4,070,000	2,795,160	6,865,160
2030	4,280,000	2,584,945	6,864,945
2031	4,490,000	2,363,985	6,853,985
2032	4,720,000	2,138,658	6,858,658
2033	4,950,000	1,908,723	6,858,723
2034	5,180,000	1,667,603	6,847,603
2035	5,425,000	1,415,112	6,840,112
2036	5,685,000	1,150,665	6,835,665
2037	5,960,000	873,382	6,833,382
2038	6,200,000	582,790	6,782,790
2039	6,135,000	278,412	6,413,412
2040	2,680,000	67,000	2,747,000
TOTAL	<u>\$ 106,810,000</u>	<u>\$ 99,589,592</u>	<u>\$ 206,399,592</u>