

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**

**FINANCIAL AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

***Sean M. Bruno***

***Certified Public Accountants***

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**Sean M. Bruno**  
**Certified Public Accountants**

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Member  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
**Southern University System Foundation**  
**(A Not-For-Profit Organization)**  
Baton Rouge, Louisiana

I have audited the accompanying consolidated statement of financial position of the **Southern University System Foundation (the Foundation)** as of December 31, 2011, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of **the Foundation's** management. My responsibility is to express an opinion on these consolidated financial statements based on my audit.

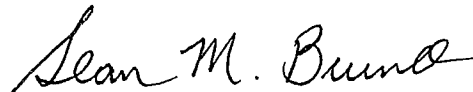
I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, 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 consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the consolidated financial position of **the Foundation** as of December 31, 2011, and the consolidated changes in its net assets and its consolidated cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITOR'S REPORT**  
**(CONTINUED)**

To the Board of Directors  
**Southern University System Foundation**  
**(A Not-For-Profit Organization)**  
Baton Rouge, Louisiana  
Page 2

My audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in the report (shown on pages 25 through 36) is presented for the purpose of additional analysis and is not a required part of the basic financial statements of **the Foundation**. 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, in my opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements as a whole.

  
**SEAN M. BRUNO**  
**CERTIFIED PUBLIC ACCOUNTANTS**

July 24, 2012

***Sean M. Bruno***  
**Certified Public Accountants**

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2011**

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**ASSETS**

Current Assets:

Cash and cash equivalents (NOTES 2 and 15)	\$	516,740
Investments (NOTES 2, 8 and 15)		1,583,792
Bayou Classic receivable (NOTES 4 and 15)		126,179
Other receivables		44,030
Unconditional promises to give, net of allowance of \$66,877 (NOTES 2, 5, and 15)		167,783
Due from affiliate (NOTES 6 and 15)		479,947
Capitalized lease receivable, current portion (NOTES 3 and 15)		1,050,000
Prepaid expenses		26,048
Prepaid bond insurance, current portion (NOTES 2 and 22)		32,945
Bond issuance costs, current portion (NOTES 2 and 22)		<u>27,855</u>
Total current assets		<u>4,055,319</u>

Non-current Assets:

Restricted assets:		
Cash and cash equivalents (NOTES 2 and 15)		11,911,862
Investments (NOTES 2, 8, 11, and 15)		4,358,881
Plant, property and equipment, net of accumulated depreciation of \$2,447,992 (NOTES 2 and 9)		2,014,081
Capitalized lease receivable (NOTES 3 and 15)		52,397,535
Prepaid bond insurance, non-current portion, net of accumulated amortization of \$162,529 (NOTES 2 and 22)		858,777
Bond issuance cost, net of accumulated amortization of \$144,888 (NOTES 2 and 22)		<u>754,548</u>
Total non-current assets		<u>72,295,684</u>
Total assets		<u>\$ 76,351,003</u>

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

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONTINUED  
AS OF DECEMBER 31, 2011

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**LIABILITIES AND NET ASSETS**

Current Liabilities:	
Accounts payable	\$ 336,792
Accrued interest payable	451,348
Deferred revenue (NOTE 18)	4,500,000
Due to affiliate (NOTE 11)	4,578,337
Notes payable, current portion (NOTE 12 and 15)	290,749
Bonds payable and premium, current portion (NOTES 13, 14 and 15)	<u>1,116,157</u>
Total current liabilities	<u>11,273,383</u>
Non-current Liabilities	
Notes payable, non-current portion (NOTE 12)	21,502
Rental deposit fund (NOTE 20)	1,876,011
Bonds payable and premium, net of accumulated amortization of \$330,786 (NOTES 13, 14 and 15)	<u>57,755,094</u>
Total non-current liabilities	<u>59,652,607</u>
Total liabilities	<u>70,925,990</u>
Net Assets (NOTE 2):	
Unrestricted	1,112,769
Temporarily restricted	2,225,427
Permanently restricted	<u>2,086,817</u>
Total net assets	<u>5,425,013</u>
Total liabilities and net assets	\$ <u>76,351,003</u>

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

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b><u>REVENUES AND OTHER SUPPORT</u></b>				
Contributions and other support	\$ 49,182	\$ 1,567,510	\$ 24,150	\$ 1,640,842
Rental income	2,739,692	-	-	2,739,692
Bayou Classic revenues	1,834,446	-	-	1,834,446
Scoreboard sponsorships	371,000	-	-	371,000
Athletic sponsorships and support	-	41,145	-	41,145
Interest income	7,215	25,235	-	32,450
Realized/unrealized investment losses, net of gains	17,423	9,884	-	27,307
Other income	56,668	-	-	56,668
Net assets released from restrictions:				
Satisfaction of program restrictions (NOTE 16)	1,718,582	(1,718,582)	-	-
Total revenues and other support	<u>6,794,208</u>	<u>(74,808)</u>	<u>24,150</u>	<u>6,743,550</u>
<b><u>EXPENSES</u></b>				
Program services	6,363,380	-	-	6,363,380
Support services	490,218	-	-	490,218
Total expenses	<u>6,853,598</u>	<u>-</u>	<u>-</u>	<u>6,853,598</u>
Changes in net assets	<u>(59,390)</u>	<u>(74,808)</u>	<u>24,150</u>	<u>(110,048)</u>
Beginning net assets	1,172,159	2,417,800	1,903,017	5,492,976
Net asset restatement (NOTE 24)	<u>-</u>	<u>(120,000)</u>	<u>162,085</u>	<u>42,085</u>
Beginning net assets, restated	<u>1,172,159</u>	<u>2,297,800</u>	<u>2,065,102</u>	<u>5,535,061</u>
Ending net assets	<u>\$ 1,112,769</u>	<u>\$ 2,222,992</u>	<u>\$ 2,089,252</u>	<u>\$ 5,425,013</u>

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

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ (110,048)
Adjustments to reconcile expenses in excess of revenues to net cash provided by operating activities:	
Adjustment to net assets	42,085
Increase in allowance for doubtful accounts	35,376
Amortization expense	60,801
Depreciation expense	272,976
Increase in Bayou Classic receivable	(109,230)
Increase in other receivables	(25,231)
Increase in unconditional promises to give	(72,173)
Increase in due from affiliate	(107,067)
Increase in prepaid expenses	(24,842)
Decrease in accounts payable	(243,016)
Decrease in interest payable	(7,997)
Decrease in due to affiliate	9,556
Decrease in bond premium	<u>(66,157)</u>
Net cash provided by operating activities	<u>(344,967)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Maturities of investments	343,267
Acquisition of fixed assets	(298,987)
Investment in capital lease	<u>1,010,000</u>
Net cash provided by investing activities	<u>1,054,280</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Payments made on notes payable	(258,095)
Payments made on bonds payable	<u>(1,010,000)</u>
Net cash used in financing activities	<u>(1,268,095)</u>

Net increase in cash and equivalents	(558,782)
Cash and cash equivalents, beginning of year	<u>12,987,384</u>
Cash and cash equivalents, end of year	<u>\$ 12,428,602</u>

**Supplemental Disclosures:**

Interest paid	\$ <u>2,682,395</u>
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The accompanying notes are an integral part of these financial statements



**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - ORGANIZATION AND PURPOSE:

**The Foundation** is a non-profit corporation organized to promote the educational and cultural welfare of the Southern University and Agricultural and Mechanical College System, and to develop, expand, and improve the University's facilities.

The consolidated financial statements of **the Foundation** include:

- **The Foundation** as described above; and
- Millennium Housing, L.L.C. (Millennium) a non-profit corporation organized under the laws of the State of Louisiana and owned by **the Foundation**. Millennium was formed to develop facilities and other auxiliary capital projects for the Southern University System.

Throughout the notes to the consolidated financial statements **the Foundation** and Millennium will be collectively referred to as **the Foundation**. The financial statements of **the Foundation** and Millennium have been consolidated as they are under common management.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Tax Exemption Status

**The Foundation** is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation.

**The Foundation** files as a tax-exempt organization. Should that status be challenged in the future, **the Foundation's** 2008, 2009, 2010, and 2011 tax years are open for examination by the Internal Revenue Service.

Basis of Reporting

**The Foundation** is a non-profit organization whose financial statements are prepared on the accrual basis.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Basis of Reporting, Continued

**The Foundation** has adopted the provision of Statement of Financial Accounting Standards SFAS No. 116, "Account for Contributions Received and Contributions Made," and SFAS No. 117, "Financial Statements of Not-for-Profit Organization," which are codified in FASB ASC Topic 958 and reports its financial position and activities according to three classes of net assets according to external (donor) imposed restrictions.

A description of the three 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 missions of **the Foundation** are included in this category.

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor-imposed restrictions (capital improvements, etc.) 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.

Promises to Give

Unconditional promises to give are recognized as contribution revenue and receivables in the period in which the promise is received. Promises to give are recorded at net realizable value if they are expected to be collected in one year and at the present value of their estimated future cash flows if they are expected to be collected in more than one year.

The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Promises to Give, Continued

Amortization of the discounts is included in contribution revenue. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Investments and Investment Income

Investments in equity securities and mutual funds are measured at fair value in the statement of financial position. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is recorded as an increase in the due to affiliate liability account as the investments are held on behalf of the University.

Contributions

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Unconditional promises to give cash and other assets to **the Foundation** are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift is received.

Cash and Cash Equivalents

Cash consists solely of demand deposits and a money market account that are secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three months or less are considered to be cash equivalents for purposes of the statement of cash flows.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Fixed Assets

Fixed assets of **the Foundation** are recorded as assets and are stated at historical cost if purchased, or at fair value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. **The Foundation** follows the practice of capitalizing all fixed asset purchases that exceed \$1,000.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which are 5 to 39 years.

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 between the programs and supporting services benefitted.

Restricted Assets

Cash and cash equivalents, certificates of deposit and investments that are held on behalf of the Southern University System are classified as restricted assets in the statement of financial position along with assets held by the Bond Trustee on behalf of the Millennium LLC for the construction projects.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of revenue bonds payable and notes payable with contractual maturities greater than one year.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of **the Foundation** and Millennium Housing, L.L.C. All material intercompany transactions have been eliminated.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Bonds Issuance Costs / Prepaid Bond Insurance Costs

Cost incurred in connection with the issuance of the bonds and the prepaid bond insurance are amortized using the straight-line method over the life of the bonds.

NOTE 3 - CAPITALIZED LEASE RECEIVABLE

**The Foundation** entered into a cooperative agreement with the Southern Board to lease the projects included in the bond issuance. The Southern Board will lease certain facilities from **the Foundation** under the facility lease and pay rent, subject to the appropriation, in an amount which will be sufficient to pay the principal and interest on the Series 2006 Bonds. The lease was determined to meet the requirements of a capital lease and as such, as projects are completed, they are transferred from construction in progress to Capitalized Lease Receivable. The total lease payments due from the Southern Board during the next fiscal year totals \$1,050,000. The total amount due for succeeding years totals \$52,397,535. The total capitalized lease receivable balance at December 31, 2011 totaled \$53,447,535.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 4 - BAYOU CLASSIC RECEIVABLE

**The Foundation** has entered into an agreement with the Southern University at Baton Rouge campus to jointly promote the ancillary activities of the Bayou Classic with a representative organization from Grambling State University. The promoters share joint revenues and expenses equally. The promoters engaged the services of a third party event manager to handle game management as well as sponsor solicitation.

The event manager collects event proceeds and incurs expenses on behalf of the promoters and remits the net proceeds to **the Foundation** after the final event settlement is completed. Bayou Classic receivable totaled \$126,179 at December 31, 2011. The amounts due from Bayou Classic related events were collected from various contributors and debtors in the subsequent fiscal year.

NOTE 5 - UNCONDITIONAL PROMISES TO GIVE:

Unconditional promises to give as of December 31, 2011 totals \$234,660. All unconditional promises to give are expected to be collected within the next fiscal year. Based on the history of prior year collections, **the Foundation** has recorded an allowance for doubtful collections of \$66,877, as such unconditional promises to give, net of the allowance totaled \$167,783 at December 31, 2011.

NOTE 6 - DUE FROM AFFILIATE:

**The Foundation** has certain receivables due from the Southern University System. The receivables due from the Southern University System were as follows at December 31, 2011:

Reimbursable costs pertaining to bond projects due from the Baton Rouge Campus	\$ 236,691
Reimbursable costs pertaining to bond projects due from the Shreveport Campus	<u>243,256</u>
Total	<u>\$ 479,947</u>

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 7 - ENDOWMENTS:

The Foundation's endowments consist mainly of individual funds established for a variety of purposes. The Foundation's endowments include both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by GAAP, net assets associated with endowment funds, including those designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 8 - INVESTMENTS:

Investments are stated at market value in accordance with FASB ASC Topic 958-320, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Net appreciation (depreciation) in the fair value of investments, which consists of realized gains and losses and the unrealized appreciation (depreciation) on those investments, is shown in the statement of activities. Investments consist of the following at December 31, 2011:

	<u>Carrying Value</u>	<u>Fair Value</u>
Stocks and other publicly traded securities	\$1,175,709	\$1,432,626
U.S. Governmental Agencies / Term Bond/ Fixed Income funds	3,360,888	3,494,765
Certificates of deposit	615,426	615,426
Cash and cash equivalents / money market	<u>399,856</u>	<u>399,856</u>
Total	<u>\$5,551,879</u>	<u>\$5,942,673</u>

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 8 - INVESTMENTS, CONTINUED :

\$4,358,881 of investments are maintained and managed on behalf of the Southern University System. These amounts are classified as non-current restricted assets in the Statement of Financial Position. The remaining \$1,583,792 is classified as current assets. The total fair value of investments at December 31, 2011 was \$5,942,673. Management was unable to summarize the investment return and its classification in the Statement of Activities by the related categories for the year ended December 31, 2011.

NOTE 9 - FIXED ASSETS:

Land, building and equipment as of December 31, 2011 are summarized as follows:

Land and improvements	\$ 555,193
Building	172,125
Office equipment	24,725
Scoreboard equipment	2,555,612
Furniture and fixtures	79,994
Software	47,615
Construction-in-progress	<u>1,026,809</u>
Sub-total	4,462,073
Less: accumulated depreciation	<u>(2,447,992)</u>
Total	<u>\$ 2,014,081</u>

Depreciation expense totaled \$272,976 for the year ended December 31, 2011.



**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 9 - FIXED ASSETS, CONTINUED

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 December 31, 2006, **the Foundation** entered into an agreement with the Board of Supervisors of Southern University and Agricultural and Mechanical College (the Board) to construct new student housing facilities and certain auxiliary student facilities.

**The Foundation** borrowed money and is in the process of constructing the facilities as specified by the Board. Certain facilities have been completed and are being leased back to the Board. Other facilities are still in the process of being constructed. The revenues generated by these facilities will be used to pay for the financing of the project. Construction-in-progress related to the project totaled \$1,026,809 at December 31, 2011.

NOTE 10 - CONCENTRATIONS OF CREDIT RISK:

Financial instruments that potentially subject **the Foundation** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. Cash and cash equivalents exceeded federally insured limits by \$164,370 as of December 31, 2011.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 11 - DUE TO AFFILIATE:

Southern University System has contracted with **the Foundation** to invest the University's Endowed Chair for Eminent Scholars and Endowed Professorship Endowment Funds. The Endowed Chairs for Eminent Scholars Endowment Funds are established for \$1,000,000 with \$600,000 of private contributions and \$400,000 of state matching portion allocated by the Board of Regents for Higher Education. The Endowed Professorship Program Endowment Funds are established for \$100,000 with \$60,000 of private contributions and \$40,000 of state matching portion allocated by the Board of Regents for Higher Education. The amount due to the Southern University System as of December 31, 2011 for the Endowed chair and professorship program totaled \$4,578,337.

NOTE 12 - NOTES PAYABLE:

The following is a summary of notes payable at December 31, 2011:

Note payable to a bank, secured by the income generated from scoreboard advertisements, with an interest rate of 5.00%, and with a maturity date of May 15, 2012	\$ 249,918
Unsecured note payable to a contractor, with an interest rate of 7.186%, with a maturity date of April 20, 2013	<u>62,333</u>
Sub-total	312,251
Less: current portion	<u>(290,749)</u>
Total long term note payable	\$ <u>21,502</u>

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 12 - NOTES PAYABLE, CONTINUED:

Scheduled principal payments due on the above notes payable subsequent to December 31, 2011 are as follows:

Year Ended December 31,

2012	\$ 290,749
2013	<u>21,502</u>
Total	<u>\$ 312,251</u>

Interest expense related to the notes for the year ended December 31, 2011, totaled \$15,359.

NOTE 13 - BONDS PAYABLE:

On December 13, 2006, the Louisiana Public Facilities Authority issued \$59,990,000 of Louisiana Public Facilities Authority Revenue Bonds (Series 2006) to **the Foundation**. The proceeds of the bonds are being used to (I) finance the design, development, acquisition, construction, installation, renovation, and equipping of (a) Student Housing Facilities to be located on the campus of Southern University and Agricultural and Mechanical College in Baton Rouge, Louisiana (SUBR), (b) certain auxiliary student projects, including a student intramural sports complex, a portion of a football and track complex, a baseball field house and north-end seating in Mumford Stadium and refinancing a loan for the football field restoration at SUBR, all equipment, furnishings, fixtures, and facilities incidental or necessary in connection therewith at SUBR, and (d) acquiring a building to be used by Southern University at Shreveport, Louisiana (SUSLA) (collectively, the "Project"), (ii) refinance portions of a bridge loan incurred to pay certain of such costs prior to delivery of the Series 2006 Bonds, (iii) pay costs of issuance including premium on the Bond Insurance Policy, (iv) fund a reserve fund, and (v) pay capitalized interest during construction of the Project.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 13 - BONDS PAYABLE, CONTINUED:

Scheduled principal payments on the bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>
2012	\$ 1,050,000
2013	1,105,000
2014	1,160,000
2015	1,215,000
Subsequent to 2015	<u>52,555,000</u>
Total	<u>\$ 57,085,000</u>

Interest expense related to the bonds for the year ended December 31, 2011 totaled \$2,667,036. Total bonds payable net of bond premium totaled \$58,871,251.

NOTE 14 - BOND PREMIUM:

The bond premium received upon the issuance of the bonds is being amortized over the life of the bonds using the straight line method. Total bond premium at issuance totaled \$2,117,037. Annual amortization will be charged against interest expense. The bond premium will be shown net of accumulated amortization.

Bond premium issuance balance	\$ <u>2,117,037</u>
Prior year accumulated amortization	264,629
Current year amortization	<u>66,157</u>
Total accumulated amortization	<u>330,786</u>
Ending balance	<u>\$ 1,786,251</u>

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 15 - FAIR VALUES OF FINANCIAL INSTRUMENTS:

In accordance with FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, fair value is defined as the price that **the Foundation** 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. 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 established classification of fair value measurements for disclosure purposes.

Various inputs are used in determining the value of **the Foundation's** 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 determine 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.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 15 - FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED:

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 Foundation's** 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. All investments are considered to be level I investments.

The following table summarizes the valuation of **the Foundation's** financial instruments measured at fair value by the above ASC Topic 820 fair value hierarchy levels as of December 31, 2011 are as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
Financial Assets:		
Cash and cash equivalents	\$ 12,428,602	\$ 12,428,602
Receivables	675,564	675,564
Unconditional promises to give	167,783	167,783
Investments	5,551,879	5,942,673
Capital lease receivable	53,447,535	53,447,535
Financial Liabilities:		
Bonds payable	57,085,000	57,085,000
Notes payable	312,251	312,251

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 16 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS:

Net assets were released from donor restrictions by satisfying the restricted purposes or by occurrence of other events specified by the donors for the year ended December 31, 2011:

Scholarships and educational assistance	\$ 403,305
University events, programs, and support	<u>1,315,277</u>
Total	<u>\$ 1,718,582</u>

NOTE 17 - SCOREBOARD LEASE:

On May 15, 2003, **the Foundation** (Lessor) entered into an equipment lease agreement with the Board of Supervisors for Southern University and Agricultural and Mechanical College (the Lessee) to lease the football and basketball scoreboard, twin signs located on either side of the baseball scoreboard and a front entrance marquee with all ancillary equipment. This lease shall be and continued in full force and effect for a term beginning on the effective date of the agreement and ending upon termination of the premises lease, at which time the lessee shall be granted all rights, title and interest as owner in and to the equipment in accordance with the premises lease. The lease calls for rent of \$1.00 per year.

NOTE 18 - DEFERRED REVENUE/RENTAL DEPOSIT:

On October 26, 2006, **the Foundation** entered into a Cooperative Endeavor and Lease Agreement (the Agreement) with the Board of Supervisors of Southern University and Agricultural and Mechanical College (the Board) to lease to the Board certain student housing facilities and certain auxiliary student facilities. The agreement required the Board to make an initial payment to **the Foundation** in the amount of \$4,500,000 on December 13, 2006. The initial payment was deposited in **the Foundation's** bank account to be utilized to supplement the cost for a student intramural sports complex and north-end seating in Mumford Stadium.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 18 - DEFERRED REVENUE/RENTAL DEPOSIT, CONTINUED

After the initial payment, the Board shall make annual payments to **the Foundation** starting November 1, 2008 and terminating on November 1, 2037, unless the Louisiana Public Facilities Authority Series 2006 Bonds are paid in full or legally defeased prior to that date. The Board payment shall be the same as the payments due on the Louisiana Public Facilities Authority Series 2006 Bonds.

NOTE 19 - GROUND LEASE:

Pursuant to the Cooperative Endeavor and Lease Agreement between **the Foundation** and the Board of Supervisors of Southern University and Agricultural and Mechanical College, **the Foundation (the Lessee)** will lease the land on which the student housing facilities and certain auxiliary student facilities is being constructed and/or renovated for the Board of Supervisors of Southern University and Agricultural and Mechanical College (the Lessor). The annual rents will total \$100 and the term is equal to the term of the Series 2006 bonds, terminating on the date of payment in full or defeasance of the Series 2006 bonds.

NOTE 20 - RENTAL DEPOSIT FUND:

The Bond Trust Indenture required that a Rental Deposit Fund be established on the date of issuance of the Louisiana Public Facilities Authority Series 2006 Bonds. The Rental Deposit Fund was required to be funded by the Southern Board of Supervisors. The Rental Deposit Fund was funded in an amount equal to 50% of the maximum principal and interest requirements coming due on the Series 2006 Bonds in any future fiscal year. If there is any insufficiency in the Revenue Account of the Bond fund to pay principal and interest on the Series 2006 Bonds in future fiscal years, then the monies on deposit in the Rental Deposit Fund shall be used in an amount sufficient to pay the principal and interest on the Series 2006 Bonds.



**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 20 - RENTAL DEPOSIT FUND, CONTINUED:

On the final maturity date of the Series 2006 Bonds, any monies on hand in the Rental Deposit Fund shall be used to pay any principal and interest remaining on the Series 2006 Bond on such final maturity date. At December 31, 2011, the balance of the Rental Deposit Fund total \$1,876,013.

NOTE - 21 RELATED PARTY TRANSACTIONS:

Southern University System

Certain board members of **the Foundation** are also board members of the Southern University System Board. The Southern University System provides certain payroll management functions, as well as office space, meeting space, utilities, and use of all office furniture and equipment to **the Foundation** for a nominal monthly fee. The value of these services has not been determined by the University. The Southern University System has also entered into a cooperative endeavor agreement with **the Foundation** to manage certain endowments on their behalf. **The Foundation** is allowed to charge the University an administration fee for these services. In addition to the aforementioned agreement, **the Foundation** entered into a cooperative endeavor agreement with the University to construct certain housing facilities as well as other projects through a bond issuance. The University has agreed to pay certain rents to **the Foundation** for these services. The total amount of rent and interest paid during the year ended December 31, 2011 totaled \$3,749,925. The schedule of rent payment coincides with the debt service payments.

Two board members of **the Foundation** are officers of an affiliate 501(c)(3) non-profit organization that provides game radio broadcasting services of athletic events at Southern University Baton Rouge campus. The Affiliate organization also makes financial contributions to the Southern University Athletic Department throughout the year. The total amount paid by **the Foundation** to the affiliate organization during the year ended December 31, 2011 totaled \$31,467.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 22 - BOND ISSUANCE COSTS / PREPAID BOND INSURANCE:

Bond issuance costs incurred through the bond issuance totaled \$927,291 and prepaid bond insurance totaled \$1,054,250. These costs will be shown net of accumulated amortization.

	<u>Costs</u>	<u>Prior Year Accumulated Amortization</u>	<u>Current Year Amortization</u>	<u>Total Accumulated Amortization</u>	<u>Costs, net of Accumulated Amortization</u>
Bond issuance costs	\$927,291	\$(117,033)	\$(27,855)	\$(144,888)	\$782,403
Prepaid bond insurance	\$1,054,250	\$(129,583)	\$(32,946)	\$(162,529)	\$891,721

NOTE 23 - SUBSEQUENT EVENTS:

FASB 165, which is codified in ASC Topic 855-10, requires the disclosure of the date through which **the Foundation** has evaluated subsequent events and the reason for selecting that date. **The Foundation** evaluated subsequent events from January 1, 2011 to July 24, 2012, the date the financial statements were available to be issued.

NOTE 24 - NET ASSET RESTATEMENT:

**The Foundation** recorded as a liability to the Southern University System certain endowments that were not fully funded. These endowments should have been recorded as revenues to **the Foundation** until fully funded. The amount of the unfunded endowments totaled \$162,085. As such permanently restricted net assets has been increased and due to affiliate has been decreased for the total balance of the unfunded endowments. In the prior years **the Foundation** received \$120,000 to establish two board of regent endowments that were never transferred to the University after being fully funded. As such, **the Foundation** is reducing temporarily restricted net assets and increasing the due to affiliate account by \$120,000 to properly transfer the endowments to the Southern University System.

## SUPPLEMENTARY INFORMATION

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED SUPPLEMENTAL SCHEDULE OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2011**

	THE FOUNDATION	MILLENNIUM	Total	Elimination	Consolidated
<b>Assets</b>					
Cash and cash equivalents	\$ 602,846	\$ 11,825,756	\$ 12,428,602	\$ -	\$ 12,428,602
Investments	5,942,673	-	5,942,673	-	5,942,673
Bayou Classic receivable	-	-	-	-	-
Accounts receivable	169,024	-	169,024	-	169,024
Interest receivable	1,185	-	1,185	-	1,185
Unconditional promises, net of allowance	167,783	-	167,783	-	167,783
Due from affiliate	223,152	256,795	479,947	-	479,947
Prepaid expenses	26,048	-	26,048	-	26,048
Plant, property, and equipment, net of accumulated depreciation	987,271	1,026,810	2,014,081	-	2,014,081
Capitalized lease receivable	-	53,447,535	53,447,535	-	53,447,535
Prepaid bond insurance	-	891,722	891,722	-	891,722
Cost of issuance	-	782,403	782,403	-	782,403
<b>Total assets</b>	<b>\$ 8,119,982</b>	<b>\$ 68,231,021</b>	<b>\$ 76,351,003</b>	<b>\$ -</b>	<b>\$ 76,351,003</b>
<b>Liabilities and Net Assets</b>					
<b>Liabilities</b>					
Accounts payable	\$ 236,563	\$ 100,229	\$ 336,792	\$ -	\$ 336,792
Accrued interest payable	1,427	449,921	451,348	-	451,348
Deferred revenue	-	4,500,000	4,500,000	-	4,500,000
Due to affiliate	4,578,337	-	4,578,337	-	4,578,337
Notes payable	312,251	-	312,251	-	312,251
Rental deposit fund	-	1,876,011	1,876,011	-	1,876,011
Bonds payable	-	57,085,000	57,085,000	-	57,085,000
Bonds payable premium	-	1,786,251	1,786,251	-	1,786,251
<b>Total liabilities</b>	<b>\$ 5,128,578</b>	<b>\$ 65,797,412</b>	<b>\$ 70,925,990</b>	<b>\$ -</b>	<b>\$ 70,925,990</b>
<b>Net Assets</b>					
Beginning net assets	3,109,612	2,383,364	5,492,976	-	5,492,976
Net assets restatement	42,085	-	42,085	-	42,085
Beginning net assets, restated	3,151,697	2,383,364	5,535,061	-	5,535,061
Change in net assets	(160,291)	50,243	(110,048)	-	(110,048)
Ending net asset balance	2,991,406	2,433,607	5,425,013	-	5,425,013
<b>Total Liabilities and Net Assets</b>	<b>\$ 8,119,984</b>	<b>\$ 68,231,019</b>	<b>\$ 76,351,003</b>	<b>\$ -</b>	<b>\$ 76,351,003</b>

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED SUPPLEMENTAL SCHEDULE OF REVENUES AND SUPPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>THE FOUNDATION</u>	<u>MILLENNIUM</u>	<u>Total</u>	<u>Elimination</u>	<u>Consolidated</u>
Contributions and other support	\$ 1,640,842	\$ -	\$ 1,640,842	\$ -	\$ 1,640,842
Rental income	-	2,739,692	2,739,692	-	2,739,692
Scoreboard sponsorships	371,000	-	371,000	-	371,000
Athletic sponsorship and support	41,145	-	41,145	-	41,145
Interest income	31,230	1,220	32,450	-	32,450
Bayou Classic revenues	1,834,446	-	1,834,446	-	1,834,446
Realized/unrealized gains	27,307	-	27,307	-	27,307
Other income	19,500	37,168	56,668	-	56,668
<b>Total revenue and support</b>	<b>\$ 3,965,470</b>	<b>\$ 2,778,080</b>	<b>\$ 6,743,550</b>	<b>\$ -</b>	<b>\$ 6,743,550</b>

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATING SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>THE FOUNDATION</b>	<b>Program Services</b>	<b>Support Services</b>	<b>Elimination</b>	<b>Total</b>
Cultivation/Recognition	\$ 51,187	\$ 1,187	\$ -	\$ 52,374
Advertising and promotion	32,900	2,945	-	35,845
Depreciation	-	272,976	-	272,976
Maintenance	14,849	4,582	-	19,431
Materials and supplies	74,140	9,913	-	84,053
Equipment and resource materials	17,412	1,468	-	18,880
Bad debt expense	35,376	-	-	35,376
Postage and mailing	10,002	525	-	10,527
Professional fees and contracts	498,376	132,186	-	630,562
Printing and publication	33,438	6,210	-	39,648
Conferences and professional meetings	182,929	13,228	-	196,157
Professional and membership dues	109,383	3,007	-	112,390
Scholarship and educational assistance	367,390	1,976	-	369,366
University events and programs	2,060,679	11,123	-	2,071,802
Travel and transportation	76,533	8,315	-	84,848
Bank fees and loan costs	7,420	6,235	-	13,655
Insurance	1,000	3,570	-	4,570
Telecommunications	15,527	3,376	-	18,903
Public/community support	14,806	1,500	-	16,306
Faculty and staff development	1,248	-	-	1,248
Interest expenses	15,359	-	-	15,359
Computer, equipment lease, and other rentals	15,489	5,896	-	21,385
Property taxes	100	-	-	100
<b>Sub-total Foundation</b>	<u>3,635,543</u>	<u>490,218</u>	<u>-</u>	<u>4,125,761</u>
<b>MILLENNIUM</b>				
Bond interest expense	2,667,036	-	-	2,667,036
Amortization of bond issuance costs	27,855	-	-	27,855
Amortization of prepaid bond insurance	32,946	-	-	32,946
<b>Sub-total Millennium, LLC</b>	<u>2,727,837</u>	<u>-</u>	<u>-</u>	<u>2,727,837</u>
<b>Total Consolidated Expenses</b>	<u>\$ 6,363,380</u>	<u>\$ 490,218</u>	<u>\$ -</u>	<u>\$ 6,853,598</u>

**OTHER SUPPLEMENTARY INFORMATION**

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED STATEMENT OF NET ASSETS**  
**AS OF DECEMBER 31, 2011**

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**ASSETS**

<b>Current Assets</b>	
Cash and cash equivalents	\$ 516,740
Investments	1,583,792
Receivables	650,156
Pledges receivable, net	167,783
Prepaid expenses	58,993
Other current assets	<u>1,077,855</u>
Total current assets	<u>4,055,319</u>
<b>Noncurrent Assets</b>	
Restricted assets:	
Cash and cash equivalents	11,911,862
Investments	4,358,881
Capital assets, net	2,014,081
Other non-current assets	<u>54,010,860</u>
Total noncurrent assets	<u>72,295,684</u>
<b>Total assets</b>	<b><u>\$ 76,351,003</u></b>

**LIABILITIES**

<b>Current Liabilities</b>	
Accounts payable and accrued liabilities	\$ 788,140
Deferred revenue	4,500,000
Amounts held in custody for others	4,578,337
Notes payable	290,749
Bonds payable and premium	<u>1,116,157</u>
Total current liabilities	<u>11,273,383</u>
<b>Noncurrent Liabilities</b>	
Notes payable	21,502
Bonds payable and premium	57,755,094
Other noncurrent liabilities	<u>1,876,011</u>
Total noncurrent liabilities	<u>59,652,607</u>
<b>Total liabilities</b>	<b><u>70,925,990</u></b>

**NET ASSETS**

Unrestricted	1,112,769
Temporarily restricted	2,222,992
Permanently restricted	<u>2,089,252</u>
<b>Total Net Assets</b>	<b><u>\$ 5,425,013</u></b>



**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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**OPERATING REVENUES**

Gifts received by the Foundation	\$ 2,052,987
Endowment income	27,307
Other operating revenues	<u>1,891,114</u>

**Total operating revenues** 3,971,408

**OPERATING EXPENSES**

Other operating expenses	<u>(568,715)</u>
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**Total operating expenses** (568,715)

**Operating income (loss)** 3,402,693

**NONOPERATING REVENUES AND (EXPENSES)**

Net investment income (loss)	2,772,142
Interest expense	(2,682,395)
Payments to or on behalf of the university	<u>(3,602,488)</u>

**Net nonoperating revenues (expenses)** (3,512,741)

**Income before other revenues, expenses,  
gains, and losses** (110,048)

**Increase (decrease) in net assets** (110,048)

**Net assets at beginning of year, restated** 5,535,061

**Net assets at end of year** \$ 5,425,013

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE OTHER SUPPLEMENTARY INFORMATION**

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**ORGANIZATION**

The Southern University System Foundation is a legally separate, tax-exempt organization supporting the Southern University System. This foundation was included in the university's financial statements because its assets equaled 3% or more of the assets of the university system it supports.

During the year ended December 31, 2011, the Southern University System Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$ 3,602,488.

Complete financial statements for the Southern University System Foundation can be obtained from:  
P.O. Box 9562, Baton Rouge, LA 70813.

The Southern University System Foundation is a nonprofit organization that reports under FASB standards, including FASB ASC Topic 958, *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.

SOUTHERN UNIVERSITY SYSTEM FOUNDATION  
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION

CONSOLIDATED SCHEDULE OF CAPITAL ASSETS

	Balance 12/31/2010	Prior Period Adjustment	Restated Balance 12/31/2010	Additions	*Transfers	**Retirements	Balance 12/31/2011
Capital assets not being depreciated							
Land	\$ 555,193	\$ -	\$ 555,193	\$ -	\$ -	\$ -	\$ 555,193
Non-depreciable land improvements	-	-	-	-	-	-	-
Construction in progress	745,061	-	745,061	281,748	-	-	1,026,809
Total capital assets not being depreciated	\$ 1,300,254	\$ -	\$ 1,300,254	\$ 281,748	\$ -	\$ -	\$ 1,582,002
Total infrastructure	-	-	-	-	-	-	-
Depreciable land improvements	-	-	-	-	-	-	-
** Less accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Buildings	172,125	-	172,125	-	-	-	172,125
** Less accumulated depreciation	(50,755)	-	(50,755)	(4,413)	-	-	(55,168)
Total buildings	121,370	-	121,370	(4,413)	-	-	116,957
Software	32,137	-	32,137	15,478	-	-	47,615
** Less accumulated depreciation	(18,257)	-	(18,257)	(7,212)	-	-	(25,469)
Total software	13,880	-	13,880	8,266	-	-	22,146
Equipment	2,658,570	-	2,658,570	1,761	-	-	2,660,331
** Less accumulated depreciation	(2,106,004)	-	(2,106,004)	(261,351)	-	-	(2,367,355)
Total equipment	552,566	-	552,566	(259,590)	-	-	292,976
Total other capital assets	\$ 687,816	\$ -	\$ 687,816	\$ (255,737)	\$ -	\$ -	\$ 432,079
Capital Asset Summary:							
Capital assets not being depreciated	\$ 1,300,254	\$ -	\$ 1,300,254	\$ 281,748	\$ -	\$ -	\$ 1,582,002
Other capital assets, at cost	2,862,832	-	2,862,832	17,239	-	-	2,880,071
Total cost of capital assets	4,163,086	-	4,163,086	298,987	-	-	4,462,073
Less accumulated depreciation	(2,175,016)	-	(2,175,016)	(272,976)	-	-	(2,447,992)
Capital assets, net	\$ 1,988,070	\$ -	\$ 1,988,070	\$ 26,011	\$ -	\$ -	\$ 2,014,081

SOUTHERN UNIVERSITY SYSTEM FOUNDATION  
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION

SCHEDULE OF BONDS, NOTES PAYABLE, AND OTHER LIABILITIES

	Balance at December 31, 2010	Additions	Reductions	Balance at December 31, 2011	Amounts due within one year
<b>Bonds &amp; notes payable:</b>					
Bonds payable	\$ 58,095,000	\$ -	1,010,000	\$ 57,085,000	\$ 1,050,000
Notes payable	570,345	-	258,094	312,251	258,092
Total bonds, notes and capital leases	58,665,345	-	1,268,094	57,397,251	1,308,092
<b>Other liabilities:</b>					
Amounts held in custody for others	4,547,737	30,600	-	4,578,337	4,578,337
Total other liabilities	4,547,737	30,600	-	4,578,337	4,578,337
Total long-term liabilities	\$ 63,213,082	\$ 30,600	\$ 1,268,094	\$ 61,975,588	\$ 5,886,429

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE OTHER SUPPLEMENTARY INFORMATION**

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**SCHEDULE OF NOTES PAYABLE:**

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding 12/31/10</u>	<u>Issued</u>	<u>(Redeemed)</u>	<u>Principal Outstanding 12/31/11</u>	<u>Interest Rates</u>	<u>Interest Outstanding 12/31/11</u>
Daktronics	4/20/03	\$ 315,520	\$ 100,427	\$ -	\$ (38,094)	\$ 62,333	7.00%	\$ 3,873
Hancock Bank	9/13/07	1,190,000	469,918	-	(220,000)	249,918	5.00%	11,123
Total		<u>\$ 1,505,520</u>	<u>\$ 570,345</u>	<u>\$ -</u>	<u>\$ (258,094)</u>	<u>\$ 312,251</u>		<u>\$ 14,996</u>

SOUTHERN UNIVERSITY SYSTEM FOUNDATION  
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION

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SCHEDULE OF BONDS PAYABLE:

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/10	(Redeemed) Issued	Principal Outstanding 12/31/11	Interest Rates	Interest Outstanding 12/31/11
Louisiana Public Facilities Authority	12/13/06	\$ 59,990,000	\$ 58,095,000	\$ (1,010,000)	\$ 57,085,000	4.62%	\$ 44,139,287
Unamortized premium - Series 2006	12/13/06	2,117,035	1,852,408	(66,157)	1,786,251		-
Total		<u>\$ 62,107,035</u>	<u>\$ 59,947,408</u>	<u>\$ (1,076,157)</u>	<u>\$ 58,871,251</u>		<u>\$ 44,139,287</u>

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO THE OTHER SUPPLEMENTARY INFORMATION**

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**SCHEDULE OF BOND PAYABLE AMORTIZATION:**

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,050,000	\$ 2,699,525	\$ 3,749,525
2013	1,105,000	2,647,025	3,752,025
2014	1,160,000	2,591,775	3,751,775
2015	1,215,000	2,533,775	3,748,775
2016	1,275,000	2,473,025	3,748,025
2017	1,340,000	2,409,275	3,749,275
2018	1,410,000	2,338,925	3,748,925
2019	1,480,000	2,266,662	3,746,662
2020	1,555,000	2,192,662	3,747,662
2021	1,635,000	2,114,912	3,749,912
2022	1,715,000	2,033,162	3,748,162
2023	1,800,000	1,947,412	3,747,412
2024	1,890,000	1,857,412	3,747,412
2025	1,985,000	1,762,912	3,747,912
2026	2,085,000	1,663,662	3,748,662
2027	2,190,000	1,559,412	3,749,412
2028	2,300,000	1,449,912	3,749,912
2029	2,415,000	1,334,912	3,749,912
2030	2,535,000	1,214,162	3,749,162
2031	2,660,000	1,087,412	3,747,412
2032	2,790,000	961,062	3,751,062
2033	2,920,000	828,537	3,748,537
2034	3,045,000	704,437	3,749,437
2035	3,175,000	575,025	3,750,025
2036	3,310,000	440,087	3,750,087
2037	3,450,000	299,412	3,749,412
2038	<u>3,595,000</u>	<u>152,796</u>	<u>3,747,796</u>
<b>TOTAL</b>	<b><u>\$ 57,085,000</u></b>	<b><u>\$ 44,139,287</u></b>	<b><u>\$ 101,224,287</u></b>

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTES TO OTHER SUPPLEMENTARY INFORMATION**

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**SCHEDULE OF NOTES PAYABLE AMORTIZATION**

<b>Fiscal Year</b>				
<b>Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2012	\$ 290,749	\$ 14,430	\$ 305,179	
2013	<u>21,502</u>	<u>566</u>	<u>22,068</u>	
TOTAL	<u>\$ 312,251</u>	<u>\$ 14,996</u>	<u>\$ 327,247</u>	