

# UNIVERSITY OF WEST GEORGIA

## Financial Report

Unaudited

For the Year Ended  
June 30, 2009

University of West Georgia

Carrollton, Georgia

Dr. Beheruz N. Sethna  
President

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UNIVERSITY OF WEST GEORGIA  
ANNUAL FINANCIAL REPORT  
FY 2009

*Table of Contents*

Management’s Discussion and Analysis .....	1
Statement of Net Assets .....	7
Statement of Revenues, Expenses and Changes in Net Assets.....	8
Statement of Cash Flows .....	10
Note 1. Summary of Significant Accounting Policies .....	12
Note 2. Deposits and Investments.....	18
Note 3. Accounts Receivable.....	20
Note 4. Inventories.....	20
Note 5. Notes/Loans Receivable.....	20
Note 6. Capital Assets.....	21
Note 7. Deferred Revenue.....	22
Note 8. Long-Term Liabilities .....	22
Note 9. Significant Commitments.....	22
Note 10. Lease Obligations.....	23
Note 11. Retirement Plans .....	24
Note 12. Risk Management.....	28
Note 13. Contingencies.....	29
Note 14. Post-Employment Benefits Other Than Pension Benefits .....	29
Note 15. Natural Classifications with Functional Classifications .....	30
Note 16. Component Units .....	31

# UNIVERSITY OF WEST GEORGIA

## *Management's Discussion and Analysis*

### ***Introduction***

University of West Georgia is one of the 35 institutions of higher education of the University System of Georgia. The University, located in Carrollton, Georgia, was founded in 1906, and remains second to none in relation to our theme of *Educational Excellence in a Personal Environment*. The wide range of educational opportunities offered by the University attracts a highly qualified faculty and a student body of more than 10,000 students each year. In general we continue to grow, as shown by the year to year comparison numbers that follow.

West Georgia (UWG) offers a range of disciplinary, interdisciplinary and professional programs at the baccalaureate level. There are 114 programs of study, including 59 at the Bachelors level, 41 at the Masters and Specialists level, three Doctoral program, nine Post-Baccalaureate and two Post-Masters. During the 2004 fiscal year, the Southern Association of Colleges and Schools (SACS) reaffirmed UWG's accreditation for 10 years based on the February 2003 accreditation visit. In addition, the University has achieved national recognition in several areas including academic debate, faculty-directed student research, and athletic competition and has been named by the Princeton Review as one of the best Southeastern Colleges and one of the Best Value colleges.

	<u>Faculty</u>	<u>Students (Headcount)</u>	<u>Students (FTE)</u>
FY2009	443	11,252	9,988
FY2008	424	10,677	9,461
FY2007	430	10,163	8,941

### ***Overview of the Financial Statements and Financial Analysis***

University of West Georgia is proud to present its financial statements for fiscal year 2009. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and, the Statement of Cash Flows. This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year. Comparative data is provided for FY 2009 and FY 2008.

### ***Statement of Net Assets***

The Statement of Net Assets presents the assets, liabilities, and net assets of the University as of the end of the fiscal year. The Statement of Net Assets is a point of time financial statement. The

purpose of the Statement of Net Assets is to present to the readers of the financial statements a fiscal snapshot of University of West Georgia. The Statement of Net Assets presents end-of-year data concerning Assets (current and non-current), Liabilities (current and non-current), and Net Assets (Assets minus Liabilities). The difference between current and non-current assets will be discussed in the footnotes to the financial statements.

From the data presented, readers of the Statement of Net Assets are able to determine the assets available to continue the operations of the institution. They are also able to determine how much the institution owes vendors.

Finally, the Statement of Net Assets provides a picture of the net assets (assets minus liabilities) and their availability for expenditure by the institution. Net assets are divided into three major categories. The first category, invested in capital assets, net of debt, provides the institution's equity in property, plant and equipment owned by the institution. The next asset category is restricted net assets, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net assets are available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted net assets are available to the institution for any lawful purpose of the institution.

#### Statement of Net Assets, Condensed

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
<b>Assets:</b>		
Current Assets	\$34,851,548	\$28,830,154
Capital Assets, net	164,874,137	123,561,136
Other Assets	2,183,046	2,511,135
<b>Total Assets</b>	<u>201,908,731</u>	<u>154,902,425</u>
<b>Liabilities:</b>		
Current Liabilities	18,648,407	16,446,781
Noncurrent Liabilities	66,698,941	63,098,889
<b>Total Liabilities</b>	<u>85,347,348</u>	<u>79,545,670</u>
<b>Net Assets:</b>		
Invested in Capital Assets, net of debt	98,762,720	61,245,873
Restricted - expendable	2,430,805	3,088,157
Unrestricted	15,367,858	11,022,725
<b>Total Net Assets</b>	<u><u>\$116,561,383</u></u>	<u><u>\$75,356,755</u></u>

The total assets of the institution increased by \$47,006,306. A review of the Statement of Net Assets will reveal that the increase was primarily due to an increase of \$41,313,001 in the category of Capital Assets, net, including \$30.6 million for the addition of the Coliseum, \$6.8 million for the addition of land and \$5.5 million in capital leases for parking lot and offset printing press.

The total liabilities for the year increased by \$5,801,678. The combination of the increase in total assets of \$47,006,306 and the increase in total liabilities of \$5,801,678 yields an increase in total net assets of \$41,204,628. The increase in total net assets is primarily in the category of Invested in Capital Assets, net of debt, in the amount of \$37,516,847.

***Statement of Revenues, Expenses and Changes in Net Assets***

Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. The purpose of the statement is to present the revenues received by the institution, both operating and non-operating, and the expenses paid by the institution, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the institution. Generally speaking operating revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Non-operating revenues are revenues received for which goods and services are not provided. For example state appropriations are non-operating because they are provided by the Legislature to the institution without the Legislature directly receiving commensurate goods and services for those revenues.

**Statement of Revenues, Expenses and Changes in Net Assets, Condensed**

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Operating Revenues	\$68,100,528	\$68,279,187
Operating Expenses	<u>121,664,137</u>	<u>115,308,363</u>
Operating Loss	(53,563,609)	(47,029,176)
Nonoperating Revenues and Expenses	<u>56,114,418</u>	<u>47,989,235</u>
Income (Loss) Before other revenues, expenses, gains or losses	2,550,809	960,059
Other revenues, expenses, gains or losses	<u>38,653,819</u>	<u>3,108,908</u>
Increase in Net Assets	41,204,628	4,068,967
Net Assets at beginning of year, as originally reported	75,356,755	71,287,788
Prior Year Adjustments	<u>0</u>	<u>0</u>
Net Assets at beginning of year, restated	<u>75,356,755</u>	<u>71,287,788</u>
Net Assets at End of Year	<u><u>\$116,561,383</u></u>	<u><u>\$75,356,755</u></u>

The Statement of Revenues, Expenses, and Changes in Net Assets reflects a positive year with an increase in the net assets at the end of the year. Some highlights of the information presented on the Statement of Revenues, Expenses, and Changes in Net Assets are as follows:

Revenue by Source  
For the Years Ended June 30, 2009 and June 30, 2008

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Operating Revenue		
Tuition and Fees	\$35,203,826	\$29,764,091
Grants and Contracts	2,878,947	11,854,837
Sales and Services	313,538	394,268
Auxiliary	28,430,132	25,023,703
Other	1,274,085	1,242,288
Total Operating Revenue	<u>68,100,528</u>	<u>68,279,187</u>
Nonoperating Revenue		
State Appropriations	46,454,033	48,576,377
Federal Stimulus - Stabilization Funds.	480,039	
Grants and Contracts	11,192,165	
Gifts	545,868	1,531,698
Investment Income	507,899	1,142,250
Other	28,450	(327,062)
Total Nonoperating Revenue	<u>59,208,454</u>	<u>50,923,263</u>
Capital Gifts and Grants		
State	31,816,569	3,108,908
Other Capital Gifts and Grants	6,837,250	
Total Capital Gifts and Grants	<u>38,653,819</u>	<u>3,108,908</u>
Total Revenues	<u>\$165,962,801</u>	<u>\$122,311,358</u>

Expenses (By Functional Classification)  
For the Years Ended June 30, 2009 and June 30, 2008

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Operating Expenses		
Instruction	\$45,636,252	\$41,902,840
Research	893,052	1,001,673
Public Service	208,509	187,015
Academic Support	15,025,634	14,099,789
Student Services	8,369,547	7,701,243
Institutional Support	11,697,737	11,120,730
Plant Operations and Maintenance	9,496,723	10,303,180
Scholarships and Fellowships	5,422,428	4,916,218
Auxiliary Enterprises	24,914,255	24,075,675
Total Operating Expenses	<u>121,664,137</u>	<u>115,308,363</u>
Nonoperating Expenses		
Interest Expense (Capital Assets)	3,094,036	2,934,028
Total Expenses	<u>\$124,758,173</u>	<u>\$118,242,391</u>

Operating revenues decreased by (\$178,659) in fiscal 2009, due to a \$11,192,165 reclassification in various Federal Grants. Adjusting for the reclassification, revenues were up \$11,013,506 or 16%. Tuition & Fees (net) were up \$5,439,735 or 18%. Increases in Auxiliary revenues and other Grants and Contracts before the reclassification accounted for an additional \$5,622,704.

The Auxiliary revenue increased by \$3,406,429, of which 1/3 of the increase is from the new fee for the Athletic Complex. A combination of fee increases ranging from 1.7% to 10% and an increase in students of 5% accounted for the additional 2/3 increase in Auxiliary revenues.

Non-operating revenues increased by \$8,285,191 this year primarily due to the reclassification of various Federal Grants of \$11,192,165, and a decrease of (\$2,122,344) in State Appropriations.

The compensation and employee benefits category increased by \$4,351,384 and primarily affected the Instruction, Academic Support and Student Services categories. The increase reflects the addition of 19 faculty members.

Utilities increased by \$245,628 during the past year. The increase was primarily associated with a 5% increase in square footage, of which the move in and addition of the Coliseum increased the natural gas cost by over 50%. In addition, city trash rates doubled for the year.

### ***Statement of Cash Flows***

The final statement presented by the University of West Georgia is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the institution during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the institution. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Assets.

### **Cash Flows for the Years Ended June 30, 2009 and 2008, Condensed**

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Cash Provided (used) By:		
Operating Activities	(\$43,337,739)	(\$38,324,627)
Non-capital Financing Activities	58,322,515	50,271,002
Capital and Related Financing Activities	(10,755,772)	(6,754,601)
Investing Activities	430,041	873,688
Net Change in Cash	4,659,045	6,065,462
Cash, Beginning of Year	25,278,039	19,212,577
Cash, End of Year	<u>\$29,937,084</u>	<u>\$25,278,039</u>

### ***Capital Assets***

The University had three significant capital asset additions in the fiscal year 2009: the addition of the Coliseum for \$30,622,989; the addition of land located on Brumbelow Road for \$5,952,000; and a capital lease of \$5,081,093 for a parking lot.

University of West Georgia also completed major renovations to the Callaway Building in fiscal 2009. The \$4.5 million for this project was funded by the Georgia State Financing and Investment Commission (GSFIC), of which \$1.9 million was recorded in fiscal 2009. Other projects funded by the GSFIC included \$995,000 in roof replacements, fire alarm, security systems and HVAC controls.

For additional information concerning Capital Assets, see Notes 1, 6, 8, 9, and 10 in the notes to the financial statements.

### ***Long Term Debt and Liabilities***

University of West Georgia had Long-Term Debt and Liabilities of \$68,903,789 of which \$2,869,848 was reflected as current liability at June 30, 2009.

For additional information concerning Long-Term Debt and Liabilities, see notes 1 and 8 in the Notes to the Financial Statements.

### ***Component Units***

In compliance with GASB Statement No. 39, University of West Georgia has included the financial statements and notes for all required component units for FY2009. The University of West Georgia Foundation, Inc. had investments of \$32.8 million as of December 31, 2008, and long-term debt of \$58.1 million. The UWG Real Estate Foundation, Inc. had long-term debt of \$54.5 million in the form of two bond issues. Details are available in Note 1, Summary of Significant Accounting Policies and Note 16, Component Units.

### ***Economic Outlook***

The University is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year beyond those unknown variations having a global effect on virtually all types of business operations.

Dr. Beheruz N. Sethna, President  
University of West Georgia



*Statement of Net Assets*

**UNIVERSITY OF WEST GEORGIA  
STATEMENT OF NET ASSETS  
June 30, 2009**

		<u>Component Unit</u>	<u>Component Unit</u>
	<u>University of West Georgia</u>	<u>University of West Georgia Foundation, Inc.</u>	<u>UWG Real Estate Foundation, Inc.</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$29,937,084	\$982,156	\$3,412,014
Short-term Investments	808,779		
Accounts Receivable, net (note 3)			
Receivables - Federal Financial Assistance	534,049		
Receivables - Other	1,913,336	245,326	46,560
Due From Component Units	105,209		
Net Investment in Capital Leases		895,694	384,187
Pledges Receivable		1,207,950	
Due From Primary Government			441,671
Inventories (note 4)	1,076,477		
Prepaid items	476,614		
<b>Total Current Assets</b>	<b>34,851,548</b>	<b>3,331,126</b>	<b>4,284,432</b>
<b>Noncurrent Assets</b>			
Noncurrent Cash		1,808,863	10,218,929
Short-term Investments	213,086	20,325,573	
Investments (Externally Restricted)			1,000,180
Investments (including Real Estate)		12,484,372	
Notes Receivable, net	1,969,960		
Net Investment in Capital Leases		30,510,692	29,377,119
Pledges Receivable		411,025	
Capital Assets, net (note 6)	164,874,137	7,165,809	15,849,188
Other Assets		1,850,513	1,386,827
<b>Total Noncurrent Assets</b>	<b>167,057,183</b>	<b>74,556,847</b>	<b>57,832,243</b>
<b>TOTAL ASSETS</b>	<b>201,908,731</b>	<b>77,887,973</b>	<b>62,116,675</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	4,124,081	968,441	585,019
Salaries Payable	520,062		
Contracts Payable	164,693	1,837,080	
Deposits		898,099	
Deferred Revenue (note 7)	8,841,304		27,050
Other Liabilities	187,571		
Deposits Held for Other Organizations	601,078		
Due to Primary Government		13,129	
Lease Purchase Obligations (current portion)	1,437,069		
Compensated Absences (current portion)	1,432,779		
Revenue/Mortgage Bonds Payable (current)		910,000	425,000
Due to Component Units	441,671		166,983
Notes and Loans Payable (current portion)		213,768	
<b>Total Current Liabilities</b>	<b>18,648,407</b>	<b>3,942,418</b>	<b>1,204,052</b>
<b>Noncurrent Liabilities</b>			
Lease Purchase Obligations (noncurrent)	64,674,348		
Deferred Revenue (noncurrent)	665,000		2,067,811
Compensated Absences (noncurrent)	1,359,593		
Revenue/Mortgage Bonds Payable (noncurrent)		56,994,695	54,099,696
Liabilities under Split-Interest Agreements (noncurrent)		21,472	
<b>Total Noncurrent Liabilities</b>	<b>66,698,941</b>	<b>57,016,167</b>	<b>56,167,507</b>
<b>TOTAL LIABILITIES</b>	<b>85,347,348</b>	<b>60,958,585</b>	<b>57,371,559</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, net of related debt	98,762,720	2,620,659	2,691,554
Restricted for			
Nonexpendable		9,558,816	
Expendable	2,430,805	6,447,306	
Unrestricted	15,367,858	(1,697,393)	2,053,562
<b>TOTAL NET ASSETS</b>	<b>\$116,561,383</b>	<b>\$16,929,388</b>	<b>\$4,745,116</b>

*Statement of Revenues, Expenses and Changes in Net Assets*

**UNIVERSITY OF WEST GEORGIA  
STATEMENT of REVENUES, EXPENSES, and CHANGES in NET ASSETS  
for the Year Ended June 30, 2009**

		<u>Component Unit</u>	<u>Component Unit</u>
	<u>University of West Georgia</u>	<u>University of West Georgia Foundation, Inc.</u>	<u>UWG Real Estate Foundation, Inc.</u>
<b>REVENUES</b>			
Operating Revenues			
Student Tuition and Fees (net of allowance for doubtful accounts)	\$44,400,645	\$0	\$0
Less: Scholarship Allowances	(9,196,819)		
Gifts and Contributions		2,202,659	3,950,718
Endowment Income (per spending plan)		979,804	
Grants and Contracts			
Federal	1,011,746		
State	548,038		
Other	1,319,163		
Sales and Services	313,538	647,384	
Rents and Royalties	25,099	559,939	93,000
Auxiliary Enterprises			
Residence Halls	9,694,658		
Bookstore	4,363,190		
Food Services	6,069,614		
Parking/Transportation	1,546,100		
Health Services	1,890,979		
Intercollegiate Athletics	3,154,240		
Other Organizations	1,711,351		
Realized/Unrealized Gains (Losses)			
Interest and Dividend income		1,744,192	1,606,060
Other Operating Revenues	1,248,986		
Total Operating Revenues	<u>68,100,528</u>	<u>6,133,978</u>	<u>5,649,778</u>
<b>EXPENSES</b>			
Operating Expenses			
Salaries:			
Faculty	27,671,677		
Staff	31,292,101	656,013	
Employee Benefits	16,653,079	159,883	
Other Personal Services	333,424		
Travel	853,988	4,251	
Scholarships and Fellowships	6,641,504		
Utilities	3,685,238		
Supplies and Other Services	26,004,404	928,083	77,141
Depreciation	8,528,722	47,327	
Payments to other Component Units		1,800,738	
Payments to or on behalf of University of West Georgia		1,930,461	
Total Operating Expenses	<u>121,664,137</u>	<u>5,526,756</u>	<u>77,141</u>
Operating Income (loss)	<u>(53,563,609)</u>	<u>607,222</u>	<u>5,572,637</u>

*Statement of Revenues, Expenses and Changes in Net Assets, Continued*

**UNIVERSITY OF WEST GEORGIA  
STATEMENT of REVENUES, EXPENSES, and CHANGES in NET ASSETS  
for the Year Ended June 30, 2009**

	<u>University of West Georgia</u>	<u>Component Unit University of West Georgia Foundation, Inc.</u>	<u>Component Unit UWG Real Estate Foundation, Inc.</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State Appropriations	46,454,033		
Federal Stimulus - Stabilization Funds	480,039		
Grants and Contracts			
Federal	11,192,165		
Gifts	545,868		
Investment Income (endowments, auxiliary and other)	507,899	(5,126,783)	(275,649)
Interest Expense (capital assets)	(3,094,036)	(2,044,379)	(2,254,898)
Other Nonoperating Revenues	28,450	(5,279,360)	
Net Nonoperating Revenues	<u>56,114,418</u>	<u>(12,450,522)</u>	<u>(2,530,547)</u>
Income before other revenues, expenses, gains, or loss	2,550,809	(11,843,300)	3,042,090
Capital Grants and Gifts			
State	31,816,569		
Other	6,837,250		
Additions to permanent endowments		66,511	
Total Other Revenues	<u>38,653,819</u>	<u>66,511</u>	<u>0</u>
Increase in Net Assets	41,204,628	(11,776,789)	3,042,090
<b>NET ASSETS</b>			
Net Assets-beginning of year, as originally reported	75,356,755	28,706,177	1,703,026
Prior Year Adjustments	0	0	0
Net Assets-beginning of year, restated	<u>75,356,755</u>	<u>28,706,177</u>	<u>1,703,026</u>
Net Assets-End of Year	<u>\$116,561,383</u>	<u>\$16,929,388</u>	<u>\$4,745,116</u>

## Statement of Cash Flows

### UNIVERSITY OF WEST GEORGIA STATEMENT OF CASH FLOWS For the Year Ended June 30, 2009

	<u>June 30, 2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and Fees	\$35,544,656
Federal Appropriations	
Grants and Contracts (Exchange)	2,552,906
Sales and Services	313,538
Payments to Suppliers	(46,656,419)
Payments to Employees	(58,380,548)
Payments for Scholarships and Fellowships	(6,641,504)
Loans Issued to Students and Employees	(658,427)
Collection of Loans to Students and Employees	461,065
Auxiliary Enterprise Charges:	
Residence Halls	9,388,613
Bookstore	3,832,821
Food Services	5,285,585
Parking/Transportation	2,673,818
Health Services	1,987,060
Intercollegiate Athletics	3,517,876
Other Organizations	1,845,608
Other Receipts (payments)	1,595,613
Net Cash Provided (used) by Operating Activities	<u>(43,337,739)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
State Appropriations	46,454,033
Federal Stimulus - Stabilization Funds.	480,039
Agency Funds Transactions	(416,949)
Gifts and Grants Received for Other Than Capital Purposes	11,805,392
Net Cash Flows Provided by Non-capital Financing Activities	<u>58,322,515</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Gifts and Grants Received	2,366,232
Proceeds from Sale of Capital Assets	27,500
Purchases of Capital Assets	(8,276,429)
Principal Paid on Capital Debt and Leases	(1,779,039)
Interest Paid on Capital Debt and Leases	(3,094,036)
Net Cash used by Capital and Related Financing Activities	<u>(10,755,772)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Sales and Maturities of Investments	944,007
Interest on Investments	507,899
Purchase of Investments	(1,021,865)
Net Cash Provided (used) by Investing Activities	<u>430,041</u>
Net Increase/Decrease in Cash	<u>4,659,045</u>
Cash and Cash Equivalents - Beginning of year	25,278,039
Cash and Cash Equivalents - End of Year	<u><u>\$29,937,084</u></u>

*Statement of Cash Flows, Continued*

**UNIVERSITY OF WEST GEORGIA  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2009**

**June 30, 2009**

**RECONCILIATION OF OPERATING LOSS TO  
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

Operating Income (loss)	(\$53,563,609)
Adjustments to Reconcile Net Income (loss) to Net Cash Provided (used) by Operating Activities	
Depreciation	8,528,722
Change in Assets and Liabilities:	
Receivables, net	(1,166,156)
Inventories	(99,121)
Prepaid Items	506,237
Notes Receivable, Net	(197,362)
Accounts Payable	1,167,681
Deferred Revenue	1,415,363
Other Liabilities	(24,065)
Compensated Absences	94,571
Net Cash Provided (used) by Operating Activities	<u><u>(\$43,337,739)</u></u>

**\*\* NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND  
RELATED FINANCING TRANSACTIONS**

Fixed assets acquired by incurring capital lease obligations	<u><u>\$5,575,193</u></u>
Gift of capital assets reducing proceeds of capital gifts and grants	<u><u>(\$36,287,587)</u></u>

**UNIVERSITY OF WEST GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2009**

*Note 1. Summary of Significant Accounting Policies*

**Nature of Operations**

University of West Georgia serves the state and national communities by providing its students with academic instruction that advances fundamental knowledge, and by disseminating knowledge to the people of Georgia and throughout the country.

**Reporting Entity**

University of West Georgia is one of thirty-five (35) State supported member institutions of higher education in Georgia which comprise the University System of Georgia, an organizational unit of the State of Georgia. The accompanying financial statements reflect the operations of University of West Georgia as a separate reporting entity.

The Board of Regents has constitutional authority to govern, control and manage the University System of Georgia. This authority includes but is not limited to the power to designate management, the ability to significantly influence operations, the authority to control institutions' budgets, the power to determine allotments of State funds to member institutions and the authority to prescribe accounting systems and administrative policies for member institutions. University of West Georgia does not have authority to retain unexpended State appropriations (surplus) for any given fiscal year. Accordingly, University of West Georgia is considered an organizational unit of the Board of Regents of the University System of Georgia reporting entity for financial reporting purposes because of the significance of its legal, operational, and financial relationships with the Board of Regents as defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

The Board of Regents of the University System of Georgia (and thus University of West Georgia) implemented GASB Statement No. 39 *Determining Whether Certain Organizations are Component Units - an amendment of Statement No. 14*, in fiscal year 2004. This statement requires the inclusion of the financial statements for foundations and affiliated organizations that qualify as component units in the Annual Financial Report for the institution. These statements (Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets) are reported discretely in the University's report. For FY2009, University of West Georgia is reporting the activity for the University of West Georgia Foundation, Inc., and the UWG Real Estate Foundation, Inc.

See Note 16, Component Units, for Foundation notes.

**Financial Statement Presentation**

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This was followed in November 1999 by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and*

*Analysis for Public Colleges and Universities.* The State of Georgia implemented GASB Statement No. 34 as of and for the year ended June 30, 2002. As an organizational unit of the State of Georgia, the University was also required to adopt GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37 and No. 38. The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the GASB and are presented as required by these standards to provide a comprehensive, entity-wide perspective of the University's assets, liabilities, net assets, revenues, expenses, changes in net assets, cash flows, and replaces the fund-group perspective previously required.

Generally Accepted Accounting Principles (GAAP) requires that the reporting of summer school revenues and expenses be between fiscal years rather than in one fiscal year. Due to the lack of materiality, Institutions of the University System of Georgia will continue to report summer revenues and expenses in the year in which the predominant activity takes place.

### **Basis of Accounting**

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting, except as noted in the preceding paragraph. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-University transactions have been eliminated.

The University has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected to not apply FASB pronouncements issued after the applicable date.

### **Cash and Cash Equivalents**

Cash and Cash Equivalents consist of petty cash, demand deposits and time deposits in authorized financial institutions, and cash management pools that have the general characteristics of demand deposit accounts. This includes the State Investment Pool and the Board of Regents Short-Term Investment Pool.

### **Short-Term Investments**

Short-Term Investments consist of investments of 90 days – 13 months. This would include certificates of deposits or other time restricted investments with original maturities of six months or more when purchased. Funds are not readily available and there is a penalty for early withdrawal.

### **Investments**

The University accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Assets. The Board of Regents Legal Fund, the Board of Regents Balanced Income Fund, the Board of Regents Total Return Fund, the Board of Regents Diversified Fund, and the Georgia Extended Asset Pool are included under Investments.

**Accounts Receivable**

Accounts receivable consists of tuition and fees charged to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Georgia. Accounts receivable also includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

**Inventories**

Consumable supplies and Resale Inventories are valued at cost using the average-cost basis.

**Noncurrent Cash and Investments**

Cash and investments that are externally restricted and cannot be used to pay current liabilities are classified as noncurrent assets in the Statement of Net Assets.

**Capital Assets**

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that exceed \$100,000 and/or significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, and 3 to 20 years for equipment. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, and facilities and other improvements.

To obtain the total picture of plant additions in the University System, it is necessary to look at the activities of the Georgia State Financing and Investment Commission (GSFIC) – an organization that is external to the System. GSFIC issues bonds for and on behalf of the State of Georgia, pursuant to powers granted to it in the Constitution of the State of Georgia and the Act creating the GSFIC. The bonds so issued constitute direct and general obligations of the State of Georgia, to the payment of which the full faith, credit and taxing power of the State are pledged.

For projects managed by GSFIC, the GSFIC retains construction in progress on its books throughout the construction period and transfers the entire project to the University when complete. For projects managed by the University, the University retains construction in progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2009, GSFIC transferred capital additions valued at \$30,622,989 to University of West Georgia.

**Deposits**

Deposits represent good faith deposits from students to reserve housing assignments in a University residence hall.



### **Deferred Revenues**

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

### **Compensated Absences**

Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as compensated absences in the Statement of Net Assets, and as a component of compensation and benefit expense in the Statements of Revenues, Expenses, and Changes in Net Assets. University of West Georgia had accrued liability for compensated absences in the amount of \$2,697,801 as of 7-1-2008. For FY2009, \$2,038,212 was earned in compensated absences and employees were paid \$1,943,641, for a net increase of \$94,571. The ending balance as of 6-30-2009 in accrued liability for compensated absences was \$2,792,372.

### **Noncurrent Liabilities**

Noncurrent liabilities include (1) liabilities that will not be paid within the next fiscal year; (2) capital lease obligations with contractual maturities greater than one year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

### **Net Assets**

The University's net assets are classified as follows:

*Invested in capital assets, net of related debt:* This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt. The term "debt obligations" as used in this definition does not include debt of the GSFIC as discussed previously in Note 1 – Capital Assets section.

*Restricted net assets - nonexpendable:* Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The University may accumulate as much of the annual net income of an institutional fund as is prudent under the standard established by Code Section 44-15-7 of Annotated Code of Georgia.

*Restricted net assets - expendable:* Restricted expendable net assets include resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Expendable Restricted Net Assets include the following:

	<u>June 30, 2009</u>
Restricted - E&G and Other Organized Activities	\$193,682
Federal Loans	1,945,503
Institutional Loans	<u>291,620</u>
Total Restricted Expendable	<u><u>\$2,430,805</u></u>

*Unrestricted net assets:* Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board to meet current expenses for those purposes, except for unexpended state appropriations (surplus). Unexpended state appropriations must be refunded to the Board of Regents of the University System of Georgia, University System Office for remittance to the office of Treasury and Fiscal Services. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

Unrestricted Net Assets includes the following items which are quasi-restricted by management.

	<u>June 30, 2009</u>
R & R Reserve	\$12,537,910
Reserve for Encumbrances	7,102,484
Reserve for Inventory	127,959
Other Unrestricted	<u>(4,400,495)</u>
Total Unrestricted Net Assets	<u><u>\$15,367,858</u></u>

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

### **Income Taxes**

University of West Georgia, as a political subdivision of the State of Georgia, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended.

### **Classification of Revenues**

The University has classified its revenues as either operating or non-operating revenues in the Statement of Revenues, Expenses, and Changes in Net Assets according to the following criteria:

*Operating revenues:* Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of sponsored and unsponsored scholarships, (2) sales and services of auxiliary enterprises, net of sponsored and unsponsored scholarships, (3) most Federal, state and local grants and contracts and Federal appropriations, and (4) interest on institutional student loans.

*Nonoperating revenues:* Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, such as state appropriations and investment income.

### **Scholarship Allowances**

Student tuition and fee revenues, and certain other revenues from students, are reported at gross with a contra revenue account of scholarship allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded contra revenue for scholarship allowances.

## ***Note 2. Deposits and Investments***

### **A. Deposits**

The custodial credit risk for deposits is the risk that in the event of a bank failure, the University's deposits may not be recovered. Funds belonging to the State of Georgia (and thus the University) cannot be placed in a depository paying interest longer than ten days without the depository providing a surety bond to the State. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated Section 50-17-59:

1. Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.
2. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.
3. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.
4. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.
5. Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.
6. Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

The Treasurer of the Board of Regents is responsible for all details relative to furnishing the required depository protection for all units of the University System of Georgia.

At June 30, 2009, the carrying value of deposits was \$22,673,699 and the bank balance was \$24,044,225. Of the University's deposits, \$23,496,034 were uninsured. Of these uninsured deposits, \$22,754,414 were collateralized with securities held by the financial institution's trust department or agent in the University's name, and \$741,620 were uncollateralized. An uncollateralized amount of \$491,520 was due to an error by SunTrust Bank in not collateralizing a Certificate of Deposit by June 30, 2009. The error by SunTrust Bank has been corrected.

### **B. Investments**

At June 30, 2009, the carrying value of the University's investments was \$8,245,600, which is materially the same as fair value. These investments were comprised entirely of funds invested

in the Board of Regents and/or Office of Treasury and Fiscal Services investment pools as follows:

Investment Pools	
Board of Regents	
Short-Term Fund	\$81,339
Sub Total	<u>81,339</u>
Office of Treasury and Fiscal Services	
Georgia Fund 1	8,164,261
Sub Total	<u>8,164,261</u>
Total Investment Pools	<u><u>\$8,245,600</u></u>

The Board of Regents Investment Pool is not registered with the Securities and Exchange Commission as an investment company. The fair value of investments is determined daily. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of the interest that it earns. Participation in the Board of Regents Investment Pool is voluntary. The Board of Regents Investment Pool is not rated. Additional information on the Board of Regents Investment Pool is disclosed in the audited Financial Statements of the Board of Regents of the University System of Georgia – Administrative Central Office (oversight unit). This audit can be obtained from the Georgia Department of Audits – Education Audit Division or on their web site at <http://www.audits.state.ga.us/internet/searchRpts.html>.

The Georgia Fund 1 Investment Pool, managed by the Office of Treasury and Fiscal Services, is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. This investment is valued at the pool’s share price, \$1.00 per share. The Georgia Fund 1 Investment Pool is an AAAM rated investment pool by Standard and Poor’s. The Weighted Average Maturity of the Fund is 41 days.

Interest rate risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The University does not have a formal policy for managing interest rate risk.

The Weighted Average Maturity of the Short Term Fund is 0.72 years. Of the University’s total investment of \$ 81,339 in the Short Term Fund, \$81,339 is invested in debt securities.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University does not have a formal policy for managing credit quality risk.

**Note 3. Accounts Receivable**

Accounts receivable consisted of the following at June 30, 2009:

	<u>June 30, 2009</u>
Student Tuition and Fees	\$1,001,207
Auxiliary Enterprises and Other Operating Activities	964,257
Federal Financial Assistance	534,049
Georgia State Financing and Investment Commission	28,731
Due from Component Units	105,209
Other	434,430
	<u>3,067,883</u>
Less Allowance for Doubtful Accounts	<u>515,289</u>
Net Accounts Receivable	<u><u>\$2,552,594</u></u>

**Note 4. Inventories**

Inventories consisted of the following at June 30, 2009:

	<u>June 30, 2009</u>
Bookstore	\$956,567
Physical Plant	<u>119,910</u>
Total	<u><u>\$1,076,477</u></u>

**Note 5. Notes/Loans Receivable**

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2009. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the University for amounts cancelled under these provisions. As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2009 the allowance for uncollectible loans was \$0.

**Note 6. Capital Assets**

Following are the changes in capital assets for the year ended June 30, 2009:

	<b>Beginning Balances 7/1/2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 6/30/2009</b>
Capital Assets, Not Being Depreciated:				
Land	\$554,184	\$6,837,250	\$0	\$7,391,434
Construction Work-in-Progress	6,036,501	5,277,652	1,748,708	9,565,445
<b>Total Capital Assets Not Being Depreciated</b>	<b>6,590,685</b>	<b>12,114,902</b>	<b>1,748,708</b>	<b>16,956,879</b>
Capital Assets, Being Depreciated:				
Infrastructure	3,144,580			3,144,580
Building and Building Improvements	88,334,811	31,321,532	186,775	119,469,568
Facilities and Other Improvements	2,353,312			2,353,312
Equipment	16,312,674	1,707,916	642,165	17,378,425
Capital Leases	65,795,927	5,575,193		71,371,120
Library Collections	15,585,020	937,296	73,193	16,449,123
Capitalized Collections	13,516			13,516
<b>Total Assets Being Depreciated</b>	<b>191,539,840</b>	<b>39,541,937</b>	<b>902,133</b>	<b>230,179,644</b>
Less: Accumulated Depreciation				
Infrastructure	424,518	113,205		537,723
Buildings	43,513,302	3,598,597	649,908	46,461,991
Facilities and Other improvements	1,011,307	112,209		1,123,516
Equipment	11,202,996	1,187,698	671,457	11,719,237
Capital Leases	6,507,953	2,788,877	(558,833)	9,855,663
Library Collections	11,900,602	727,799	73,193	12,555,208
Capitalized Collections	8,711	337		9,048
<b>Total Accumulated Depreciation</b>	<b>74,569,389</b>	<b>8,528,722</b>	<b>835,725</b>	<b>82,262,386</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>116,970,451</b>	<b>31,013,215</b>	<b>66,408</b>	<b>147,917,258</b>
<b>Capital Assets, net</b>	<b>\$123,561,136</b>	<b>\$43,128,117</b>	<b>\$1,815,116</b>	<b>\$164,874,137</b>

### **Note 7. Deferred Revenue**

Deferred revenue consisted of the following at June 30, 2009:

	<u>June 30, 2009</u>
Prepaid Tuition and Fees	\$5,383,047
Research	770,268
Other Deferred Revenue	<u>2,687,989</u>
Totals	<u><u>\$8,841,304</u></u>

### **Note 8. Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<b>Beginning Balance July 1, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance June 30, 2009</b>	<b>Current Portion</b>
<b>Leases</b>					
Lease Obligations	\$62,315,263	\$5,575,193	\$1,779,039	\$66,111,417	\$1,437,069
<b>Other Liabilities</b>					
Compensated Absences	2,697,801	2,038,212	1,943,641	2,792,372	1,432,779
Total	<u>2,697,801</u>	<u>2,038,212</u>	<u>1,943,641</u>	<u>2,792,372</u>	<u>1,432,779</u>
<b>Total Long Term Obligations</b>	<u><u>\$65,013,064</u></u>	<u><u>\$7,613,405</u></u>	<u><u>\$3,722,680</u></u>	<u><u>\$68,903,789</u></u>	<u><u>\$2,869,848</u></u>

### **Note 9. Significant Commitments**

The University had significant unearned, outstanding, construction or renovation contracts executed in the amount of \$4,015,932 as of June 30, 2009. Of this amount, institution projects account for \$3,029,132 and GSFIC projects are \$986,800. This amount is not reflected in the accompanying basic financial statements. The major institutional projects are: infrastructure improvements and repairs \$1,650,413, Library lighting & ceiling repairs \$416,580 and HVAC controls for several buildings \$307,853. The major GSFIC projects are Library roof for \$529,250 and \$340,000 for the Library & Speaker Murphy office renovation.

There are two significant projects coming online in FY2010; Greek Village, a capital lease with the University of West Georgia Foundation, Inc. which will have 262 beds, housed in 13 houses and 6 adjacent townhouses will open in August 2009 with a project cost of \$21 million. In addition, the Athletic Complex, a capital lease with the UWG Real Estate Foundation, Inc., will serve as the center of most intercollegiate athletic activities including athletic administration, facilities for practice and competition, weight and training facilities, academic support, and game day activities, with a project cost of \$25 million.



In connection with GSFIC there are two significant projects that will be undertaken in FY2010. Library renovation and reconstruction of the office of Speaker Murphy, as well as the creation of the Center for Public History and part of the Special Collections. The projected cost is \$8 million. Also there is a \$1.9 million project for Northwest campus infrastructure, to include road, bridge and retaining wall work.

**Note 10. Lease Obligations**

University of West Georgia is obligated under various operating leases for the use of real property (land, buildings, and office facilities) and equipment, and also is obligated under capital leases and installment purchase agreements for the acquisition of real property.

**CAPITAL LEASES**

Capital leases are generally payable in installments ranging from monthly to annually and have terms expiring in various years between 2010 and 2039. Expenditures for fiscal year 2009 were \$5,411,683 million of which \$3,094,036 million represented interest and \$538,608 represented executory costs. Total principal paid on capital leases was \$1,779,039 million for the fiscal year ended June 30, 2009. Interest rates range from 3.50 percent to 5.41 percent. The following is a summary of the carrying values of assets held under capital lease at June 30, 2009:

Buildings	\$53,761,754
Infrastructure	4,927,787
Equipment	2,825,916
Total Assets Held Under Capital Lease	<u>\$61,515,457</u>

Certain capital leases provide for renewal and/or purchase options.

Two separate capital leases for student residence halls are with the University of West Georgia Foundation, Inc. The University Suites lease has \$11,654,278 principal outstanding and the Arbor View Apartments lease has \$19,323,456 principal outstanding as of June 30, 2009.

The University Center is being leased from the UWG Real Estate Foundation, Inc, UWG Campus Center, LLC. The remaining principal balance on this lease is \$29,761,305 as of June 30, 2009.

Parking Lot is being leased from the University of West Georgia Foundation, Inc. The remaining principal balance on this lease is \$5,170,790 as of June 30, 2009.

University of West Georgia also has a capital lease for PBX equipment with an outstanding principal balance at June 30, 2009 in the amount of \$77,136.

Additionally, the University has a capital lease for an Off-set printing press with an outstanding principal balance at June 30, 2009 in the amount of \$124,452.

## OPERATING LEASES

University of West Georgia's operating leases having remaining terms of more than one year expire in various fiscal years from 2010–2014. Certain operating leases provide for renewal options for periods from one to five years. All agreements are cancelable if the State of Georgia does not provide adequate funding, but that is considered a remote possibility. In the normal course of business, operating leases are generally renewed or replaced by other leases. Operating leases are generally payable on a monthly basis. Examples of property under operating leases are copiers and other small equipment. The University has two real property operating leases. The leases are with third-party lessors and include the lease for our bookstore and a rental agreement for use of a stadium.

Future commitments for capital leases (which here and on the Statement of Net Assets include other installment purchase agreements) and for non-cancellable operating leases having remaining terms in excess of one year as of June 30, 2009, were as follows:

Year Ending June 30:	Year	Real Property and Equipment	
		Capital Leases	Operating Leases
2010	1	\$5,069,535	\$200,200
2011	2	5,061,078	114,264
2012	3	5,112,640	56,083
2013	4	5,127,984	11,786
2014	5	5,187,617	454
2015 through 2019	6-10	26,912,564	
2020 through 2024	11-15	28,660,727	
2025 through 2029	16-20	30,496,664	
2030 through 2034	21-25	15,216,927	
2035 through 2039	26-30	4,324,962	
Total minimum lease payments		131,170,698	\$382,787
Less: Interest		45,593,371	
Less: Executory costs (if paid)		19,465,910	
Principal Outstanding		\$66,111,417	

University of West Georgia's FY2009 expense for rental of real property and equipment under operating leases was \$286,567.

### *Note 11. Retirement Plans*

#### **Teachers Retirement System of Georgia**

##### **Plan Description**

University of West Georgia participates in the Teachers Retirement System of Georgia (TRS), a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly. TRS provides retirement allowances and other benefits for plan participants. TRS

provides service retirement, disability retirement, and survivor's benefits for its members in accordance with State statute. The Teachers Retirement System of Georgia issues a separate stand alone financial audit report and a copy can be obtained from the TRS offices or from the Georgia Department of Audits and Accounts.

**Funding Policy**

Employees of University of West Georgia who are covered by TRS are required by State statute to contribute 5% of their gross earnings to TRS. University of West Georgia makes monthly employer contributions to TRS at rates adopted by the TRS Board of Trustees in accordance with State statute and as advised by their independent actuary. For fiscal year 2009, the employer contribution rate was 9.28% for covered employees. Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2009	100%	\$2,681,880
2008	100%	\$2,534,743
2007	100%	\$2,372,082

**Employees’ Retirement System of Georgia**

**Plan Description**

University of West Georgia participates in the Employees’ Retirement System of Georgia (ERS), a cost-sharing multiple-employer defined benefit pension plan established by the General Assembly of Georgia for the purpose of providing retirement allowances for employees of the State of Georgia.

The benefit structure of ERS is defined by State statute and was significantly modified on July 1, 1982. Unless elected otherwise, an employee who currently maintains membership with ERS based upon State employment that started prior to July 1, 1982, is an “old plan” member subject to the plan provisions in effect prior to July 1, 1982. All other members are “new plan” members subject to the modified plan provisions.

Under both the old plan and new plan, members become vested after 10 years of creditable service. A member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60. Additionally, there are certain provisions allowing for retirement after 25 years of service regardless of age.

Retirement benefits paid to members are based upon a formula which considers the monthly average of the member’s highest twenty-four consecutive calendar months of salary, the number of years of creditable service, and the member’s age at retirement. Postretirement cost-of-living adjustments are also made to member’s benefits. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member’s monthly pension at reduced rates to a designated beneficiary upon the member’s death. Death and disability benefits are also available through ERS.

In addition, the ERS Board of Trustees created the Supplemental Retirement Benefit Plan (SRBP) effective January 1, 1998. The SRBP was established as a qualified governmental excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of ERS. The purpose of SRBP is to provide retirement benefits to employees covered by ERS whose benefits are otherwise limited by IRC 415.

The ERS issues a financial report each fiscal year, which may be obtained through ERS.

**Funding Policy**

As established by State statute, all full-time employees of the State of Georgia and its political subdivisions, who are not members of other state retirement systems, are eligible to participate in the ERS. Both employer and employee contributions are established by State statute. The University’s payroll for the year ended June 30, 2009, for employees covered by ERS was \$83,884. The University’s total payroll for all employees was \$58,963,778.

For the year ended June 30, 2009 under the old plan, member contributions consist of 6.5% of annual compensation minus \$7.00. Of these member contributions, the employee pays the first 1.5% and the University pays the remainder on behalf of the employee.

Under the new plan, member contributions consist solely of 1.5% of annual compensation paid by employee. The University also is required to contribute at a specified percentage of active member payroll determined annually by actuarial valuation for both old and new plans. For the year ended June 30, 2009, the ERS employer contribution rate for the University amounted to 10.41% of covered payroll and included the amounts contributed on behalf of the employees under the old plan referred to above. Employer contributions are also made on amounts paid for accumulated leave to retiring employees.

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2009	100%	\$8,819
2008	100%	\$7,856
2007	100%	\$8,230

**Actuarial and Trend Information**

Actuarial and historical trend information is presented in the ERS June 30, 2009 financial report, which may be obtained through ERS.

**Regents Retirement Plan**

**Plan Description**

The Regents Retirement Plan, a single-employer defined contribution plan, is an optional retirement plan that was created/established by the Georgia General Assembly in O.C.G.A. 47-21-1 et.seq. and is administered by the Board of Regents of the University System of Georgia.

O.C.G.A. 47-3-68(a) defines who may participate in the Regents Retirement Plan. An “eligible university system employee” is a faculty member or a principal administrator, as designated by the regulations of the Board of Regents. Under the Regents Retirement Plan, a plan participant may purchase annuity contracts from four approved vendors (AIG-VALIC, American Century, Fidelity, and TIAA-CREF) for the purpose of receiving retirement and death benefits. Benefits depend solely on amounts contributed to the plan plus investment earnings. Benefits are payable to participating employees or their beneficiaries in accordance with the terms of the annuity contracts.

### **Funding Policy**

University of West Georgia makes monthly employer contributions for the Regents Retirement Plan at rates adopted by the Teachers Retirement System of Georgia Board of Trustees in accordance with State statute and as advised by their independent actuary. For fiscal year 2009, the employer contribution was 8.15% for the first six months and 9.24% for the last six months of the participating employee's earnable compensation. Employees contribute 5% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

University of West Georgia and the covered employees made the required contributions of \$2,017,508 (8.15% or 9.24%) and \$1,166,690 (5%), respectively.

AIG-VALIC, American Century, Fidelity, and TIAA-CREF have separately issued financial reports which may be obtained through their respective corporate offices.

### **Georgia Defined Contribution Plan**

#### **Plan Description**

University of West Georgia participates in the Georgia Defined Contribution Plan (GDGP) which is a single-employer defined contribution plan established by the General Assembly of Georgia for the purpose of providing retirement coverage for State employees who are temporary, seasonal, and part-time and are not members of a public retirement or pension system. GDGP is administered by the Board of Trustees of the Employees' Retirement System of Georgia.

#### **Benefits**

A member may retire and elect to receive periodic payments after attainment of age 65. The payment will be based upon mortality tables and interest assumptions to be adopted by the Board of Trustees. If a member has less than \$3,500 credited to his/her account, the Board of Trustees has the option of requiring a lump sum distribution to the member in lieu of making periodic payments. Upon the death of a member, a lump sum distribution equaling the amount credited to his/her account will be paid to the member's designated beneficiary. Benefit provisions are established by State statute.

#### **Contributions**

Member contributions are seven and one-half percent (7.5%) of gross salary. There are no employer contributions. Contribution rates are established by State statute. Earnings are

credited to each member's account in a manner established by the Board of Trustees. Upon termination of employment, the amount of the member's account is refundable upon request by the member.

Total contributions made by employees during fiscal year 2009 amounted to \$78,245 which represents 7.5% of covered payroll. These contributions met the requirements of the plan.

The Georgia Defined Contribution Plan issues a financial report each fiscal year, which may be obtained from the ERS offices.

### ***Note 12. Risk Management***

The University System of Georgia offers its employees and retirees access to two different self-insured healthcare plan options – a PPO/PPO Consumer healthcare plan, and an indemnity healthcare plan. University of West Georgia and participating employees and retirees pay premiums to either of the self-insured healthcare plan options to access benefits coverage. The respective self-insured healthcare plan options are included in the financial statements of the Board of Regents of the University System of Georgia – University System Office. All units of the University System of Georgia share the risk of loss for claims associated with these plans. The reserves for these two plans are considered to be a self-sustaining risk fund. Both self-insured healthcare plan options provide a maximum lifetime benefit of \$2,000,000 per person. The Board of Regents has contracted with Blue Cross Blue Shield of Georgia, a wholly owned subsidiary of WellPoint, to serve as the claims administrator for the two self-insured healthcare plan products. In addition to the two different self-insured healthcare plan options offered to the employees of the University System of Georgia, a fully insured HSA/High Deductible PPO healthcare plan and two fully insured HMO healthcare plan options are also offered to System employees.

The Department of Administrative Services (DOAS) has the responsibility for the State of Georgia of making and carrying out decisions that will minimize the adverse effects of accidental losses that involve State government assets. The State believes it is more economical to manage its risks internally and set aside assets for claim settlement. Accordingly, DOAS processes claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, unemployment compensation, and law enforcement officers' indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks. University of West Georgia, as an organizational unit of the Board of Regents of the University System of Georgia, is part of the State of Georgia reporting entity, and as such, is covered by the State of Georgia risk management program administered by DOAS. Premiums for the risk management program are charged to the various state organizations by DOAS to provide claims servicing and claims payment.

A self-insured program of professional liability for its employees was established by the Board of Regents of the University System of Georgia under powers authorized by the Official Code of Georgia Annotated Section 45-9-1. The program insures the employees to the extent that they are not immune from liability against personal liability for damages arising out of the

performance of their duties or in any way connected therewith. The program is administered by DOAS as a Self-Insurance Fund.

***Note 13. Contingencies***

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. This could result in refunds to the grantor agency for any expenditures that are disallowed under grant terms. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although University of West Georgia expects such amounts, if any, to be immaterial to its overall financial position.

Litigation, claims and assessments filed against University of West Georgia (an organizational unit of the Board of Regents of the University System of Georgia), if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009.

***Note 14. Post-Employment Benefits Other Than Pension Benefits***

Pursuant to the general powers conferred by the Official Code of Georgia Annotated Section 20-3-31, the Board of Regents of the University System of Georgia has established group health and life insurance programs for regular employees of the University System of Georgia. It is the policy of the Board of Regents to permit employees of the University System of Georgia eligible for retirement or that become permanently and totally disabled to continue as members of the group health and life insurance programs. The policies of the Board of Regents of the University System of Georgia define and delineate who is eligible for these post-employment health and life insurance benefits. Organizational units of the Board of Regents of the University System of Georgia pay the employer portion for group insurance for affected individuals. With regard to life insurance, the employer covers the total cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the employee.

The Board of Regents Retiree Health Benefit Plan is a single employer defined benefit plan. Financial statements and required supplementary information for the Plan are included in the publicly available Consolidated Annual Financial Report of the University System of Georgia. The College pays the employer portion of health insurance for its eligible retirees based on rates that are established annually by the Board of Regents for the upcoming plan year. For the 2008 and 2009 plan years, the employer rate was between 70-75% of the total health insurance cost for eligible retirees and the retiree rate was between 25-30%.

As of June 30, 2009, there were 407 employees who had retired or were disabled that were receiving these post-employment health and life insurance benefits. For the year ended June 30, 2009, University of West Georgia recognized as incurred \$1,581,998 of expenditures, which was net of \$659,368 of participant contributions.

**Note 15. Natural Classifications with Functional Classifications**

The University's operating expenses by functional classification for FY2009 are shown below:

Natural Classification	Functional Classification FY2009					
	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support
Faculty	\$27,224,540	\$159,228	\$0	\$223,069	\$49,840	\$0
Staff	5,011,857	259,186	127,180	7,363,063	4,311,969	5,805,007
Benefits	7,751,106	67,994	32,131	1,901,301	969,279	3,448,087
Personal Services					14,332	317,104
Travel	407,569	43,474	5,796	168,583	67,963	68,643
Scholarships and Fellowships	80,467	27,200			8,355	
Utilities	125,829	514	135	55,781	25,904	37,032
Supplies and Other Services	3,392,554	218,118	43,267	3,988,016	1,798,813	1,810,473
Depreciation	1,642,330	117,338		1,325,821	1,123,092	211,391
<b>Total Expenses</b>	<b>\$45,636,252</b>	<b>\$893,052</b>	<b>\$208,509</b>	<b>\$15,025,634</b>	<b>\$8,369,547</b>	<b>\$11,697,737</b>

Natural Classification	Functional Classification FY2009			
	Plant Operations & Maintenance	Scholarships & Fellowships	Auxiliary Enterprises	Total Expenses
Faculty	\$0	\$0	\$15,000	\$27,671,677
Staff	4,525,762		3,888,077	31,292,101
Benefits	1,482,847		1,000,334	16,653,079
Personal Services	(2,283,271)		2,285,259	333,424
Travel	10,621		81,339	853,988
Scholarships and Fellowships		5,422,428	1,103,054	6,641,504
Utilities	3,529,875		(89,832)	3,685,238
Supplies and Other Services	1,450,784		13,302,379	26,004,404
Depreciation	780,105		3,328,645	8,528,722
<b>Total Expenses</b>	<b>\$9,496,723</b>	<b>\$5,422,428</b>	<b>\$24,914,255</b>	<b>\$121,664,137</b>



## ***Note 16. Component Units***

### **University of West Georgia Foundation, Inc.**

University of West Georgia Foundation, Inc. (Foundation) is a legally separate, tax-exempt component unit of University of West Georgia (University). The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The Foundation board consists of forty-three members and is made up of alumni and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements. The Foundation's fiscal year is January 1, 2008 through December 31, 2008. Amounts reported due to or due from the University do not agree because of the different fiscal year ends.

Investments carried as Net Investment in Capital Leases and valued at \$31.4 million and the associated bond debt of \$57.9 million are included in the financial statements of the Foundation. The corresponding buildings and associated capital leases are included in the University's report. Note 10 of this financial report provides information on related party leases.

During the year ended December 31, 2008, the Foundation distributed \$1,930,461 to the University for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Office of Development and Alumni Services at 1901 Maple Street Carrollton Georgia 30118.

### ***Investments for Component Units:***

University of West Georgia Foundation, Inc. holds endowment investments in the amount of \$32.8 million. The corpus of the endowment is nonexpendable, but the earnings on the investment may be expended as restricted by the donors. University of West Georgia Foundation, Inc. in conjunction with the donors, has established a spending plan whereby up to 5% of the adjusted corpus balance at year end may be used for academic scholarships. The remaining amount is retained in each endowment accounts.

The University of West Georgia Foundation, Inc. investments was comprised of the following amounts at December 31, 2008:

	<u>Cost</u>	<u>Fair Value</u>
Cash held by investment organization	\$20,155,670	\$20,155,670
Certificates of Deposit	547,469	547,469
Government and Agency Securities	3,203,142	3,302,336
Corporate Bonds	1,357,054	1,380,691
Equity Securities	9,267,174	7,274,976
Mutual Funds	<u>277,245</u>	<u>148,803</u>
 Total Investments	 <u><u>\$34,807,754</u></u>	 <u><u>\$32,809,945</u></u>

***Capital Assets for Component Units:***

The University of West Georgia Foundation, Inc. holds the following Capital Assets as of December 31, 2008:

	<u>Dec. 31, 2008</u>
Capital Assets not being Depreciated:	
Land and other Assets	\$814,625
Construction in Progress	<u>6,351,184</u>
 Capital Assets, Net	 <u><u>\$7,165,809</u></u>

***Long-term Liabilities for Component Units:***

Long-term liability activity for the Foundation for the year ended December 31, 2008 was as follows:

	<u>Beginning Balance January 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance December 31, 2008</u>	<u>Amounts due within One Year</u>
Liabilities under split interest agreement	\$64,419	\$0	\$42,947	\$21,472	\$0
Notes and Loans Payable	6,483,583	213,768	6,483,583	213,768	213,768
Revenue/Mortgage Bonds Payable	<u>32,349,438</u>	<u>26,440,000</u>	<u>884,743</u>	<u>57,904,695</u>	<u>910,000</u>
 Total Long Term Liabilities	 <u><u>\$38,897,440</u></u>	 <u><u>\$26,653,768</u></u>	 <u><u>\$7,411,273</u></u>	 <u><u>\$58,139,935</u></u>	 <u><u>\$1,123,768</u></u>

**Notes and Loans Payable:**

During 2008, the Foundation obtained a loan collateralized by real estate. The principal amount of the loan is \$213,768.

Annual debt service requirements to maturity for Notes and Loans payable are as follows:

		Notes and Loans Payable		
		Principal	Interest	Total
Year ending December 31:				
2009	1	\$213,768	\$4,675	\$218,443
		<u>\$213,768</u>	<u>\$4,675</u>	<u>\$218,443</u>

**Revenue Bonds Payable:**

Student Housing Bonds are issued by the University of West Georgia Foundation, Inc. to finance student housing on university property. The bonds, serial and term, are secured by pledges of gross receipts from student housing at University of West Georgia.

Series 2004A bonds were issued on October 1, 2004 in the amount of \$19,175,000 to fund the Construction of Phase II. The bonds bear interest rates ranging from 3.0% to 5.0%. The balance of the obligation as of 12/31/2008 is \$18,415,000.

Series 2005 bonds were issued on March 1, 2005 in the amount of \$13,860,000 as a result of refunding the Series 2003 bonds. These bonds funded the construction of Phase I, University Suites. The bonds bear interest rates ranging from 3.375 to 5.0%. The balance of the obligation as of 12/31/2008 is \$12,745,000.

Revenue bonds, in the amount of \$26,440,000, have been issued to finance student housing for the University's fraternities and sororities and two parking lots located adjacent to the campus of University of West Georgia. The bonds are secured by a lien on all real and personal properties, gross rents, and monies and securities held in any and all funds created under the indenture. These Series 2008 bonds were issued on August 27, 2008 and bear interest at rates ranging from 3% to 5.25%.

Annual debt service requirements to maturity for revenue bonds payable are as follows:

Year ending December 31:		Bonds Payable		Total
		Principal	Interest	
2009	1	\$910,000	\$2,502,135	\$3,412,135
2010	2	1,645,000	2,677,387	4,322,387
2011	3	1,050,000	2,623,788	3,673,788
2012	4	1,100,000	2,582,412	3,682,412
2013	5	1,170,000	2,537,600	3,707,600
2014 through 2018	6-10	7,075,000	11,945,656	19,020,656
2019 through 2023	11-15	9,735,000	10,207,532	19,942,532
2024 through 2028	16-20	13,445,000	7,569,065	21,014,065
2029 through 2033	21-25	8,275,000	4,574,257	12,849,257
2034 through 2038	26-30	8,890,000	2,592,451	11,482,451
2039 through 2043	31-35	4,305,000	226,013	4,531,013
		57,600,000	50,038,296	107,638,296
Bond Premium/(Discount)		304,695		304,695
		<u>\$57,904,695</u>	<u>\$50,038,296</u>	<u>\$107,942,991</u>

### **UWG Real Estate Foundation, Inc.**

UWG Real Estate Foundation, Inc. (Foundation) is a legally separate, tax-exempt component unit of University of West Georgia (University). The Foundation constructs research and auxiliary buildings and facilities for use by the University and then leases the completed buildings to the institution. The seven-member board of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the real estate activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements. The Foundation's fiscal year is July 1 through June 30.

Investments carried as Net Investment in Capital Leases and valued at \$29.8 million and the associated long-term bond debt of \$54.5 million are included in the financial statements of the Foundation. The corresponding buildings and associated capital leases are included in the University's report. Note 10 of this financial report provides information on related party leases. Complete financial statements for the Foundation can be obtained from the Treasurer, Office of Business and Finance 1601 Maple Street, Carrollton, Georgia 30118.

***Investments for Component Units:***

UWG Real Estate Foundation holds investments in the amount of \$1 million. Investments consist of marketable securities as follows:

	<u>Cost</u>	<u>Fair Value</u>
Equity Securities	<u>\$1,300,102</u>	<u>\$1,000,180</u>
Total Investments	<u><u>\$1,300,102</u></u>	<u><u>\$1,000,180</u></u>

***Capital Assets for Component Units:***

The UWG Real Estate Foundation, Inc. holds \$15,849,188 in Construction in Progress as of June 30, 2009.

***Long-term Liabilities for Component Units:***

Resident Instruction Bonds are issued by the UWG Real Estate Foundation, Inc. to finance Student Center facilities at University of West Georgia. The bonds mature serially and are serviced by a pledge of a portion of student fee and appropriations formerly used for square footage support.

Series 2004 bonds were issued on December 20, 2004 in the amount of \$30,720,000 to fund the construction of Campus Center. The bonds bear interest rates ranging from 3.0% to 5.25%. The balance of the obligation as of 06/30/2009 is \$29,970,000.

Series 2008 bonds were issued on December 5, 2008 in the amount of \$25,465,000 to fund the construction of Athletic Complex. The bonds bear interest rates ranging from 4.5% to 6.0%. The balance of the obligation as of 06/30/2009 is \$25,465,000.

Changes in long-term liabilities for UWG Real Estate Foundation, Inc. for the fiscal year ended June 30, 2009 are shown below:

	Beginning Balance July 1, 2008	Additions	Reductions	Ending Balance June 30, 2009	Amounts due within One Year
Revenue/Mortgage Bonds Payable	<u>\$30,555,424</u>	<u>\$24,366,541</u>	<u>\$397,269</u>	<u>\$54,524,696</u>	<u>\$425,000</u>
Total Long Term Liabilities	<u><u>\$30,555,424</u></u>	<u><u>\$24,366,541</u></u>	<u><u>\$397,269</u></u>	<u><u>\$54,524,696</u></u>	<u><u>\$425,000</u></u>

## Debt Service Obligations

Annual debt service requirements to maturity for revenue bonds payable are as follows:

Year ending June 30:		Bonds Payable		Total
		Principal	Interest	
2010	1	\$425,000	\$2,967,070	\$3,392,070
2011	2	465,000	2,949,851	3,414,851
2012	3	505,000	2,932,295	3,437,295
2013	4	545,000	2,913,920	3,458,920
2014	5	585,000	2,893,779	3,478,779
2015 through 2019	6-10	4,280,000	14,048,424	18,328,424
2020 through 2024	11-15	7,635,000	12,740,999	20,375,999
2025 through 2029	16-20	12,515,000	10,089,795	22,604,795
2030 through 2034	21-25	16,450,000	6,165,164	22,615,164
2035 through 2039	26-30	12,030,000	2,033,151	14,063,151
		<u>55,435,000</u>	<u>59,734,447</u>	115,169,447
Bond Premium/(Discount)		(910,304)		(910,304)
		<u>\$54,524,696</u>	<u>\$59,734,447</u>	<u>\$114,259,143</u>