

UWG REAL ESTATE FOUNDATION, INC.

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2020 AND 2019

UWG REAL ESTATE FOUNDATION, INC.
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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, 2020 and 2019, 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, 2020 and 2019, 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 14, 2020

UWG REAL ESTATE FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS		
	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,212,355	\$ 1,116,937
Current portion of restricted cash and cash equivalents	5,374,595	5,139,624
Short-term investments	699,368	725,430
Current portion of leases receivable, net	3,130,283	2,887,974
Total current assets	10,416,601	9,869,965
NONCURRENT ASSETS		
Restricted cash and cash equivalents, net of current portion	3,584,449	3,594,696
Long-term investments	260,214	214,820
Leases receivable, net of current portion	108,162,094	111,292,376
Total noncurrent assets	112,006,757	115,101,892
TOTAL ASSETS	\$ 122,423,358	\$ 124,971,857
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued interest	\$ 1,011,482	\$ 1,043,795
Current portion of long-term debt	3,596,721	3,361,721
Total current liabilities	4,608,203	4,405,516
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	111,214,261	114,810,979
TOTAL LIABILITIES	115,822,464	119,216,495
NET ASSETS		
Without donor restrictions	6,600,894	5,755,362
TOTAL NET ASSETS	6,600,894	5,755,362
TOTAL LIABILITIES AND NET ASSETS	\$ 122,423,358	\$ 124,971,857

See notes to the consolidated financial statements.

**UWG REAL ESTATE FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
WITHOUT DONOR RESTRICTIONS		
REVENUES AND GAINS		
Interest income	\$ 5,603,452	\$ 5,735,131
Other income	466,537	462,526
Investment income	130,045	181,571
Realized and unrealized gains on investments	-	25,589
TOTAL REVENUES AND GAINS	<u>6,200,034</u>	<u>6,404,817</u>
EXPENSES AND LOSSES		
Program services:		
Campus Center project	996,046	1,206,498
Athletic Complex project	1,507,711	1,281,656
Roberts Field project	1,073,664	1,103,502
Phase II project	1,775,944	1,799,588
Supporting services:		
Management and general	48	3,629
Realized and unrealized losses on investments	1,089	-
TOTAL EXPENSES AND LOSSES	<u>5,354,502</u>	<u>5,394,873</u>
CHANGE IN NET ASSETS	845,532	1,009,944
NET ASSETS AT BEGINNING OF YEAR	<u>5,755,362</u>	<u>4,745,418</u>
NET ASSETS AT END OF YEAR	<u>\$ 6,600,894</u>	<u>\$ 5,755,362</u>

See notes to the consolidated financial statements.

**UWG REAL ESTATE FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 845,532	\$ 1,009,944
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	(259,357)	(259,355)
Realized and unrealized losses (gains) on investments	1,089	(25,589)
Changes in operating assets and liabilities:		
Accrued interest	(32,313)	(22,275)
Accounts payable	-	(3,500)
Net cash provided by operating activities	<u>677,585</u>	<u>821,859</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	492,121	555,460
Purchases of investments	(512,539)	(481,300)
Capital lease principal received from the University	2,887,973	2,659,246
Net cash provided by investing activities	<u>2,867,555</u>	<u>2,733,406</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on bonds	<u>(3,225,000)</u>	<u>(3,015,000)</u>
INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	320,140	540,265
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT:		
BEGINNING OF YEAR	<u>9,851,257</u>	<u>9,310,992</u>
END OF YEAR	<u>\$ 10,171,399</u>	<u>\$ 9,851,257</u>
CASH AND CASH EQUIVALENTS	\$ 1,212,355	\$ 1,116,937
RESTRICTED CASH AND CASH EQUIVALENTS	<u>8,959,044</u>	<u>8,734,320</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	<u>\$ 10,171,399</u>	<u>\$ 9,851,257</u>
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest paid	<u>\$ 5,012,924</u>	<u>\$ 5,119,236</u>

See notes to the consolidated financial statements.

UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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 and, therefore, have 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, 2020 AND 2019

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 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, 2020 AND 2019

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 (GAAP), 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 June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarified and improved the scope and accounting guidance for contributions received and contributions made. The guidance was adopted by the Foundation during the year ended June 30, 2020. The implementation of the ASU had no effect on the Foundation's financial statements.

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, 2020 AND 2019

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, 2020 and 2019.

The Foundation follows the accounting guidance for uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. As of June 30, 2020 and 2019, 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 14, 2020, which is the date the consolidated financial statements were issued.

UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

2. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND INVESTMENTS

The Foundation's cash and cash equivalents, and investments as of June 30, 2020 and 2019 are held as follows:

	<u>2020</u>	<u>2019</u>
The Bank of New York Trust Company, N.A.	\$ 8,959,044	\$ 8,734,320
Synovus Financial	1,212,355	1,116,937
J.P. Morgan Securities	<u>959,582</u>	<u>940,250</u>
Total	11,130,981	10,791,507
Less: investments	959,582	940,250
Less: restricted cash and cash equivalents	<u>8,959,044</u>	<u>8,734,320</u>
Total cash and cash equivalents	<u>\$ 1,212,355</u>	<u>\$ 1,116,937</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, 2020.

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 (the 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; therefore, the leases receivable have been recorded.

UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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, 2020, are as follows:

	<u>Campus Center</u>	<u>Athletic Complex</u>	<u>Roberts Field</u>	<u>Athletic Office Building</u>	<u>Phase II</u>	<u>Total</u>
In-service date (fiscal year)	2007	2010	2013	2013	2014	
Future lease payments are as follows:						
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
2025	2,177,506	1,978,024	1,726,627	242,494	2,823,402	8,948,053
Thereafter	<u>21,114,671</u>	<u>31,575,391</u>	<u>28,238,696</u>	<u>3,394,915</u>	<u>48,189,429</u>	<u>132,513,102</u>
Total payments	31,722,142	40,857,560	36,848,335	4,606,835	62,293,883	176,328,755
Less: amount representing interest	<u>8,757,252</u>	<u>14,658,925</u>	<u>15,349,570</u>	<u>1,479,422</u>	<u>24,791,209</u>	<u>65,036,378</u>
Present value of minimum lease payments	<u>\$ 22,964,890</u>	<u>\$ 26,198,635</u>	<u>\$ 21,498,765</u>	<u>\$ 3,127,413</u>	<u>\$ 37,502,674</u>	<u>\$ 111,292,377</u>

UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

4. LONG-TERM DEBT

Net long-term debt reported on the statement of financial position is comprised of the following as of June 30, 2020:

Project Funded	2011 Bond Issue	2012 Bond Issue	2012 Bond Issue	2012 Bond Issue	2014 Bond Issue	2014 Bond Issue	Total
	Roberts Field	Athletic Office Building	Campus Center – Refinance	Phase II	Athletic Complex – Refinance	Campus Center – Refinance	
Revenue Anticipation							
Certificates payable	\$ 23,075,000	\$ 3,065,000	\$ 15,835,000	\$ 37,880,000	\$ 25,960,000	\$ 6,885,000	\$ 112,700,000
Net premium (discount)							
on certificates payable	(289,018)	(47,654)	767,303	1,345,943	2,097,038	515,626	4,389,238
Net debt issuance costs							
on certificates payable	(574,385)	(78,458)	(277,687)	(822,417)	(408,791)	(116,518)	(2,278,256)
Net long-term debt	<u>\$ 22,211,597</u>	<u>\$ 2,938,888</u>	<u>\$ 16,324,616</u>	<u>\$ 38,403,526</u>	<u>\$ 27,648,247</u>	<u>\$ 7,284,108</u>	<u>\$ 114,810,982</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, 2020 AND 2019

4. LONG-TERM DEBT – CONTINUED

Details of the Foundation's long-term debt are as follows as of June 30, 2020:

Project Funded	2011 Bond Issue	2012 Bond Issue	2012 Bond Issue	2012 Bond Issue	2014 Bond Issue	2014 Bond Issue	Total
	Roberts Field	Athletic Office Building	Campus Center – Refinance	Phase II	Athletic Complex – Refinance	Campus Center – Refinance	
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	3,335,000	715,000	3,090,000	5,810,000	1,700,000	1,290,000	15,940,000
Outstanding, end of year	<u>\$ 23,075,000</u>	<u>\$ 3,065,000</u>	<u>\$ 15,835,000</u>	<u>\$ 37,880,000</u>	<u>\$ 25,960,000</u>	<u>\$ 6,885,000</u>	<u>\$ 112,700,000</u>
Future principal requirements are as follows:							
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
2025	770,000	130,000	1,385,000	1,255,000	895,000	-	4,435,000
Thereafter	19,475,000	2,455,000	9,735,000	32,100,000	22,430,000	6,885,000	93,080,000
Total	<u>\$ 23,075,000</u>	<u>\$ 3,065,000</u>	<u>\$ 15,835,000</u>	<u>\$ 37,880,000</u>	<u>\$ 25,960,000</u>	<u>\$ 6,885,000</u>	<u>\$ 112,700,000</u>

**UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

4. LONG-TERM DEBT – CONTINUED

Project Funded	2011 Bond Issue	2012 Bond Issue	2012 Bond Issue	2012 Bond Issue	2014 Bond Issue	2014 Bond Issue	Total
	Roberts Field	Athletic Office Building	Campus Center – Refinance	Phase II	Athletic Complex – Refinance	Campus Center – Refinance	
Future interest requirements are as follows:							
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	919,923	109,938	457,638	1,575,219	1,091,025	316,706	4,470,449
2025	892,358	105,563	404,488	1,515,469	1,051,025	316,706	4,285,609
Thereafter	8,797,392	838,234	1,115,788	15,020,575	8,429,575	2,578,342	36,779,906
Total	\$ 13,516,237	\$ 1,406,499	\$ 3,663,353	\$ 23,094,419	\$ 14,013,600	\$ 4,161,872	\$ 59,855,980
	Principal	Interest	Total				
Total debt service requirements are as follows:							
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	4,470,449	8,620,449				
2025	4,435,000	4,285,609	8,720,609				
Thereafter	93,080,000	36,779,906	129,859,906				
Total	\$ 112,700,000	\$ 59,855,980	\$ 172,555,980				

UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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, 2020, related to each bond series are as follows:

Project Funded	2011 Bond Issue	2012 Bond Issue	2012 Bond Issue	2012 Bond Issue	2014 Bond Issue	2014 Bond Issue	Total
	Roberts Field	Athletic Office Building	Campus Center – Refinance	Phase II	Athletic Complex – Refinance	Campus Center – Refinance	
Life of certificates	30 years	27 years	19 years	30 years	25 years	20 years	
Total premium (discount)	\$ (425,647)	\$ (68,320)	\$ 1,313,376	\$ 1,830,279	\$ 2,704,079	\$ 714,785	\$ 6,068,552
Accumulated amortization, end of year	136,629	20,666	(546,073)	(484,336)	(607,041)	(199,159)	(1,679,314)
Future amortization of the (premium) discount is as follows:							
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)
2025	15,765	2,530	(69,755)	(61,179)	(110,371)	(36,345)	(259,355)
Thereafter	210,193	35,004	(418,528)	(1,040,048)	(1,545,183)	(333,901)	(3,092,463)
Total	\$ 289,018	\$ 47,654	\$ (767,303)	\$ (1,345,943)	\$ (2,097,038)	\$ (515,626)	\$ (4,389,238)

UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

4. LONG-TERM DEBT – CONTINUED

Bond issuance costs consisted of the following as of June 30, 2020:

Project Funded	2011 Bond Issue	2012 Bond Issue	2012 Bond Issue	2012 Bond Issue	2014 Bond Issue	2014 Bond Issue	Total
	Roberts Field	Athletic Office Building	Campus Center – Refinance	Phase II	Athletic Complex – Refinance	Campus Center – Refinance	
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	233,343	34,022	182,442	295,947	118,337	45,007	909,098
Future amortization of bond costs is as follows:							
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
2025	26,924	4,166	24,432	37,383	21,516	8,213	122,634
Thereafter	439,765	57,628	155,527	635,502	301,211	75,453	1,665,086
Total	\$ 574,385	\$ 78,458	\$ 277,687	\$ 822,417	\$ 408,791	\$ 116,518	\$ 2,278,256

UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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 government and 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, 2020 and 2019.

The following table presents the financial assets subject to fair value measurement by valuation hierarchy level as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ASSETS				
Investments:				
Money market accounts	\$ 16,471	\$ -	\$ -	\$ 16,471
Government and agency securities	-	84,762	-	84,762
Corporate bonds	-	178,200	-	178,200
Equity securities	680,149	-	-	680,149
Total investments	<u>\$ 696,620</u>	<u>\$ 262,962</u>	<u>\$ -</u>	<u>\$ 959,582</u>

UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ASSETS				
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>\$ 693,156</u>	<u>\$ 247,094</u>	<u>\$ -</u>	<u>\$ 940,250</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, 2020:

	<u>Campus Center Project</u>	<u>Athletic Complex Project</u>	<u>Roberts Field Project</u>	<u>Phase II Project</u>	<u>Management and General</u>	<u>Total</u>
Accounting fees	\$ 9,546	\$ 9,546	\$ 9,546	\$ 9,546	\$ -	\$ 38,184
Attorney fees	715	158	158	158	-	1,189
Bank fees	216	36	36	36	18	342
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	1,875	1,875	750	750	-	5,250
Gift to University	100,103	251,321	18,673	42,889	-	412,986
Insurance expense	2,158	2,157	2,158	2,157	-	8,630
Interest expense	869,189	1,230,319	1,033,936	1,708,870	-	4,842,314
License fees	50	50	50	50	30	230
Trustee fee	3,300	3,400	50	-	-	6,750
Total	<u>\$ 996,046</u>	<u>\$ 1,507,711</u>	<u>\$ 1,073,664</u>	<u>\$ 1,775,944</u>	<u>\$ 48</u>	<u>\$ 5,353,413</u>

UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

6. FUNCTIONAL EXPENSES – CONTINUED

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

	Campus Center Project	Athletic Complex Project	Roberts Field Project	Phase II Project	Management and General	Total
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	\$ 1,206,498	\$ 1,281,656	\$ 1,103,502	\$ 1,799,588	\$ 3,629	\$ 5,394,873

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, 2020, uninsured deposits totaled \$10,364,509. 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, 2020, and 2019, all leases receivable and related revenue were from the Board.

UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

8. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Foundation's financial assets as of June 30, 2020 and 2019, 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>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 10,171,399	\$ 9,851,257
Investments	959,582	940,250
Leases receivable (not net of unearned interest)	<u>176,328,755</u>	<u>184,816,805</u>
Financial assets, at year end	<u>187,459,736</u>	<u>195,608,312</u>
Less those unavailable for general expenditure within one year, due to:		
Restricted cash required by bond indentures	(8,959,044)	(8,734,320)
Investments not convertible to cash within the next 12 months	(260,214)	(214,820)
Leases receivable not due within the next 12 months	<u>(167,743,770)</u>	<u>(176,328,755)</u>
	<u>(176,963,028)</u>	<u>(185,277,895)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,496,708</u>	<u>\$ 10,330,417</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.

9. SUBSEQUENT EVENT

Recently, the outbreak of the novel coronavirus has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus pandemic is creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to the Foundation.

UWG REAL ESTATE FOUNDATION, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

10. RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 outlines a five-step process for revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards, and also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. Major provisions include determining which goods and services are distinct and represent separate performance obligations, how variable consideration (which may include change orders and claims) is recognized, whether revenue should be recognized at a point in time or over time and ensuring the time value of money is considered in the transaction price. The FASB has issued several additional ASUs that affect the original ASU 2014-09, which will be implemented in conjunction with the original guidance. Management is currently evaluating the impact of the collective ASUs.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires entities entering into certain operating lease arrangements to recognize certain lease assets and lease liabilities on the balance sheet and to disclose key information about leasing arrangements. The FASB has issued several additional ASUs that affect the original ASU 2016-02, which will be implemented in conjunction with the original guidance. Management is currently evaluating the impact of the collective ASUs.

In June 2020, FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606)* and *Leases (Topic 842)*, which extends the effective date of Topic 606 and 842, discussed above, to fiscal years beginning after December 15, 2021.

SUPPLEMENTARY INFORMATION

**UWG REAL ESTATE FOUNDATION, INC.
 CAMPUS CENTER, LLC
 SCHEDULES OF FINANCIAL POSITION
 JUNE 30, 2020 AND 2019**

ASSETS		
	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 243,062	\$ 239,278
Current portion of restricted cash and cash equivalents	2,034,526	1,958,658
Current portion of leases receivable, net	1,061,389	985,740
Total current assets	3,338,977	3,183,676
NONCURRENT ASSETS		
Restricted cash and cash equivalents, net of current portion	1,092,441	1,092,441
Leases receivable, net of current portion	21,903,501	22,964,890
Total noncurrent assets	22,995,942	24,057,331
TOTAL ASSETS	\$ 26,334,919	\$ 27,241,007
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued interest	\$ 391,049	\$ 411,674
Current portion of long-term debt	1,143,455	1,063,455
Total current liabilities	1,534,504	1,475,129
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	22,465,269	23,608,723
TOTAL LIABILITIES	23,999,773	25,083,852
NET ASSETS		
Without donor restrictions	2,335,146	2,157,155
TOTAL NET ASSETS	2,335,146	2,157,155
TOTAL LIABILITIES AND NET ASSETS	\$ 26,334,919	\$ 27,241,007

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.
 CAMPUS CENTER, LLC
 SCHEDULES OF ACTIVITIES
 FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
WITHOUT DONOR RESTRICTIONS		
REVENUES		
Interest income	\$ 1,050,774	\$ 1,090,164
Investment income	37,651	54,807
Other income	85,612	83,118
TOTAL REVENUES	<u>1,174,037</u>	<u>1,228,089</u>
EXPENSES		
Accounting fees	9,546	8,905
Attorney fees	715	-
Bank fees	216	270
Board of Regent's fee	6,144	6,144
Bond administrative fees	2,750	2,750
Consulting fees	1,875	1,500
Gift to University	100,103	263,674
Insurance expense	2,158	2,158
Interest expense	869,189	917,647
License fees	50	50
Trustee fee	3,300	3,400
TOTAL EXPENSES	<u>996,046</u>	<u>1,206,498</u>
CHANGE IN NET ASSETS	177,991	21,591
Transfer from Real Estate Foundation	-	100,036
NET ASSETS AT BEGINNING OF YEAR	<u>2,157,155</u>	<u>2,035,528</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,335,146</u>	<u>\$ 2,157,155</u>

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.
ATHLETIC COMPLEX, LLC
SCHEDULES OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

ASSETS		
	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 238,160	\$ 235,550
Current portion of restricted cash and cash equivalents	179,380	358,527
Current portion of leases receivable, net	601,855	515,713
Total current assets	1,019,395	1,109,790
NONCURRENT ASSETS		
Restricted cash and cash equivalents, net of current portion	250,473	246,851
Leases receivable, net of current portion	28,724,193	29,326,047
Total noncurrent assets	28,974,666	29,572,898
TOTAL ASSETS	\$ 29,994,061	\$ 30,682,688
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued interest	\$ 53,647	\$ 54,732
Current portion of long-term debt	737,159	647,159
Total current liabilities	790,806	701,891
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	29,849,976	30,587,133
TOTAL LIABILITIES	30,640,782	31,289,024
NET ASSETS		
Without donor restrictions	(646,721)	(606,336)
TOTAL NET ASSETS	(646,721)	(606,336)
TOTAL LIABILITIES AND NET ASSETS	\$ 29,994,061	\$ 30,682,688

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.
ATHLETIC COMPLEX, LLC
SCHEDULES OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
WITHOUT DONOR RESTRICTIONS		
REVENUES		
Interest income	\$ 1,405,968	\$ 1,428,238
Investment income	10,687	16,348
Other income	50,671	58,774
TOTAL REVENUES	<u>1,467,326</u>	<u>1,503,360</u>
EXPENSES		
Accounting fees	9,546	8,905
Attorney fees	158	44
Bank fees	36	54
Board of Regent's fee	5,849	5,849
Bond administrative fees	3,000	3,000
Consulting fees	1,875	2,000
Gift to University	251,321	-
Insurance expense	2,157	2,157
Interest expense	1,230,319	1,256,197
License fees	50	50
Trustee fee	3,400	3,400
TOTAL EXPENSES	<u>1,507,711</u>	<u>1,281,656</u>
CHANGE IN NET ASSETS	(40,385)	221,704
NET ASSETS AT BEGINNING OF YEAR	<u>(606,336)</u>	<u>(828,040)</u>
NET ASSETS AT END OF YEAR	<u>\$ (646,721)</u>	<u>\$ (606,336)</u>

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.
ROBERTS FIELD, LLC
SCHEDULES OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

ASSETS		
	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 254,596	\$ 224,773
Current portion of restricted cash and cash equivalents	2,102,178	1,937,446
Current portion of leases receivable, net	<u>522,787</u>	<u>488,854</u>
Total current assets	<u>2,879,561</u>	<u>2,651,073</u>
NONCURRENT ASSETS		
Restricted cash and cash equivalents, net of current portion	835,878	839,932
Leases receivable, net of current portion	<u>20,975,978</u>	<u>21,498,764</u>
Total noncurrent assets	<u>21,811,856</u>	<u>22,338,696</u>
TOTAL ASSETS	<u><u>\$ 24,691,417</u></u>	<u><u>\$ 24,989,769</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued interest	\$ 495,624	\$ 505,149
Current portion of long-term debt	<u>627,311</u>	<u>592,311</u>
Total current liabilities	1,122,935	1,097,460
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	<u>21,584,286</u>	<u>22,211,596</u>
TOTAL LIABILITIES	22,707,221	23,309,056
NET ASSETS		
Without donor restrictions	<u>1,984,196</u>	<u>1,680,713</u>
TOTAL NET ASSETS	<u>1,984,196</u>	<u>1,680,713</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 24,691,417</u></u>	<u><u>\$ 24,989,769</u></u>

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.
ROBERTS FIELD, LLC
SCHEDULES OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
WITHOUT DONOR RESTRICTIONS		
REVENUES		
Interest income	\$ 1,223,290	\$ 1,249,240
Investment income	22,568	33,544
Other income	131,289	127,465
TOTAL REVENUES	<u>1,377,147</u>	<u>1,410,249</u>
EXPENSES		
Accounting fees	9,546	8,905
Attorney fees	158	-
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	18,673	30,260
Insurance expense	2,158	2,158
Interest expense	1,033,936	1,052,986
License fees	50	50
Trustee fee	50	50
TOTAL EXPENSES	<u>1,073,664</u>	<u>1,103,502</u>
CHANGE IN NET ASSETS	303,483	306,747
NET ASSETS AT BEGINNING OF YEAR	<u>1,680,713</u>	<u>1,373,966</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,984,196</u>	<u>\$ 1,680,713</u>

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.
PHASE II, LLC
SCHEDULES OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

ASSETS		
	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 377,281	\$ 318,098
Current portion of restricted cash and cash equivalents	1,058,511	884,993
Current portion of leases receivable, net	944,252	897,667
Total current assets	2,380,044	2,100,758
NONCURRENT ASSETS		
Restricted cash and cash equivalents, net of current portion	1,405,657	1,415,472
Leases receivable, net of current portion	36,558,422	37,502,675
Total noncurrent assets	37,964,079	38,918,147
TOTAL ASSETS	\$ 40,344,123	\$ 41,018,905
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued interest	\$ 71,162	\$ 72,240
Current portion of long-term debt	1,088,796	1,058,796
Total current liabilities	1,159,958	1,131,036
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	37,314,730	38,403,527
TOTAL LIABILITIES	38,474,688	39,534,563
NET ASSETS		
Without donor restrictions	1,869,435	1,484,342
TOTAL NET ASSETS	1,869,435	1,484,342
TOTAL LIABILITIES AND NET ASSETS	\$ 40,344,123	\$ 41,018,905

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.
 PHASE II, LLC
 SCHEDULES OF ACTIVITIES
 FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
WITHOUT DONOR RESTRICTIONS		
REVENUES		
Interest income	\$ 1,923,354	\$ 1,967,423
Investment income	38,718	51,033
Other income	198,965	193,169
TOTAL REVENUES	2,161,037	2,211,625
EXPENSES		
Accounting fees	9,546	8,905
Attorney fees	158	-
Bank fees	36	54
Board of Regent's fee	8,738	8,738
Bond administrative fees	2,750	2,750
Consulting fees	750	750
Gift to University	42,889	44,350
Insurance expense	2,157	2,157
Interest expense	1,708,870	1,731,834
License fees	50	50
TOTAL EXPENSES	1,775,944	1,799,588
CHANGE IN NET ASSETS	385,093	412,037
NET ASSETS AT BEGINNING OF YEAR	1,484,342	1,072,305
NET ASSETS AT END OF YEAR	\$ 1,869,435	\$ 1,484,342

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.
REAL ESTATE FOUNDATION
SCHEDULES OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

ASSETS		
	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 99,256	\$ 99,238
Short-term investments	699,368	725,430
Total current assets	798,624	824,668
NONCURRENT ASSETS		
Long-term investments	260,214	214,820
TOTAL ASSETS	\$ 1,058,838	\$ 1,039,488
LIABILITIES AND NET ASSETS		
TOTAL LIABILITIES	\$ -	\$ -
NET ASSETS		
Without donor restrictions	1,058,838	1,039,488
TOTAL NET ASSETS	1,058,838	1,039,488
TOTAL LIABILITIES AND NET ASSETS	\$ 1,058,838	\$ 1,039,488

See independent auditors' report.

**UWG REAL ESTATE FOUNDATION, INC.
REAL ESTATE FOUNDATION
SCHEDULES OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
WITHOUT DONOR RESTRICTIONS		
REVENUES AND GAINS		
Interest income	\$ 66	\$ 66
Investment income	20,421	25,839
Realized and unrealized gains on investments	-	25,589
TOTAL REVENUES AND GAINS	<u>20,487</u>	<u>51,494</u>
EXPENSES AND LOSSES		
Accounting fees	-	3,599
Bank fees	18	-
License fees	30	30
Realized and unrealized losses on investments	1,089	-
TOTAL EXPENSES AND LOSSES	<u>1,137</u>	<u>3,629</u>
CHANGE IN NET ASSETS	19,350	47,865
Transfer to Campus Center, LLC	-	(100,036)
NET ASSETS AT BEGINNING OF YEAR	<u>1,039,488</u>	<u>1,091,659</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,058,838</u>	<u>\$ 1,039,488</u>

See independent auditors' report.