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BLACK & GOLD FACILITIES, INC.

FINANCIAL AUDIT TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2011

Sean M. Bruno

Certified Public Accountants

BLACK & GOLD FACILITIES, INC.
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Sean M. Bruno

Certified Public Accountants

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INDEPENDENT AUDITOR'S 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, 2011, 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, 2011, 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.

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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 20 through 28) 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
SEAN M. BRUNO
CERTIFIED PUBLIC ACCOUNTANTS

August 12, 2011

BLACK & GOLD FACILITIES, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2011

ASSETS

Current assets:	
Cash and cash equivalents (NOTE 2)	$ 1,373,877
Investments - bond reserves (NOTE 6)	6,485,843
Prepaid insurance	157,445
Total current assets	8,017,165
Non-current assets	
Investments - bond reserves (NOTE 6)	14,139,418
Fixed assets, net of accumulated depreciation of $9,646,010 (NOTES 2 and 3)	77,621,571
Prepaid bond insurance costs, net of accumulated amortization of $436,896 (NOTE 4)	2,940,885
Bond issuance costs, net of accumulated amortization of $391,658 (NOTE 4)	1,930,502
Total non-current assets	96,632,376
Total assets	$ 104,649,541

LIABILITIES AND NET ASSETS

Current liabilities:	
Taxable bonds payable (NOTE 8)	$ 1,445,000
Interest payable	2,492,773
Due to affiliate	42,718
Due to managing agent and vendors	309,777
Total current liabilities	4,290,268
Long-term liabilities:	
Bonds payable:	
Taxable bonds payable (NOTES 8)	8,160,000
Tax-exempt bonds payable (NOTES 8)	95,035,000
Total bonds payable	103,195,000
Bond discount, net of accumulated amortization of $26,561 (NOTE 9)	(195,638)
Bond premium, net of accumulated amortization of $85,260 (NOTE 9)	682,524
Bond discount / premium, net	486,886
Total long-term liabilities	103,681,886
Total liabilities	107,972,154
Net assets, unrestricted (NOTE 2)	(3,322,613)
Total liabilities and net assets	$ 104,649,541

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

BLACK & GOLD FACILITIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Revenues:	
Student housing income	$ 10,038,005
Investment income	1,945
Rental income	399,491
Total revenues	10,439,441
Expenses:	
Amortization of bond insurance expense	111,082
Amortization of bond issuance costs	77,171
Depreciation / amortization expense	3,110,886
Interest expense	5,133,305
Contract labor	418,188
Professional fees	31,200
Travel	6,876
Repairs and maintenance	464,137
University support	48,439
Administrative expense	56,356
Utilities expense	636,631
Management fees	605,330
Property insurance	180,135
Telephone and internet	648,141
Security services	114,202
Trustee fees	32,500
Total expenses	11,674,579
Change in net assets	(1,235,138)
Net assets	
Beginning of year	(2,087,475)
End of year	$ (3,322,613)

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, 2011

Operating activities:	
Change in net assets	$ (1,235,138)
Adjustments to reconcile change in net assets to Net cash used in operating activities:	
Depreciation and amortization expense	3,299,139
Amortization of bond premium / discount	(9,335)
Increase in due to management agent and vendors	254,319
Increase in prepaid insurance	(6,800)
Decrease in interest payable	(32,591)
Net cash provided by operating activities	2,269,594
Investing activities:	
Purchase of investments	(20,361,954)
Sale of investments	19,829,604
Fixed assets purchase	(231,626)
Net cash used in investing activities	(763,976)
Financing activities:	
Repayment of bonds payable	(1,240,000)
Net cash used in financing activities	(1,240,000)
Net increase in cash and cash equivalents	265,618
Cash and cash equivalents	
Beginning of year	1,108,259
End of year	$ 1,373,877
Interest paid in cash	$ 5,175,229

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

NOTE 1 - BACKGROUND

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 through acquiring, constructing, developing, renovating, rehabilitating, repairing, managing, leasing assessor, 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Standards

Basis of Accounting

The financial statements and the supplemental schedules are prepared in accordance with accounting principles generally accepted in the United States, and are prepared on the accrual basis.

Investment 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 statement of changes in net assets.

Basis of Reporting

FASB ASC Topic 958 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued
Basis of Reporting

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, 2011, **the Facilities** did not have any temporarily or permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted 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.

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. As of June 30,2011, cash and cash equivalents totaled $1,373,877 of which Operating and Facilities cash balances approximated $324,557 and $1,049,320, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 in 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.

Fair Value

FASB ASC Top 820 refines the definition of fair value, establishes specific requirements as well as guidelines for a consistent framework to measure fair value, and expands disclosure requirements about fair value measurements. Further, ASC Top 820 requires **the Facilities** to maximize the use of observable market inputs, minimize the use of unobservable market inputs and disclose in the form of an outlined hierarchy the details of such fair value measurements.

NOTE 3 - FIXED ASSETS

Fixed assets are comprised of the following at June 30, 2011:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 334,029	$ -0-	$ -0-	$ 334,029
Building	79,377,188	17,580	-0-	79,394,768
Furniture and equipment	3,147,414	214,046	-0-	3,361,460
Leasehold improvements	4,177,324	-0-	-0-	4,177,324
Accumulated depreciation/ amortization	(6,535,124)	(3,110,886)	-0-	(9,646,010)
	$ 80,500,831	$ (2,879,260)	$ -0-	$ 77,621,571

Depreciation/amortization expense totaled $3,110,886 for the year ended June 30, 2011.

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:

	Costs	P/Y Accumulated Amortization	C/Y Amortization	Total Accumulated Amortization	Costs, net of Accumulated Amortization
Prepaid bond insurance	$ 3,377,781	$ (325,814)	$ (111,082)	$ (436,896)	$ 2,940,885
Bond issuance costs	$ 2,322,160	$ (314,487)	$ (77,171)	$ (391,658)	$ 1,930,502

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 5 - CONCENTRATION OF CREDIT RISK, CONTINUED

The Facilities also has credit risk principally related to partially secured amounts for student accounts receivable. However, such risk is mitigated by the requirements of students to pay security deposits and the inability of student to obtain college transcripts if amounts are owed to **the Facilities.**

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 as 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.

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, 2011:

	Reserve Requirements	Reserve Balances
Debt Service	$ 7,500,890	$ 7,593,273
Maintenance	5,370,766	6,546,145
Other Accounts	-0-	6,485,843
Total	$ 12,871,656	$ 20,625,261

NOTE 6 - INVESTMENTS - BOND RESERVES, CONTINUED:

The investment-bond reserves account balances total $20,625,261 in short-term investments and cash equivalents, with $6,485,843 being classified as current assets and $14,139,418 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).

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.

NOTE 8 - BONDS PAYABLE, CONTINUED:

The balances of the bonds payable at June 30, 2011 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.	$ 55,705,000
$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.	1,865,000
$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.	5,420,000
$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.	39,330,000
$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.	2,320,000
Total bonds payable	104,640,000
Less: current maturities	(1,445,000)
Total long-term bonds payable	$ 103,195,000

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:

2012	$ 1,445,000
2013	1,590,000
2014	1,745,000
2015	1,750,000
2016-2040	98,110,000
Total	$ 104,640,000

Bonds funds totaling $ 20,625,261 have been deposited with the bond trustee at June 30, 2011.

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 $222,199, respectively. Annual amortization will be charged against "Interest Expense".

	Bond Premium	Bond Discount
Beginning balance	$ (767,784)	$ 222,199
Prior year accumulated amortization	68,519	(19,155)
Current year amortization	16,741	(7,406)
Total accumulated amortization	85,260	(26,561)
Ending Balance	$ 682,524	$ 195,638

NOTE 10 - RELATED PARTY TRANSACTION / DUE TO AFFILIATE:

The Facilities *entered into an affiliation agreement with Grambling State* University (The University) to acquire, renovate, rehabilitate, repair, construct, develop, manage, lease 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 $399,491 for the year ended June 30, 2011.

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 $1,284,772 for the year ended June 30, 2011. 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 amounts have not been determined.

NOTE 11 - FAIR VALUE MEASUREMENTS:

In accordance with FASB ASC Topic 820, fair value is defined as the price that **the Facilities** would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the asset or liability. FASB ASC Topic 820 established a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes.

Various inputs are used in determining the value of **the Facilities** assets or liabilities. The inputs are summarized in the three broad levels listed below:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

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

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. **The Facilities'** assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

NOTE 11 - FAIR VALUE MEASUREMENTS, CONTINUED:

The following tables summarize the valuation of **the Facilities'** investments measured at fair value by the above ASC Topic 820 fair value hierarchy levels as of June 30, 2011.

Investments	Level 1	Level 2	Level 3	Value
Interest bearing deposits with financial institutions	$20,625,261	$ -0-	$ -0-	$20,625,261

The carrying value and the estimated fair values of **the Facilities** financial instruments at June 30, 2011 are as follows:

Description	Carrying Value	Fair Value
Cash and cash equivalents	$ 1,373,877	$ 1,373,877
Investments	$ 20,625,261	$ 20,625,261
Bonds payable	$ 104,640,000	$ 104,990,000

NOTE 12 - FAIR VALUE OPTION

FASB ASC Topic 825 provides **the Facilities** with an option to report selected financial assets and liabilities at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between organizations that choose different measurement attributes for similar types of assets and liabilities. Currently, **the Facilities** has not adopted the guidelines of ASC Topic 825 and continues to evaluate whether or not it will in future periods based on industry participant elections and financial reporting consistency with other educational institutions.

NOTE 13 - <u>DEFECIT NET ASSETS</u>

The Facilities *has a ending defecit net asset balance which totals $(3,322,613)* at June 30, 2011. Included in the net asset balance is accumulated depreciation of fixed assets and amortization of deferred charges totaling a combined $10,474,564.

Additionally, **the Facilities** has established operations and maintenance cash reserves of approximately $13,031,988.

It is in the opinion of management that **the Facilities** has sufficient operating revenues that will enable it to continue to exist.

NOTE 14 - <u>SUBSEQUENT EVENTS</u>

ASC Topic 855-10, requires the disclosure of the date through which **the Facilities** has evaluated subsequent events and the reason for selecting that date. **The Facilities** evaluated subsequent events from July 1, 2011 to August 12, 2011, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

BLACK & GOLD FACILITIES, INC.
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

ASSETS	
Current Assets	
Cash and cash equivalents	$ 1,373,877
Investments	6,485,843
Prepaid insurance	157,445
Total current assets	8,017,165
Noncurrent Assets	
Investments	14,139,418
Capital assets, net	77,621,571
Other noncurrent assets	4,871,387
Total noncurrent assets	96,632,376
Total assets	$ 104,649,541
LIABILITIES	
Current Liabilities	
Bonds payable, current	$ 1,445,000
Other current liabilities	2,845,268
Total current liabilities	4,290,268
Noncurrent Liabilities	
Bonds payable, net	103,681,886
Total noncurrent liabilities	103,681,886
Total liabilities	107,972,154
NET ASSETS	
Unrestricted	(3,322,613)
Total Net Assets	$ 104,649,541

BLACK & GOLD FACILITIES, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

OPERATING REVENUES	
Other operating revenues	$ 10,437,496
Total operating revenues	10,437,496
OPERATING EXPENSES	
Depreciation and amortization	3,110,886
Other operating expenses	3,430,388
Total operating expenses	6,541,274
Operating income	3,896,222
NONOPERATING REVENUES AND (EXPENSES)	
Net investment income	1,945
Interest expense	(5,133,305)
Net nonoperating expenses	(5,131,360)
Decrease in net assets	(1,235,138)
Net assets at beginning of year	(2,087,475)
Net assets at end of year	$ (3,322,613)

BLACK AND GOLD FACILITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

Cash flows from operating activities:	
Other receipts	$ 10,437,496
Other payments	(2,994,618)
Net cash provided by operating activities	7,442,878
Cash flows from Investing activities:	
Purchase of investments	(20,361,954)
Proceeds from sale of investments	19,829,604
Investment income received on investments	1,945
Fixed assets purchases	(231,626)
Net cash used in investing activities	762,031
Cash flows from capital financing activities:	
Interest paid on capital debt	(5,175,229)
Principal paid on capital debt	(1,240,000)
Net cash used in capital financing activities	(6,415,229)
Net increase in cash and cash equivalents	265,618
Cash and cash equivalents	
Beginning of year	1,108,259
End of year	$ 1,373,877

Reconciliation of changes in net assets to net cash used in operating activities

Change in net assets, adjusted	$ 3,938,146
Depreciation and amortization	3,299,139
Amortization of bond premium/discount	(9,335)
Decrease in interest payable	(32,591)
Decrease in prepaid insurance	(6,800)
Increase in due to managing agent and vendors	254,319
Net cash provided by operating activities	$ 7,442,878

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 equaled 3% or more of the assets of Grambling State University.

During the year ended June 30, 2011, 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, which is codified in FASB ASC Topic 958.* 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 6/30/2010	Prior Period Adjustment	Restated Balance 6/30/2010	Additions	*Transfers	**Retirements	Balance 6/30/2011
Capital assets not being depreciated							
Land	$ 334,029	$ -	$ 334,029	$ -	$ -	$ -	$ 334,029
Non-depreciable land improvements	-	-	-				-
Capitalized collections			-				-
Livestock			-				-
Construction in progress	-		-	-	-	-	-
Total capital assets not being depreciated	$ 334,029	$ -	$ 334,029	$ -	$ -	$ -	$ 334,029
Depreciable land improvements	4,177,324	-	4,177,324	-			4,177,324
** Less accumulated depreciation	(348,110)	-	(348,110)	(139,244)			(487,354)
Total land improvements	3,829,214	-	3,829,214	(139,244)	-	-	3,689,970
Buildings	79,377,188		79,377,188	17,580	-		79,394,768
** Less accumulated depreciation	(5,460,242)	-	(5,460,242)	(2,646,199)			(8,106,441)
Total buildings	73,916,946	-	73,916,946	(2,628,619)	-	-	71,288,327
Equipment	3,147,414		3,147,414	214,046			3,361,460
** Less accumulated depreciation	(726,772)		(726,772)	(325,443)			(1,052,215)
Total equipment	2,420,642	-	2,420,642	(111,397)	-	-	2,309,245
Total other capital assets	$ 80,166,802	$ -	$ 80,166,802	$ (2,879,260)	$ -	$ -	$ 77,287,542
Capital Asset Summary:							
Capital assets not being depreciated	$ 334,029	$ -	$ 334,029	$ -	$ -	$ -	$ 334,029
Other capital assets, at cost	86,701,926	-	86,701,926	231,626	-	-	86,933,552
Total cost of capital assets	87,035,955	-	87,035,955	231,626	-	-	87,267,581
Less accumulated depreciation	(6,535,124)	-	(6,535,124)	(3,110,886)	-	-	(9,646,010)
Capital assets, net	$ 80,500,831	$ -	$ 80,500,831	$ (2,879,260)	$ -	$ -	$ 77,621,571

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

SCHEDULE OF BONDS, NOTES PAYABLE, AND OTHER LIABILITIES

	Balance July 1, 2010	Additions	Reductions	Balance at June 30, 2011	Amounts due within one year
Bonds & notes payable:					
Bonds payable	$ 105,880,000	$ -	$ 1,240,000	$ 104,640,000	$ 1,445,000
Notes payable	-	-	-	-	-
Total bonds and notes payable	105,880,000	-	1,240,000	104,640,000	1,445,000
Other liabilities:					
Amounts held in custody for others	-	-	-	-	-
Total other liabilities	-	-	-	-	-
Total long-term liabilities	$ 105,880,000	$ -	$ 1,240,000	$ 104,640,000	$ 1,445,000

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

SCHEDULE OF BONDS PAYABLE:

Issue	Date of Issue	Original Issue	Principal Outstanding 7/1/10	(Redeemed) Issued	Principal Outstanding 6/30/11	Interest Rates	Total Interest Outstanding 6/30/11
Louisiana PublicFacilities Authority Revenue Bonds-							
Tax Exempt- Grambling Black and Gold Facilities, Inc. Project- 2006A	10/1/06	$ 55,705,000	$ 55,705,000	$ -	$ 55,705,000	3.79% - 4.38%	$ 45,867,550
Taxable- Grambling Black and Gold Facilities, Inc. Project- 2006B	10/1/06	3,595,000	2,745,000	(880,000)	1,865,000	5.32% - 5.41%	97,714
Taxable- Grambling Black and Gold Facilities, Inc. Project- 2006C	6/25/07	5,700,000	5,505,000	(85,000)	5,420,000	5.15% - 5.80%	5,430,845
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%	37,439,562
Taxable- Grambling Black and Gold Facilities, Inc. Project- 2007B	7/25/07	2,595,000	2,595,000	-	2,595,000	5.720%	340,340
Total		$ 106,925,000	$ 105,880,000	$ (965,000)	$ 104,915,000		$ 89,176,011

SCHEDULE OF BOND AMORTIZATION:

Fiscal Year Ending	Principal	Interest	Total
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	$ 104,640,000	$ 89,176,011	$ 193,816,011

BLACK & GOLD FACILITIES CORP.

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BY PHASE

FOR THE YEAR ENDED JULY 1, 2010 TO JUNE 30, 2011

	PHASE I	PHASE II	TOTAL
REVENUES			
Student Housing Income	$ 6,451,787	$ 3,586,218	$ 10,038,005
Investment Income	1,248	697	1,945
Rental Income	399,491	-	399,491
Total Revenues	6,852,526	3,586,915	10,439,441
EXPENSES			
Amortization ecpense	126,960	61,293	188,253
Depreciation / amortizationexpense	1,878,932	1,231,954	3,110,886
Interest expense	3,048,612	2,084,693	5,133,305
Contract labor	302,567	115,621	418,188
Professional fees	20,120	11,080	31,200
Travel	4,112	2,764	6,876
Repairs and maintenance	343,502	120,635	464,137
University support	48,439	-	48,439
Administrative expense	30,575	25,781	56,356
Utility expenses	487,131	149,500	636,631
Management fees	385,830	219,500	605,330
Property insurance	110,654	69,481	180,135
Telephone and internet	456,309	191,832	648,141
Security services	59,134	55,068	114,202
Trustee fees	21,500	11,000	32,500
Total Expenses	7,324,377	4,350,202	11,674,579
Change in Net Assets	$ (471,851)	$ (763,287)	$ (1,235,138)