BLACK & GOLD FACILITIES, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

JUNE 30, 2018

Warren Averett
CPAs AND ADVISORS

BLACK & GOLD FACILITIES, INC.
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Warren Averett
CPAs AND ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Black & Gold Facilities, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Black & Gold Facilities, Inc. (the Facilities), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and changes in net assets and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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 auditors consider 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 the Facilities as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 2018 supplementary information, other supplementary information, and statistics and disclosures on pages 13 through 20 is presented for the 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 is fairly stated in all material respects in relation to the financial statements as a whole.

Warren Averett, LLC

Birmingham, Alabama
August 29, 2018

BLACK & GOLD FACILITIES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 16,717
RESTRICTED DEPOSITS AND FUNDED RESERVES	
Investments	731,405
BUILDING AND REAL ESTATE, AT COST, NET OF ACCUMULATED DEPRECIATION	3,048,914
TOTAL ASSETS	$ 3,797,036

LIABILITIES AND NET ASSETS (DEFICIT)

CURRENT LIABILITIES	
Accrued interest	$ 69,478
Current portion – bond payable	130,000
Total current liabilities	199,478
BOND PAYABLE, NET OF CURRENT PORTION	4,409,103
UNRESTRICTED NET ASSETS (DEFICIT)	
Invested in capital assets, net of related debt	(758,784)
Undesignated - available for operations	(52,761)
Total unrestricted net assets (deficit)	(811,545)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 3,797,036

See notes to the financial statements.

BLACK & GOLD FACILITIES, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018

UNRESTRICTED NET ASSETS	
REVENUES	
Rental income	$ 407,737
Contributed services	9,743
Interest income	6,193
Total revenues	423,673
OPERATING EXPENSES	
Miscellaneous operating expenses	10,273
Depreciation expense	139,248
Interest expense	284,290
Total operating expenses	433,811
Total operating loss	(10,138)
OTHER INCOME (EXPENSES)	
Other expenses	(2,969)
DECREASE IN UNRESTRICTED NET ASSETS	(13,107)
UNRESTRICTED NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	(798,438)
UNRESTRICTED NET ASSETS (DEFICIT) AT END OF YEAR	$ (811,545)

See notes to the financial statements.

BLACK & GOLD FACILITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	$	(13,107)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation and amortization		146,968
Net cash provided by operating activities		133,861
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments		412,232
Proceeds from sale of investments		(418,379)
Net cash used in investing activities		(6,147)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bond payable		(125,000)
Net cash used in financing activities		(125,000)
INCREASE IN CASH AND CASH EQUIVALENTS		2,714
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		14,003
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	16,717
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$	276,570

See notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Financial Statement Preparation
The Facilities uses the accrual basis of accounting, whereby income is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation
The Facilities reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. All net assets of the Facilities are unrestricted.

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

Use of Estimates
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 reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
The Facilities considers all unrestricted cash on hand and unrestricted temporary investments purchased with an initial maturity of three months or less, except 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 Facilities maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Facilities has not experienced any losses in such accounts.

Property and Equipment
Property and equipment is stated at cost. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation are removed from the related accounts, and any gain or loss is reflected in operations. The Facilities capitalize all fixed assets that exceed $1,000, per item. Depreciation of building and improvements is provided using the straight-line method and an estimated useful life of 30 years. Real estate (land) is not subject to depreciation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Impairment of Long-Lived Assets

The Facilities review their rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended June 30, 2018.

Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the bond payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is amortized over the life of the debt.

Operating and Nonoperating Activities

The Statement of Activities reports the change in net assets from the Facilities' operating and nonoperating activities. Operating activities exclude any cash distributions to the University from surplus funds and investment income.

Tax Status

The Facilities' income is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code, except for amounts representing unrelated business income.

Uncertain Tax Positions

The Facilities applies authoritative guidance relating to uncertainty in income taxes. This guidance requires entities to assess their tax positions for the likelihood that they would be overturned upon Internal Revenue Service (IRS) examination or upon examination by state taxing authorities. In accordance with this guidance, the Facilities has assessed its tax positions and determined that it does not have any positions at June 30, 2018, that it would be unable to substantiate. Under statute, the Facilities is subject to IRS and state taxing authority review for tax years 2015 through 2017. The Facilities has filed tax returns through 2017.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recent Accounting Pronouncements
In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in generally accepted accounting principles in the United States of America (U.S. GAAP) when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is not permitted. The amendments in this update are effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The Facilities is currently evaluating the effect that the provisions of ASU No. 2014-09 will have on the Facilities' financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, (Topic 842), increasing the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The amendments in this update are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. The Facilities is currently evaluating the effect that the provisions of ASU No. 2016-02 will have on the Facilities' financial statements.

Fair Value Measurement
The Facilities follows the FASB guidance related to fair value measurements and disclosures. This guidance provides a framework for measuring fair value and a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities. These inputs include: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among markets in which little information is released publicly; (c) inputs other than quoted prices that are observable for the asset or liability; or (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs are unobservable inputs for the assets or liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurement – Continued
The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Recent Accounting Pronouncements – Continued
In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), which improves the current net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application of the amendments in this update is permitted. The Facilities is currently evaluating the effect that the provisions of ASU No. 2016-14 will have on the Facilities' financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows* (Topic 230) *Classification of Certain Cash Receipts and Cash Payments*, which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018, and for interim periods within fiscal years beginning after December 15, 2019. Early application of the amendments in this update is permitted. The Facilities is currently evaluating the effect that the provisions of ASU No. 2016-15 will have on the Facilities' financial statements.

Subsequent Events
Management has evaluated subsequent events and their potential effects on these financial statements through August 29, 2018.

2. PROPERTY AND EQUIPMENT

Additions or deletions to property and equipment at June 30, 2018, are summarized by major classifications as follows:

	June 30, 2017	2018 Additions	2018 Disposals	2018 Transfers	June 30, 2018
Buildings and improvements	$ 4,177,323	$ -	$ -	$ -	$ 4,177,323
Real estate	334,029	-	-	-	334,029
	$ 4,511,352	$ -	$ -	$ -	4,511,352
Less accumulated depreciation					1,462,438
					$ 3,048,914

2. PROPERTY AND EQUIPMENT – CONTINUED

Depreciation expense totaled $139,248 for the year ended June 30, 2018.

3. CONCENTRATION OF RISK

Investment Risk

The Facilities' investments are managed by the Bond Trustee in accordance with policy. The degree and concentration of credit risks varies by type of investment. Investment securities are exposed to various risks such as interest rates, credit and market risks.

The Facilities' investment portfolio is subject to interest rate and credit risks for certain securities whose valuation would be impacted by changes in interest rates. The portfolio is also subject to the risk where the issuer of a security is not able to pay interest or repay principal when it is due.

The value of securities held by the Facilities may decline in response to certain economic events including those events impacting entities whose securities are owned and included in the investment portfolio. Those events impacting valuation may include (but may not be limited to) economic changes, market fluctuations, regulatory changes, global and political instability, currency, interest rate, and commodity price fluctuations.

4. INVESTMENTS

The funds held by the Bond Trustee consist of 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, and are considered Level 1 investments.

Under the terms of the various Trust Indentures or similar documents, various funds such as debt service, maintenance, principal, and interest must be established and maintained for each of the projects. These or associated documents govern the types of investments and requirements for collateralization.

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

4. INVESTMENTS – CONTINUED

Investments as of June 30, 2018, were as follows:

	Reserve Requirement	Reserve Balance
Debt Service Reserve	$ 405,765	$ 411,963
Interest Reserve	-	31
Maintenance Reserve	316,377	319,384
Principal Fund	-	27
	$ 722,142	$ 731,405

The investment balances total $731,405 are being utilized to fund the maintenance and debt service reserve accounts and are being classified as noncurrent assets as a result of their long-term restricted use.

5. BOND PAYABLE

On October 1, 2006, the Louisiana Public Facilities Authority issued the Louisiana Public Facilities Authority Revenue Bonds Series 2006C Bonds to the Facilities. The proceeds of the bonds were used for the purpose of financing the design, development, equipping, renovation, demolition, reconstruction and/or construction of food services facilities including a dining hall, meeting rooms and other related facilities and any item related thereto for students, faculty, staff and the public on the campus. The proceeds were also used to fund a debt service reserve fund, pay costs of issuance and capitalized interest and funding a maintenance reserve fund.

The balance of the bond payable at June 30, 2018, were as follows:

$5,700,000 Louisiana Public Facilities Authority Taxable Revenue Bond, Series 2006C, with interest payable April 1 and October 1 at fixed rates ranging from 5.15% to 5.80%, maturing in April 2038, secured by leasehold deed and assignment of rents	$ 4,670,000
Less current portion	130,000
	4,540,000
Less unamortized debt issuance costs and discount	130,897
Bond payable, net of current portion	$ 4,409,103

5. BOND PAYABLE – CONTINUED

Following is a summary of principal maturities of bond payable for each of the next five years and thereafter in the aggregate:

2019	$ 130,000
2020	140,000
2021	145,000
2022	160,000
2023	165,000
Thereafter	3,930,000
	$ 4,670,000

Interest expense incurred during the year ended June 30, 2018, was $284,290, which includes amortization of debt issuance cost totaling $5,403 and amortization of bond discount totaling $2,317.

6. RELATED PARTY TRANSACTIONS

The Facilities 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 $407,737 for the year ended June 30, 2018.

The Facilities received contributed administrative services from the University totaling $9,743 for the year ended June 30, 2018.

7. DEFICIT IN NET ASSETS

The Facilities have an ending deficit net asset balance at June 30, 2018 totaling $811,545. Included in the net assets (deficit) balance is accumulated depreciation of fixed assets and amortization of deferred charges totaling $1,526,906.

In addition, the Facilities has established operations and maintenance cash reserves of $319,384.

It is in the opinion of management that the Facilities have sufficient operating revenues and reserves that will enable it to continue to exist.

SUPPLEMENTARY INFORMATION

BLACK & GOLD FACILITIES, INC.
STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	16,717
ASSETS WHOSE USE IS LIMITED		
Trustee held funds		731,405
CAPITAL ASSETS		
Real estate		334,029
Building and improvements		4,177,323
		4,511,352
Less accumulated depreciation		1,462,438
Total capital assets		3,048,914
TOTAL ASSETS	$	3,797,036

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accrued interest	$	69,478
Current portion – bond payable		130,000
Total current liabilities		199,478
BOND PAYABLE, NET OF CURRENT PORTION AND UNAMORTIZED DISCOUNT		4,409,103
NET POSITION		
Net investment in capital assets		(758,784)
Unrestricted		(52,761)
Total net position		(811,545)
TOTAL LIABILITIES AND NET POSITION	$	3,797,036

See notes to the other supplementary information.

BLACK & GOLD FACILITIES, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

OPERATING REVENUES	
Rental income	$ 407,737
Contributed services	9,743
Total operating revenues	417,480
OPERATING EXPENSES	
Depreciation expense	139,248
Miscellaneous operating expenses	10,273
Total operating expenses	149,521
INCOME FROM OPERATIONS	267,959
NONOPERATING REVENUES (EXPENSES)	
Interest expense	(284,290)
Interest income	6,193
Other expenses	(2,969)
Total nonoperating revenues (expenses)	(281,066)
CHANGE IN NET POSITION	(13,107)
NET POSITION AT BEGINNING OF YEAR	(798,438)
NET POSITION AT END OF YEAR	$ (811,545)

See notes to the other supplementary information.

OTHER SUPPLEMENTARY INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Black & Gold Facilities, Inc. (the Facilities) is a legally separate, tax-exempt organization supporting the University of Louisiana System, specifically Grambling State University (the University). The Facilities are included in the University's financial statements because their assets equaled 3% or more of the assets of the University.

The Black & Gold Facilities, Inc. is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*, which is codified in FASB Accounting Standards Codification (ASC) Topic 958. As such, certain revenue recognition criteria and presentation features are different from Governmental Accounting Standards Board (GASB) revenue recognition criteria and presentation features.

2. SCHEDULE OF CAPITAL ASSETS

	June 30, 2017	Additions	Disposals	Transfers	June 30, 2018
Capital assets not being depreciated:					
Real estate	$ 334,029	$ -	$ -	$ -	$ 334,029
	334,029	-	-	-	334,029
Capital assets being depreciated:					
Building and improvements	4,177,323	-	-	-	4,177,323
Less accumulated depreciation	1,323,190	139,248	-	-	1,462,438
	2,854,133	(139,248)	-	-	2,714,885
Total capital assets, net	$ 3,188,162	$ (139,248)	$ -	$ -	$ 3,048,914

3. SCHEDULE OF BOND PAYABLE

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Amounts Due Within One Year
Bond Payable:					
2006C Bond	$ 4,795,000	$ -	$ (125,000)	$ 4,670,000	$ 130,000
	4,795,000	-	(125,000)	4,670,000	130,000
Less unamortized debt issuance costs	(91,827)	-	5,403	(86,424)	-
Less unamortized bond discount	(46,790)	-	2,317	(44,473)	-
	$ 4,656,383	$ -	$ (117,280)	$ 4,539,103	$ 130,000

3. SCHEDULE OF BOND PAYABLE – CONTINUED

Scheduled principal and interest payments on bond payable are as follows:

Fiscal Year	Principal	Interest	Total
2019	$ 130,000	$ 269,435	$ 399,435
2020	140,000	262,020	402,020
2021	145,000	254,035	399,035
2022	160,000	245,765	405,765
2023	165,000	236,635	401,635
2024	175,000	227,220	402,220
2025	185,000	217,235	402,235
2026	195,000	206,680	401,680
2027	205,000	195,555	400,555
2028	215,000	183,860	398,860
2029	230,000	171,390	401,390
2030	245,000	158,050	403,050
2031	255,000	143,840	398,840
2032	270,000	129,050	399,050
2033	290,000	113,390	403,390
2034	305,000	96,570	401,570
2035	320,000	78,880	398,880
2036	340,000	60,320	400,320
2037	360,000	40,600	400,600
2038	340,000	19,720	359,720
	$ 4,670,000	$ 3,310,250	$ 7,980,250

STATISTICS AND DISCLOSURES

Until 2010, the University was honored an "open" admissions policy. In 2010, the University became a selective admissions institution as implemented for all Louisiana system institutions. In 2016, the University was still a selective admission institution as outlined by state guidelines, but granted the opportunity to offer one developmental course to students who did not meet the minimum admission standard. Once the institution was 100% selective admission, incoming new students were eligible to enroll if they satisfied the conditional pilot criteria. This pilot program allowed incoming new students that required a developmental course an opportunity to still be admitted but they must have been within 2 points of the minimal test score requirement and they also had to be enrolled in the math or English college level course co-requisite to satisfy the minimal admission standard.

The University's fall 2017 enrollment totaled 5,188 students, of which approximately 72% were full-time undergraduate students.

ENROLLMENT

Fall Semester	Undergraduate	Graduate	Total	Change Undergraduate	Change Graduate	Change Total
2005	4,573	591	5,164	3.00%	-1.34%	2.48%
2006	4,584	481	5,065	0.24%	-18.61%	-1.92%
2007	4,754	407	5,161	3.71%	-15.38%	1.90%
2008	4,804	449	5,253	1.05%	10.32%	1.78%
2009	4,538	454	4,992	-5.54%	1.11%	-4.97%
2010	4,406	588	4,994	-2.91%	29.52%	0.04%
2011	4,461	746	5,207	1.25%	26.87%	4.27%
2012	4,435	842	5,277	-0.58%	12.87%	1.34%
2013	4,155	916	5,071	-6.31%	8.79%	-3.90%
2014	3,264	387	3,651	-21.44%	-57.75%	-28.00%
2015	3,308	339	3,647	1.35%	-12.40%	-0.11%
2016	3,598	286	3,884	8.77%	-15.63%	6.50%
2017	3,731	317	4,048	3.70%	10.84%	4.22%

Housing

Current housing inventory consists of 18 facilities with a mix of traditional dormitory style beds constructed between 1937 and 1969 and suite style beds constructed in 2003. Demand for housing has been high, as evidenced by strong occupancy rates for the past 6 years.

On-Campus Housing Occupancy

Fall Semester	Capacity	Occupancy*	Occupancy Rate
2008	2,264	2,387	105%
2009	2,380	2,360	99%
2010	2,500	2,201	88%
2011	2,407	2,320	96%
2012	2,587	2,244	87%
2013	2,584	2,304	89%
2014	2,561	2,382	93%
2015	2,561	1,864	73%
2016	2,581	2,044	79%
2017	2,506	2,216	88%
Average	2,493	2,232	90%

*Includes occupancy in temporary housing facilities, where occupancy exceeds capacity.

By policy, the University requires all students with less than 60 credit hours, except for students who reside with their parents or legal guardians, to live in the residence halls and purchase a meal plan. However, given the University's need to close halls due to poor conditions to the facilities, a shortage of housing exists making this policy difficult to enforce while still meeting the demands for housing for upperclassmen students. Furthermore, based on the University's current ratio of first and second year students to total housing capacity and its goals to grow enrollment, it is forecasted that the total of the University's first and second year students will exceed the availability of beds.

Freshman & Sophomore Students vs. Historical Capacity

Fall Semester	Capacity*	Freshman and Sophomore Students	Percentage of Freshman and Sophomore Students to Capacity
2008	2,264	2,806	124%
2009	2,380	2,432	102%
2010	2,500	2,303	92%
2011	2,407	1,748	73%
2012	2,587	1,600	62%
2013	2,584	1,514	59%
2014	2,584	1,171	45%
2015	2,561	1,259	49%
2016	2,581	1,507	58%
2017	2,506	1,687	67%

*Capacity is based on the total number of habitable beds, not the total number of originally constructed beds.

Food Services

The Auxiliary Revenues which will secure the debt service on the Bonds are currently comprised of the following fees which the University charges students: (1) the University Portion and (2) the Annex Fee, as each are hereinafter defined. The University has agreed to pay the Auxiliary Revenues to the Trustee until the University has satisfied its obligations under the Facilities Lease.

As identified above, under the sub-heading "Housing", the University requires all students with less than 60 credit hours, except for students who reside with their parents or legal guardians to live in the residence halls and purchase a meal plan. Currently, the rate for each meal plan is $1,717 per student per semester (the "Board Plan Rate") plus a fee of $193 per student per semester (the "University Portion") collected in excess of the Board Plan Rate. Pursuant to the Food Services Facilities Agreement, the Permitted Sublessee is entitled to, and is disbursed, the Board Plan Rate, but has no claim to and no interest in the University Portion. In Fiscal Year 2018, the University Portion resulted in revenues for the University in the amount of $1,298,697.

Additionally, beginning in the fall semester of 2007, the University began charging and collecting a student annex fee in the amount of $22.00 per semester and $11.00 per summer session (collectively, the "Annex Fee") from all enrolled students taking at least 6 credit hours. This self-assessed annex fee was passed by the students and generated $242,396 for the year ended June 30, 2018.

Debt Service Coverage Ratio – Series 2006 Bonds
The schedule below represents the debt service coverage ratio for the Facilities' Series 2006 Revenue Bonds:

Black & Gold Facilities, Inc.
Calculation of Debt Service Ratio

The schedule below represents the debt service ratio calculation for the Black and Gold Facilities for the year ended June 30, 2018 based on the definitions per the bond covenants.

		Series 2006C 2018
(1)	Food Plan Revenues	$ 1,298,697
(1)	Annex Fee Revenues	242,396
	Net Auxiliary Revenues	$ 1,541,093
(2)	Annual Debt Service at Beginning of the year	$ 402,950
(3)	Debt Service Calculation (Total Revenues / Annual Debt Service)	3.82

NOTE:

(1) Food plan and Annex fee revenues are assessed, collected, and maintained by the University. The University remits amounts required to service debt annually to the Black & Gold Facilities, Inc.

There are no expenses as the only expenses to be included would be deducted per bond document (interest & amortization costs). The Food Court is leased back to the University, who leases party food vendors. The University is responsible for all expenses pertaining to the Food Court.

(2) Annual debt service is obtained from the 2006C amortization schedule.

(3) In addition to the debt service calculation, the Black & Gold Facilities, Inc. has deposited, with the Trustee, $411,963 in a debt service reserve account for the year ended June 30, 2018.