

**UWG REAL ESTATE FOUNDATION, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2019 AND 2018**

**UWG REAL ESTATE FOUNDATION, INC.**  
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**JUNE 30, 2019 AND 2018**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
UWG Real Estate Foundation, Inc.

We have audited the accompanying consolidated financial statements of UWG Real Estate Foundation, Inc. (Foundation), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation, as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of financial position and schedules of activities on pages 22–31 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia  
September 23, 2019

**UWG REAL ESTATE FOUNDATION, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

<b>ASSETS</b>		
	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,116,937	\$ 882,631
Current portion of restricted cash and cash equivalents	5,139,624	4,855,656
Short-term investments	725,430	740,517
Current portion of leases receivable, net	2,887,974	2,659,246
Total current assets	9,869,965	9,138,050
<b>NONCURRENT ASSETS</b>		
Restricted cash and cash equivalents, net of current portion	3,594,696	3,572,705
Long-term investments	214,820	248,305
Leases receivable, net of current portion	111,292,376	114,180,350
Total noncurrent assets	115,101,892	118,001,360
<b>TOTAL ASSETS</b>	<b>\$ 124,971,857</b>	<b>\$ 127,139,410</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 3,500
Accrued interest	1,043,795	1,066,070
Current portion of long-term debt	3,361,721	3,151,721
Total current liabilities	4,405,516	4,221,291
<b>NONCURRENT LIABILITIES</b>		
Long-term debt, net of current portion	114,810,979	118,172,701
Total noncurrent liabilities	114,810,979	118,172,701
<b>TOTAL LIABILITIES</b>	119,216,495	122,393,992
<b>NET ASSETS</b>		
Without donor restrictions	5,755,362	4,745,418
<b>TOTAL NET ASSETS</b>	5,755,362	4,745,418
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 124,971,857</b>	<b>\$ 127,139,410</b>

See notes to the consolidated financial statements.

**UWG REAL ESTATE FOUNDATION, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019  
(WITH COMPARATIVE TOTALS FOR JUNE 30 2018)**

	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUES AND GAINS</b>				
Interest income	\$ 5,735,131	\$ -	\$ 5,735,131	\$ 5,856,089
Other income	462,526	-	462,526	439,773
Investment income	181,571	-	181,571	87,051
Realized and unrealized gains on investments	25,589	-	25,589	55,712
<b>TOTAL REVENUES AND GAINS</b>	<b>6,404,817</b>	<b>-</b>	<b>6,404,817</b>	<b>6,438,625</b>
<b>EXPENSES</b>				
Program services:				
Campus Center project	1,206,498	-	1,206,498	979,815
Athletic Complex project	1,281,656	-	1,281,656	1,315,080
Roberts Field project	1,103,502	-	1,103,502	1,110,596
Phase II project	1,799,588	-	1,799,588	1,809,817
Supporting services:				
Management and general	3,629	-	3,629	48
<b>TOTAL EXPENSES</b>	<b>5,394,873</b>	<b>-</b>	<b>5,394,873</b>	<b>5,215,356</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,009,944</b>	<b>-</b>	<b>1,009,944</b>	<b>1,223,269</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>4,745,418</b>	<b>-</b>	<b>4,745,418</b>	<b>3,522,149</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 5,755,362</b>	<b>\$ -</b>	<b>\$ 5,755,362</b>	<b>\$ 4,745,418</b>

See notes to the consolidated financial statements.

**UWG REAL ESTATE FOUNDATION, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND GAINS</b>			
Interest income	\$ 5,856,089	\$ -	\$ 5,856,089
Other income	439,773	-	439,773
Investment income	87,051	-	87,051
Realized and unrealized gains on investments	55,712	-	55,712
<b>TOTAL REVENUES AND GAINS</b>	<b>6,438,625</b>	<b>-</b>	<b>6,438,625</b>
<b>EXPENSES</b>			
Program services:			
Campus Center project	979,815	-	979,815
Athletic Complex project	1,315,080	-	1,315,080
Roberts Field project	1,110,596	-	1,110,596
Phase II project	1,809,817	-	1,809,817
Supporting services:			
Management and general	48	-	48
<b>TOTAL EXPENSES</b>	<b>5,215,356</b>	<b>-</b>	<b>5,215,356</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,223,269</b>	<b>-</b>	<b>1,223,269</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>3,522,149</b>	<b>-</b>	<b>3,522,149</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 4,745,418</b>	<b>\$ -</b>	<b>\$ 4,745,418</b>

See notes to the consolidated financial statements.

**UWG REAL ESTATE FOUNDATION, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,009,944	\$ 1,223,269
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization of bond costs	122,634	122,634
Amortization of bond premium	(259,355)	(259,355)
Realized and unrealized gains on investments	(25,589)	(55,712)
Changes in operating assets and liabilities:		
Accrued interest	(22,275)	(20,679)
Accounts payable	(3,500)	(87,730)
Net cash provided by operating activities	821,859	922,427
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	555,460	610,898
Purchases of investments	(481,300)	(633,015)
Capital lease principal received from the University	2,659,246	2,419,019
Net cash provided by investing activities	2,733,406	2,396,902
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on bonds	(3,015,000)	(2,810,000)
<b>INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>		
	540,265	509,329
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT:</b>		
<b>BEGINNING OF YEAR</b>	9,310,992	8,801,663
<b>END OF YEAR</b>	\$ 9,851,257	\$ 9,310,992
<b>CASH AND CASH EQUIVALENTS</b>	\$ 1,116,937	\$ 882,631
<b>RESTRICTED CASH AND CASH EQUIVALENTS</b>	8,734,320	8,428,361
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR</b>	\$ 9,851,257	\$ 9,310,992
<b>SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest paid	\$ 5,117,660	\$ 5,211,409

See notes to the consolidated financial statements.

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

UWG Real Estate Foundation, Inc. (Foundation) is a legally separate, tax-exempt component unit of the 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 University. The nine-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 real estate activities of the University. 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 University provides certain administrative services for the Foundation, the value of which is considered immaterial thus has not been reflected in these financial statements.

The Foundation is the sole member of several Georgia limited liability companies (LLCs), who hold title to all assets and associated conduit debt of various construction projects.

Campus Center, LLC (Campus Center) was created to finance or reimburse the cost of the renovation of the existing health and education building and the construction and equipping of a new Campus Center located on the campus of the University.

Athletic Complex, LLC (Athletic Complex) was created to finance or reimburse the cost of the construction and equipping of the new Athletic Complex located on a 37-acre tract that is part of 244 acres of land adjacent to the University campus that was donated to the Board of Regents by the City of Carrollton, Georgia.

Roberts Field, LLC (Roberts Field) was created to finance or reimburse the cost of the construction, improvement, and equipping of real and personal property to be used as a student housing facility containing approximately 610 beds and related amenities, which includes a convenience store, student assembly space, and may include parking and other student housing amenities located on a 4.45 acre tract of land.

Phase II, LLC (Phase II) was created to finance or reimburse the cost of the construction and equipping of approximately 473 beds of student housing and related amenities, the renovation of Bowdon Hall consisting of approximately 285 beds of student housing and the construction, and equipping of a dining facility with seating for approximately 320 persons including housing and resident life offices and related amenities containing approximately 30,896 square feet located on the campus.

**Principles of Consolidation**

The consolidated financial statements include the accounts of the Foundation and its wholly-owned LLCs. Intercompany balances and transactions have been eliminated in consolidation.

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Basis of Accounting and Presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

**Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations.

**With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. Additionally, net assets subject to donor-imposed stipulations that require the assets to be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Cash and Cash Equivalents**

The Foundation considers all liquid demand deposits with banks or financial institutions to be cash and cash equivalents.

**Restricted Cash and Cash Equivalents**

The Foundation maintains certain depository accounts as required by their bond indentures which are restricted as to use.

**Investments**

The Foundation carries investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the statements of activities. Other investments are carried at cost.

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Bond Costs**

Debt issuance costs related to a recognized debt liability is presented in the statements of financial position as a direct deduction from the debt liability rather than as an asset. Amortization is included with interest expense in the statements of activities.

**Use of Estimates in the Preparation of Financial Statements**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Recently Issued Accounting Pronouncements Adopted**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which made several improvements to current financial reporting for not-for-profits. The guidance was effective for the Foundation's annual financial statements for the year ended June 30, 2019. In the year ended June 30, 2019, the Foundation adopted ASU 2016-14. The most significant provisions of this standard require two classes of net assets, rather than the previously required three classes and reporting investment returns net of all related external and direct internal expenses. The changes in the ASU have been applied on a retrospective basis, which means that all financial statements presented reflect the changes. The effect of the ASU was a reclassification of unrestricted net assets into net assets without donor restrictions.

**Fair Value Measurement**

The Foundation follows the FASB guidance related to fair value measurements and disclosures using the provisions of FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurement*. This guidance provides a framework for measuring fair value and a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

- Level 2 – Inputs are inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities. These inputs include: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly; (c) inputs other than quoted prices that are observable for the asset or liability; or (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
  
- Level 3 – inputs are unobservable inputs for the assets or liabilities and significant to the fair value measurement.

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

**Income Taxes**

The Foundation is recognized by the Internal Revenue Service (IRS) as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). Certain types of income may be subject to tax from unrelated business income as defined by the IRC. However, no unrelated business income tax liability existed as of June 30, 2019 and 2018.

The Foundation follows the accounting guidance for uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. As of June 30, 2019 and 2018, the Foundation has no uncertain tax positions that qualify for recognition or disclosure in the financial statements and no interest and penalties related to income taxes.

**Subsequent Events**

Management has evaluated subsequent events through September 23, 2019, which is the date the consolidated financial statements were issued.

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**2. CASH AND CASH EQUIVALENTS, AND INVESTMENTS**

The Foundation's cash and cash equivalents, and investments as of June 30, 2019 and 2018 are held as follows:

	<u>2019</u>	<u>2018</u>
The Bank of New York Trust Company, N.A.	\$ 8,734,320	\$ 8,428,362
Synovus Financial	1,116,937	882,630
J.P. Morgan Securities	<u>940,250</u>	<u>988,822</u>
Total	10,791,507	10,299,814
Less: investments	940,250	988,822
Less: restricted cash and cash equivalents	<u>8,734,320</u>	<u>8,428,361</u>
Total unrestricted cash	<u>\$ 1,116,937</u>	<u>\$ 882,631</u>

The accounts at The Bank of New York Trust Company, N.A. (Trustee) are restricted under the bond indentures for various purposes and are shown as restricted cash and cash equivalents on the statements of financial position. The noncurrent portion of restricted cash and cash equivalents is made up of debt service reserve accounts on each of the bonds, which represent funds held by the Trustee to cover principal and interest payments in the event that there are insufficient deposits to cover such payments. The Foundation has not experienced any such shortfall in deposits as of June 30, 2019.

**3. CAPITAL LEASES**

**Ground Leases**

The Foundation ground leases, for a nominal annual amount, from the Board of Regents of the University System of Georgia (Board), the land on which the Campus Center, Athletic Complex, Roberts Field, Athletic Office Building, and Phase II, are located. These ground leases have an original term of 27 to 30 years through 2035, 2039, 2041, 2039, and 2042, respectively. Upon termination of the leases, the ownership of the land and improvements to the properties will revert back to the Board.

**Facility Leases**

The Foundation constructs research and auxiliary buildings and facilities for use by the University and then leases the completed buildings to the University. The Foundation has recorded leases receivable for the leases under rental agreements with the Board. Each rental agreement expires June 30 of each year, but is renewable on a year-by-year basis at the option of the Board until the expiration of the ground leases. The Board's failure to exercise its option to renew the leases through the ground lease expiration dates has been determined to be unlikely and thus, the leases receivable have been recorded.

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**3. CAPITAL LEASES – CONTINUED**

The summary of the dates each of the facilities was placed in service as well as the requirements under the capital leases as of June 30, 2019, are as follows:

	<b>Campus Center</b>	<b>Athletic Complex</b>	<b>Roberts Field</b>	<b>Athletic Office Building</b>	<b>Phase II</b>	<b>Total</b>
In-service date (fiscal year)	2007	2010	2013	2013	2014	
Future lease payments are as follows:						
2020	\$ 2,036,157	\$ 1,678,947	\$ 1,711,245	\$ 241,944	\$ 2,819,757	\$ 8,488,050
2021	2,067,374	1,738,950	1,716,859	241,944	2,819,858	8,584,985
2022	2,092,859	1,796,315	1,720,767	242,494	2,819,858	8,672,293
2023	2,118,779	1,852,429	1,722,543	242,494	2,820,414	8,756,659
2024	2,150,953	1,916,451	1,722,843	242,494	2,820,922	8,853,663
Thereafter	<u>23,292,177</u>	<u>33,553,414</u>	<u>29,965,323</u>	<u>3,637,409</u>	<u>51,012,832</u>	<u>141,461,155</u>
Total payments	33,758,299	42,536,506	38,559,580	4,848,779	65,113,641	184,816,805
Less: amount representing interest	<u>9,807,669</u>	<u>15,925,164</u>	<u>16,571,962</u>	<u>1,618,361</u>	<u>26,713,299</u>	<u>70,636,455</u>
Present value of minimum lease payments	<u>\$ 23,950,630</u>	<u>\$ 26,611,342</u>	<u>\$ 21,987,618</u>	<u>\$ 3,230,418</u>	<u>\$ 38,400,342</u>	<u>\$ 114,180,350</u>

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**4. LONG-TERM DEBT**

Net long-term debt reported on the statement of financial position is comprised of the following as of June 30, 2019:

<b>Project Funded</b>	<b>2011 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2014 Bond Issue</b>	<b>2014 Bond Issue</b>	<b>Total</b>
	<b>Roberts Field</b>	<b>Athletic Office Building</b>	<b>Campus Center – Refinance</b>	<b>Phase II</b>	<b>Athletic Complex – Refinance</b>	<b>Campus Center – Refinance</b>	
Revenue Anticipation Certificates payable	\$ 23,710,000	\$ 3,175,000	\$ 16,825,000	\$ 38,915,000	\$ 26,415,000	\$ 6,885,000	\$ 115,925,000
Net premium (discount) on certificates payable	(304,784)	(50,186)	837,057	1,407,123	2,207,409	551,971	4,648,590
Net debt issuance costs on certificates payable	(601,309)	(82,624)	(302,119)	(859,800)	(430,307)	(124,731)	(2,400,890)
Net long-term debt	<u>\$ 22,803,907</u>	<u>\$ 3,042,190</u>	<u>\$ 17,359,938</u>	<u>\$ 39,462,323</u>	<u>\$ 28,192,102</u>	<u>\$ 7,312,240</u>	<u>\$ 118,172,700</u>

The Foundation's long-term debt consists of several Revenue Anticipation Certificates issued through the Carrollton Payroll Development Authority (Authority). The Authority issues bonds and executes a "transfer and assignment," which effectively transfers any right or obligation associated with the issuance from the Authority to the Trustee. The proceeds of the sale of the certificates are loaned to the respective LLC, whose sole member is the Foundation, to finance or reimburse the cost of the construction, renovation or equipping of facilities located on the campus of the University. In addition, proceeds will also be used to fund capitalized interest on the certificates, fund a debt service reserve fund for the certificates, and pay costs of issuance.

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**4. LONG-TERM DEBT – CONTINUED**

Details of the Foundation's long-term debt are as follows as of June 30, 2019:

<b>Project Funded</b>	<b>2011 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2014 Bond Issue</b>	<b>2014 Bond Issue</b>	<b>Total</b>
	<b>Roberts Field</b>	<b>Athletic Office Building</b>	<b>Campus Center – Refinance</b>	<b>Phase II</b>	<b>Athletic Complex – Refinance</b>	<b>Campus Center – Refinance</b>	
Issue date	10/25/2011	04/12/2012	08/02/2012	07/17/2012	12/18/2014	12/18/2014	
Payment dates	7/1 and 1/1	12/15 and 6/15	8/1 and 2/1	6/15 and 12/15	12/15 and 6/15	8/1 and 2/1	
Interest rates	2.0 – 5.0%	2.0 – 4.25%	2.0 – 5.0%	2.0 – 5.0%	2.0 – 5.0%	2.0 – 5.0%	
Total issue	\$ 26,410,000	\$ 3,780,000	\$ 18,925,000	\$ 43,690,000	\$ 27,660,000	\$ 8,175,000	\$ 128,640,000
Principal paid to date	2,700,000	605,000	2,100,000	4,775,000	1,245,000	1,290,000	12,715,000
Outstanding, end of year	<u>\$ 23,710,000</u>	<u>\$ 3,175,000</u>	<u>\$ 16,825,000</u>	<u>\$ 38,915,000</u>	<u>\$ 26,415,000</u>	<u>\$ 6,885,000</u>	<u>\$ 115,925,000</u>
Future principal requirements are as follows:							
2020	\$ 635,000	\$ 110,000	\$ 990,000	\$ 1,035,000	\$ 455,000	\$ -	\$ 3,225,000
2021	670,000	115,000	1,070,000	1,065,000	540,000	-	3,460,000
2022	695,000	120,000	1,140,000	1,105,000	615,000	-	3,675,000
2023	720,000	120,000	1,210,000	1,160,000	690,000	-	3,900,000
2024	745,000	125,000	1,295,000	1,195,000	790,000	-	4,150,000
Thereafter	20,245,000	2,585,000	11,120,000	33,355,000	23,325,000	6,885,000	97,515,000
Total	<u>\$ 23,710,000</u>	<u>\$ 3,175,000</u>	<u>\$ 16,825,000</u>	<u>\$ 38,915,000</u>	<u>\$ 26,415,000</u>	<u>\$ 6,885,000</u>	<u>\$ 115,925,000</u>

**UWG REAL ESTATE FOUNDATION, INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**4. LONG-TERM DEBT – CONTINUED**

<b>Project Funded</b>	<b>2011 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2014 Bond Issue</b>	<b>2014 Bond Issue</b>	<b>Total</b>
	<b>Roberts Field</b>	<b>Athletic Office Building</b>	<b>Campus Center – Refinance</b>	<b>Phase II</b>	<b>Athletic Complex – Refinance</b>	<b>Campus Center – Refinance</b>	
Future interest requirements are as follows:							
2020	\$ 1,010,298	\$ 124,488	\$ 646,563	\$ 1,733,744	\$ 1,189,075	\$ 316,706	\$ 5,020,874
2021	991,248	121,188	600,413	1,707,869	1,166,325	316,706	4,903,749
2022	969,473	117,738	564,763	1,665,269	1,150,125	316,706	4,784,074
2023	945,843	113,838	520,263	1,610,019	1,125,525	316,706	4,632,194
2024	919,223	109,938	457,638	1,575,219	1,091,025	316,706	4,469,749
Thereafter	9,689,752	943,795	1,520,276	16,536,044	9,481,100	2,895,048	41,066,015
<b>Total</b>	<b>\$ 14,525,837</b>	<b>\$ 1,530,985</b>	<b>\$ 4,309,916</b>	<b>\$ 24,828,164</b>	<b>\$ 15,203,175</b>	<b>\$ 4,478,578</b>	<b>\$ 64,876,655</b>
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>				
Total debt service requirements are as follows:							
2020	\$ 3,225,000	\$ 5,020,874	\$ 8,245,874				
2021	3,460,000	4,903,749	8,363,749				
2022	3,675,000	4,784,074	8,459,074				
2023	3,900,000	4,632,194	8,532,194				
2024	4,150,000	4,469,749	8,619,749				
Thereafter	97,515,000	41,066,015	138,581,015				
<b>Total</b>	<b>\$ 115,925,000</b>	<b>\$ 64,876,655</b>	<b>\$ 180,801,655</b>				

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**4. LONG-TERM DEBT – CONTINUED**

Each of the bond series were issued at a premium or discount. These amounts are to be amortized over the life of the respective certificates. The premium is used to offset interest expense and the discount is amortized to interest expense. Details as of June 30, 2019, related to each bond series are as follows:

<b>Project Funded</b>	<b>2011 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2014 Bond Issue</b>	<b>2014 Bond Issue</b>	<b>Total</b>
	<b>Roberts Field</b>	<b>Athletic Office Building</b>	<b>Campus Center – Refinance</b>	<b>Phase II</b>	<b>Athletic Complex – Refinance</b>	<b>Campus Center – Refinance</b>	
Life of certificates	30 years	27 years	19 years	30 years	25 years	20 years	
Total premium (discount)	\$ (425,648)	\$ (68,321)	\$ 1,313,375	\$ 1,830,280	\$ 2,704,079	\$ 714,785	\$ 6,068,550
Accumulated amortization, end of year	120,864	18,135	(476,318)	(423,157)	(496,670)	(162,814)	(1,419,960)
Future amortization of the (premium) discount is as follows:							
2020	\$ 15,765	\$ 2,530	\$ (69,755)	\$ (61,179)	\$ (110,371)	\$ (36,345)	\$ (259,355)
2021	15,765	2,530	(69,755)	(61,179)	(110,371)	(36,345)	(259,355)
2022	15,765	2,530	(69,755)	(61,179)	(110,371)	(36,345)	(259,355)
2023	15,765	2,530	(69,755)	(61,179)	(110,371)	(36,345)	(259,355)
2024	15,765	2,530	(69,755)	(61,179)	(110,371)	(36,345)	(259,355)
Thereafter	225,959	37,536	(488,282)	(1,101,228)	(1,655,554)	(370,246)	(3,351,815)
<b>Total</b>	<b>\$ 304,784</b>	<b>\$ 50,186</b>	<b>\$ (837,057)</b>	<b>\$ (1,407,123)</b>	<b>\$ (2,207,409)</b>	<b>\$ (551,971)</b>	<b>\$ (4,648,590)</b>

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**4. LONG-TERM DEBT – CONTINUED**

Bond issuance costs consisted of the following as of June 30, 2019:

<b>Project Funded</b>	<b>2011 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2012 Bond Issue</b>	<b>2014 Bond Issue</b>	<b>2014 Bond Issue</b>	<b>Total</b>
	<b>Roberts Field</b>	<b>Athletic Office Building</b>	<b>Campus Center – Refinance</b>	<b>Phase II</b>	<b>Athletic Complex – Refinance</b>	<b>Campus Center – Refinance</b>	
Life of certificates	30 years	27 years	19 years	30 years	25 years	20 years	
Total cost of issuance	\$ 807,728	\$ 112,480	\$ 460,129	\$ 1,118,364	\$ 527,128	\$ 161,525	\$ 3,187,354
Accumulated amortization, end of year	206,419	29,856	158,010	258,564	96,821	36,794	786,464
Future amortization of bond costs is as follows:							
2020	\$ 26,924	\$ 4,166	\$ 24,432	\$ 37,383	\$ 21,516	\$ 8,213	\$ 122,634
2021	26,924	4,166	24,432	37,383	21,516	8,213	122,634
2022	26,924	4,166	24,432	37,383	21,516	8,213	122,634
2023	26,924	4,166	24,432	37,383	21,516	8,213	122,634
2024	26,924	4,166	24,432	37,383	21,516	8,213	122,634
Thereafter	466,689	61,794	179,959	672,885	322,727	83,666	1,787,720
<b>Total</b>	<b>\$ 601,309</b>	<b>\$ 82,624</b>	<b>\$ 302,119</b>	<b>\$ 859,800</b>	<b>\$ 430,307</b>	<b>\$ 124,731</b>	<b>\$ 2,400,890</b>

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**5. FAIR VALUE MEASUREMENT**

The Foundation's assets and liabilities measured at fair value are based on one or more of three valuation techniques, which include the following:

**Market approach** – prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

**Cost approach** – amount that would be required to replace the service capacity of an asset (that is, replacement cost).

**Income approach** – techniques to convert future amounts to a single, present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

Investments in Level 1 are valued primarily at the closing price reported on the active market on which the individual securities are traded. Investments in Level 2 consist of corporate bonds that are not publicly traded in active markets and are valued using an income approach.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used as of June 30, 2019 and 2018.

The following table presents the financial assets subject to fair value measurement by valuation hierarchy level as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>ASSETS</b>				
Investments:				
Money market accounts	\$ 23,123	\$ -	\$ -	\$ 23,123
Government and agency securities	73,405	-	-	73,405
Corporate bonds	-	173,689	-	173,689
Equity securities	670,033	-	-	670,033
Total investments	<u>\$ 766,561</u>	<u>\$ 173,689</u>	<u>\$ -</u>	<u>\$ 940,250</u>

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**5. FAIR VALUE MEASUREMENT – CONTINUED**

The following table presents the financial assets subject to fair value measurement by valuation hierarchy level as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>ASSETS</b>				
Investments:				
Money market accounts	\$ 21,045	\$ -	\$ -	\$ 21,045
Government and agency securities	61,225	-	-	61,225
Corporate bonds	-	191,314	-	191,314
Equity securities	715,238	-	-	715,238
Total investments	<u>\$ 797,508</u>	<u>\$ 191,314</u>	<u>\$ -</u>	<u>\$ 988,822</u>

**6. FUNCTIONAL EXPENSES**

Project costs have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the projects benefited. Expenses allocated include accounting fees and insurance expense. These costs are allocated evenly amount programs benefited. All other expenses are charged directly to the projects for which the expense was incurred.

The following table represents the functional allocation of expenses for the year ended June 30, 2019:

	<u>Campus Center Project</u>	<u>Athletic Complex Project</u>	<u>Roberts Field Project</u>	<u>Phase II Projec</u>	<u>Management and General</u>	<u>Total</u>
Accounting fees	\$ 8,905	\$ 8,905	\$ 8,905	\$ 8,905	\$ 3,599	\$ 39,219
Attorney fees	-	44	-	-	-	44
Bank fees	270	54	36	54	-	414
Board of Regent's fee	6,144	5,849	5,282	8,738	-	26,013
Bond administrative fees	2,750	3,000	3,025	2,750	-	11,525
Consulting fees	1,500	2,000	750	750	-	5,000
Gift to University	263,674	-	30,260	44,350	-	338,284
Insurance expense	2,158	2,157	2,158	2,157	-	8,630
Interest expense	917,647	1,256,197	1,052,986	1,731,834	-	4,958,664
License fees	50	50	50	50	30	230
Trustee fee	3,400	3,400	50	-	-	6,850
Total	<u>\$ 1,206,498</u>	<u>\$ 1,281,656</u>	<u>\$ 1,103,502</u>	<u>\$ 1,799,588</u>	<u>\$ 3,629</u>	<u>\$ 5,394,873</u>

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**6. FUNCTIONAL EXPENSES – CONTINUED**

The following table represents the functional allocation of expenses for the year ended June 30, 2018:

	<b>Campus Center Project</b>	<b>Athletic Complex Project</b>	<b>Roberts Field Project</b>	<b>Phase II Projec</b>	<b>Management and General</b>	<b>Total</b>
Accounting fees	\$ 9,543	\$ 9,543	\$ 9,543	\$ 9,543	\$ -	\$ 38,172
Attorney fees	312	-	-	-	-	312
Bank fees	234	54	54	54	-	396
Board of Regent's fee	6,144	5,849	5,282	8,738	-	26,013
Bond administrative fees	2,750	3,000	3,075	2,750	-	11,575
Consulting fees	1,500	2,500	750	750	-	5,500
Gift to University	-	18,900	19,313	24,446	-	62,659
Insurance expense	2,143	2,143	2,143	2,142	-	8,571
Interest expense	953,739	1,268,541	1,070,386	1,761,344	-	5,054,010
License fees	50	50	50	50	30	230
Trustee fee	3,400	4,500	-	-	-	7,900
Other	-	-	-	-	18	18
<b>Total</b>	<b>\$ 979,815</b>	<b>\$ 1,315,080</b>	<b>\$ 1,110,596</b>	<b>\$ 1,809,817</b>	<b>\$ 48</b>	<b>\$ 5,215,356</b>

**7. CONCENTRATIONS**

**Deposit Concentration**

The Foundation maintains depository relationships with financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured institutions. The FDIC insures deposits up to \$250,000. At times, the Foundation's deposits may exceed FDIC insurance limits. As of June 30, 2019, uninsured deposits totaled \$10,018,386. Management has not experienced any losses with these accounts and management believes the Foundation is not exposed to any significant risk on cash.

**Receivable and Revenue Concentration**

As of June 30, 2019 and 2018, all leases receivable and related revenue was from the Board.

**UWG REAL ESTATE FOUNDATION, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**8. LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects the Foundation's financial assets as of June 30, 2019 and 2018, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or restricted by bond indentures.

	<u>2019</u>	<u>2018</u>
Financial Assets:		
Cash and cash equivalents	\$ 9,851,257	\$ 9,310,992
Investments	940,250	988,822
Leases receivable (not net of unearned interest)	<u>184,816,805</u>	<u>193,208,165</u>
Financial assets, at year end	195,608,312	203,507,979
Less those unavailable for general expenditure within one year, due to:		
Restricted cash required by bond indentures	(8,734,320)	(8,428,361)
Investments not convertible to cash within the next 12 months	(214,820)	(248,305)
Leases receivable not due within the next 12 months	<u>(176,328,755)</u>	<u>(184,816,805)</u>
	<u>(185,277,895)</u>	<u>(193,493,471)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,330,417</u>	<u>\$ 10,014,508</u>

The Foundation's restricted items consist of certain depository accounts as required by their bond indentures which are restricted as to use, investments that cannot be converted to cash in the next 12 months and lease receivables that are not due within the next 12 months from the University for the use of facilities.

## **SUPPLEMENTARY INFORMATION**

**UWG REAL ESTATE FOUNDATION, INC.  
 CAMPUS CENTER, LLC  
 SCHEDULE OF FINANCIAL POSITION  
 JUNE 30, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 239,278
Current portion of restricted cash and cash equivalents	1,958,658
Current portion of leases receivable, net	<u>985,740</u>
Total current assets	3,183,676

**NONCURRENT ASSETS**

Restricted cash and cash equivalents, net of current portion	1,092,441
Bond costs, net	
Leases receivable, net of current portion	<u>22,964,890</u>
Total noncurrent assets	<u>24,057,331</u>

<b>TOTAL ASSETS</b>	<b><u><u>\$ 27,241,007</u></u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accrued interest	\$ 411,674
Current portion of long-term debt	<u>1,063,455</u>
Total current liabilities	1,475,129

**NONCURRENT LIABILITIES**

Long-term debt, net of current portion	<u>23,608,723</u>
Total noncurrent liabilities	<u>23,608,723</u>

<b>TOTAL LIABILITIES</b>	<b>25,083,852</b>
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**NET ASSETS**

Without donor restrictions	2,157,155
With donor restrictions	<u>-</u>

<b>TOTAL NET ASSETS</b>	<b><u>2,157,155</u></b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 27,241,007</u></u></b>
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See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.  
 CAMPUS CENTER, LLC  
 SCHEDULE OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES</b>			
Interest income	\$ 1,090,164	\$ -	\$ 1,090,164
Investment income	54,807	-	54,807
Other income	83,118	-	83,118
<b>TOTAL REVENUES</b>	<b>1,228,089</b>	<b>-</b>	<b>1,228,089</b>
<b>EXPENSES</b>			
Accounting fees	8,905	-	8,905
Bank fees	270	-	270
Board of Regent's fee	6,144	-	6,144
Bond administrative fees	2,750	-	2,750
Consulting fees	1,500	-	1,500
Gift to University	263,674	-	263,674
Insurance expense	2,158	-	2,158
Interest expense	917,647	-	917,647
License fees	50	-	50
Trustee fee	3,400	-	3,400
<b>TOTAL EXPENSES</b>	<b>1,206,498</b>	<b>-</b>	<b>1,206,498</b>
<b>CHANGE IN NET ASSETS</b>	<b>21,591</b>	<b>-</b>	<b>21,591</b>
Transfer from Real Estate Foundation	100,036	-	100,036
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>2,035,528</b>	<b>-</b>	<b>2,035,528</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,157,155</b>	<b>\$ -</b>	<b>\$ 2,157,155</b>

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.  
ATHLETIC COMPLEX, LLC  
SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2019**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 235,550
Current portion of restricted cash and cash equivalents	358,527
Current portion of leases receivable, net	<u>515,713</u>
Total current assets	1,109,790
<b>NONCURRENT ASSETS</b>	
Restricted cash and cash equivalents, net of current portion	246,851
Leases receivable, net of current portion	<u>29,326,047</u>
Total noncurrent assets	<u>29,572,898</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 30,682,688</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accrued interest	\$ 54,732
Current portion of long-term debt	<u>647,159</u>
Total current liabilities	701,891
<b>NONCURRENT LIABILITIES</b>	
Long-term debt, net of current portion	<u>30,587,133</u>
Total noncurrent liabilities	<u>30,587,133</u>
<b>TOTAL LIABILITIES</b>	31,289,024
<b>NET ASSETS</b>	
Without donor restrictions	(606,336)
With donor restrictions	<u>-</u>
<b>TOTAL NET ASSETS</b>	<u>(606,336)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 30,682,688</u></u>

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.  
ATHLETIC COMPLEX, LLC  
SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES</b>			
Interest income	\$ 1,428,238	\$ -	\$ 1,428,238
Investment income	16,348	-	16,348
Other income	58,774	-	58,774
<b>TOTAL REVENUES</b>	<b>1,503,360</b>	<b>-</b>	<b>1,503,360</b>
<b>EXPENSES</b>			
Accounting fees	8,905	-	8,905
Attorney fees	44	-	44
Bank fees	54	-	54
Board of Regent's fee	5,849	-	5,849
Bond administrative fees	3,000	-	3,000
Consulting fees	2,000	-	2,000
Insurance expense	2,157	-	2,157
Interest expense	1,256,197	-	1,256,197
License fees	50	-	50
Trustee fee	3,400	-	3,400
<b>TOTAL EXPENSES</b>	<b>1,281,656</b>	<b>-</b>	<b>1,281,656</b>
<b>CHANGE IN NET ASSETS</b>	<b>221,704</b>	<b>-</b>	<b>221,704</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>(828,040)</b>	<b>-</b>	<b>(828,040)</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ (606,336)</b>	<b>\$ -</b>	<b>\$ (606,336)</b>

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.  
ROBERTS FIELD, LLC  
SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2019**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 224,773
Bond costs, net	
Current portion of restricted cash and cash equivalents	1,937,446
Current portion of leases receivable, net	<u>488,854</u>
Total current assets	2,651,073
<b>NONCURRENT ASSETS</b>	
Restricted cash and cash equivalents, net of current portion	839,932
Bond costs, net	
Leases receivable, net of current portion	<u>21,498,764</u>
Total noncurrent assets	<u>22,338,696</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 24,989,769</u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accrued interest	\$ 505,149
Current portion of long-term debt	<u>592,311</u>
Total current liabilities	1,097,460
<b>NONCURRENT LIABILITIES</b>	
Long-term debt, net of current portion	<u>22,211,596</u>
Total noncurrent liabilities	<u>22,211,596</u>
<b>TOTAL LIABILITIES</b>	<b>23,309,056</b>
<b>NET ASSETS</b>	
Without donor restrictions	1,680,713
With donor restrictions	<u>-</u>
<b>TOTAL NET ASSETS</b>	<b><u>1,680,713</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 24,989,769</u></b>

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.  
ROBERTS FIELD, LLC  
SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES</b>			
Interest income	\$ 1,249,240	\$ -	\$ 1,249,240
Investment income	33,544	-	33,544
Other income	127,465	-	127,465
<b>TOTAL REVENUES</b>	1,410,249	-	1,410,249
<b>EXPENSES</b>			
Accounting fees	8,905	-	8,905
Bank fees	36	-	36
Board of Regent's fee	5,282	-	5,282
Bond administrative fees	3,025	-	3,025
Consulting fees	750	-	750
Gift to University	30,260	-	30,260
Insurance expense	2,158	-	2,158
Interest expense	1,052,986	-	1,052,986
License fees	50	-	50
Trustee fee	50	-	50
<b>TOTAL EXPENSES</b>	1,103,502	-	1,103,502
<b>CHANGE IN NET ASSETS</b>	306,747	-	306,747
<b>NET ASSETS AT BEGINNING OF YEAR</b>	1,373,966	-	1,373,966
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,680,713</u>	<u>\$ -</u>	<u>\$ 1,680,713</u>

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.  
PHASE II, LLC  
SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2019**

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**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 318,098
Current portion of restricted cash and cash equivalents	884,993
Current portion of leases receivable, net	<u>897,667</u>
Total current assets	2,100,758

**NONCURRENT ASSETS**

Restricted cash and cash equivalents, net of current portion	1,415,472
Leases receivable, net of current portion	<u>37,502,675</u>
Total noncurrent assets	<u>38,918,147</u>

<b>TOTAL ASSETS</b>	<b><u>\$ 41,018,905</u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accrued interest	\$ 72,240
Current portion of long-term debt	<u>1,058,796</u>
Total current liabilities	1,131,036

**NONCURRENT LIABILITIES**

Long-term debt, net of current portion	<u>38,403,527</u>
Total noncurrent liabilities	<u>38,403,527</u>

<b>TOTAL LIABILITIES</b>	<b>39,534,563</b>
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**NET ASSETS**

Without donor restrictions	1,484,342
With donor restrictions	<u>-</u>

<b>TOTAL NET ASSETS</b>	<b><u>1,484,342</u></b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 41,018,905</u></b>
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See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.  
 PHASE II, LLC  
 SCHEDULE OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES</b>			
Interest income	\$ 1,967,423	\$ -	\$ 1,967,423
Investment income	51,033	-	51,033
Other income	193,169	-	193,169
<b>TOTAL REVENUES</b>	<b>2,211,625</b>	<b>-</b>	<b>2,211,625</b>
<b>EXPENSES</b>			
Accounting fees	8,905	-	8,905
Bank fees	54	-	54
Board of Regent's fee	8,738	-	8,738
Bond administrative fees	2,750	-	2,750
Consulting fees	750	-	750
Gift to University	44,350	-	44,350
Insurance expense	2,157	-	2,157
Interest expense	1,731,834	-	1,731,834
License fees	50	-	50
<b>TOTAL EXPENSES</b>	<b>1,799,588</b>	<b>-</b>	<b>1,799,588</b>
<b>CHANGE IN NET ASSETS</b>	<b>412,037</b>	<b>-</b>	<b>412,037</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>1,072,305</b>	<b>-</b>	<b>1,072,305</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 1,484,342</b>	<b>\$ -</b>	<b>\$ 1,484,342</b>

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.  
REAL ESTATE FOUNDATION  
SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2019**

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**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 99,238
Short-term investments	<u>725,430</u>
Total current assets	824,668

**NONCURRENT ASSETS**

Long-term investments	<u>214,820</u>
Total noncurrent assets	<u>214,820</u>

**TOTAL ASSETS**

\$ 1,039,488

**LIABILITIES AND NET ASSETS**

**TOTAL LIABILITIES**

\$ -

**NET ASSETS**

Without donor restrictions	1,039,488
With donor restrictions	<u>-</u>

**TOTAL NET ASSETS**

1,039,488

**TOTAL LIABILITIES AND NET ASSETS**

\$ 1,039,488

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.  
REAL ESTATE FOUNDATION  
SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND GAINS</b>			
Interest income	\$ 66	\$ -	\$ 66
Investment income	25,839	-	25,839
Realized and unrealized gains on investments	25,589	-	25,589
<b>TOTAL REVENUES AND GAINS</b>	51,494	-	51,494
<b>EXPENSES</b>			
Accounting fees	3,599	-	3,599
License fees	30	-	30
<b>TOTAL EXPENSES</b>	3,629	-	3,629
<b>CHANGE IN NET ASSETS</b>	47,865	-	47,865
Transfer to Campus Center, LLC	(100,036)	-	(100,036)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	1,091,659	-	1,091,659
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,039,488</u>	<u>\$ -</u>	<u>\$ 1,039,488</u>

See independent auditors' report.