

**UWG REAL ESTATE FOUNDATION, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2022 AND 2021**



[www.warrenaverett.com](http://www.warrenaverett.com)

The report accompanying this deliverable was issued  
by Warren Averett, LLC.

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**TABLE OF CONTENTS**  
**JUNE 30, 2022 AND 2021**

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<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	5
Notes to the Consolidated Financial Statements	6
<b>SUPPLEMENTARY INFORMATION</b>	
Consolidating Schedules of Financial Position	21
Consolidating Schedules of Activities	23

## INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the accompanying consolidated financial statements of UWG Real Estate Foundation, Inc. and Subsidiaries (Foundation), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of UWG Real Estate Foundation, Inc. and Subsidiaries, as of June 30, 2022 and 2021, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **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 21-24 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.

*Warren Averett, LLC*

Mobile, Alabama  
September 2, 2022

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

	<b>ASSETS</b>	
	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 838,722	\$ 1,079,419
Restricted cash and cash equivalents	9,655,499	9,605,294
Investments	1,096,177	1,256,100
Due from related party	197,463	-
Leases receivable, net	104,785,550	108,162,093
Construction in progress	-	23,886
<b>TOTAL ASSETS</b>	<b>\$ 116,573,411</b>	<b>\$ 120,126,792</b>
	<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>		
Accounts payable	\$ 69,570	\$ 248,793
Accrued interest	956,477	994,433
Bonds payable	107,046,833	110,897,805
<b>TOTAL LIABILITIES</b>	108,072,880	112,141,031
<b>NET ASSETS</b>		
Without donor restrictions	8,500,531	7,985,761
<b>TOTAL NET ASSETS</b>	8,500,531	7,985,761
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 116,573,411</b>	<b>\$ 120,126,792</b>

See notes to the consolidated financial statements.

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUES AND GAINS (LOSSES)</b>		
Leasing revenues:		
Interest income on direct financing leases	\$ 5,295,750	\$ 5,454,752
Rental revenues	494,949	480,627
Total leasing revenues	5,790,699	5,935,379
In-kind contributions	93,185	66,597
Investment (loss) income, net	(149,963)	300,385
<b>TOTAL REVENUES AND GAINS (LOSSES)</b>	5,733,921	6,302,361
<b>EXPENSES</b>		
Program services:		
Campus facilities:		
Contributions of facility projects to the University	473,036	322,707
Insurance expense	-	8,630
Interest expense	4,558,329	4,422,637
Professional fees	9,675	42,340
Other operating expenses	40,838	52,853
Total campus facilities	5,081,878	4,849,167
Supporting services:		
Management and general	137,273	68,327
<b>TOTAL EXPENSES</b>	5,219,151	4,917,494
<b>CHANGE IN NET ASSETS</b>	514,770	1,384,867
<b>NET ASSETS AT BEGINNING OF YEAR</b>	7,985,761	6,600,894
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 8,500,531</u>	<u>\$ 7,985,761</u>

See notes to the consolidated financial statements.

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 514,770	\$ 1,384,867
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization of bond costs	154,174	578,408
Amortization of bond premium	(330,146)	(1,031,585)
Realized and unrealized losses (gains) on investments	188,013	(276,947)
Changes in operating assets and liabilities:		
Due from related party	(197,463)	-
Accrued interest	(37,956)	(17,049)
Accounts payable	(155,337)	224,907
Net cash provided by operating activities	<u>136,055</u>	<u>862,601</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	543,762	432,415
Purchases of investments	(571,852)	(451,985)
Capital lease principal received from the University	3,376,543	3,130,283
Net cash provided by investing activities	<u>3,348,453</u>	<u>3,110,713</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on bonds payable	(3,675,000)	(3,460,000)
Net cash used in financing activities	<u>(3,675,000)</u>	<u>(3,460,000)</u>
<b>(DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	(190,492)	513,314
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT:</b>		
<b>BEGINNING OF YEAR</b>	<u>10,684,713</u>	<u>10,171,399</u>
<b>END OF YEAR</b>	<u>\$ 10,494,221</u>	<u>\$ 10,684,713</u>
<b>CASH AND CASH EQUIVALENTS</b>	\$ 838,722	\$ 1,079,419
<b>RESTRICTED CASH AND CASH EQUIVALENTS</b>	<u>9,655,499</u>	<u>9,605,294</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR</b>	<u>\$ 10,494,221</u>	<u>\$ 10,684,713</u>
<b>SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	<u>\$ 4,772,257</u>	<u>\$ 4,892,860</u>
<b>NONCASH OPERATING AND INVESTING ACTIVITIES</b>		
Unpaid capital expenditures	<u>\$ -</u>	<u>\$ 23,886</u>

See notes to the consolidated financial statements.

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

UWG Real Estate Foundation, Inc. (Foundation) are a legally separate, tax-exempt component unit of the University of West Georgia (University). The Foundation's subsidiaries construct research and auxiliary buildings and facilities for use by the University and then leases the completed buildings to the University. The majority of resources or income thereon that the Foundation holds and invests is restricted to real estate activities of the University. The University provides certain administrative services for the Foundation that are reflected in these consolidated 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.

UWG 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.

UWG 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.

UWG 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. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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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 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.

**Recently Adopted Accounting Pronouncement**

Effective July 1, 2021, the Foundation adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases*, (Topic 842), which amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-of-use (ROU) assets and lease liabilities for operating leases. Although Topic 842 amends certain aspects of lessor accounting, the transition guidance does not require existing finance leases to be remeasured upon adoption. Accordingly, adoption of this accounting standard did not affect the financial statements.

**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.

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

**Investment Securities**

The Foundation classifies its investment securities in accordance with the FASB ASC Topic 320, *Investments – Debt Securities*, and ASC Topic 321, *Investments – Equity Securities*. Debt securities classified as available for sale and other investment securities are carried at market value with unrealized gains and losses reflected in earnings. The Foundation has invested in securities in the form of equity securities, corporate bonds, and government and agency securities.

The Foundation has determined the fair value of certain investments through the application of ASC Topic 820, *Fair Value Measurements*. Realized and unrealized gains and losses for all investment securities are included in the change in net assets in the consolidated statements of activities.

**Other-Than-Temporary Impairment**

A decline in the fair value of any security below amortized cost that is deemed to be other-than-temporary results in a reduction in the carrying amount of the security to fair value. To determine whether impairment is other-than-temporary, management considers whether the entity expects to recover the entire amortized cost basis of the security by reviewing the present value of the future cash flows associated with the security. The difference between the present value of the cash flows expected to be collected and the amortized cost basis is referred to as a credit loss and is deemed to be other-than-temporarily impaired. If a credit loss is identified, the credit loss is recognized as a charge to earnings, and a new cost basis for the security is established. If management concludes that no credit loss exists, management does not intend to sell the security, and it is not more-likely-than-not that it will be required to sell the security prior to the anticipated recovery of the amortized cost basis, then the security is not other-than-temporarily impaired.

**Bond Costs**

Debt issuance costs related to a recognized debt liability is presented in the consolidated 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 consolidated statements of activities.

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

In preparing consolidated 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 consolidated financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

**Fair Value Measurement**

The Foundation follows the FASB guidance related to fair value measurements and disclosures using the provisions of 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.
- 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. There was no unrelated business income tax liability as of June 30, 2022 and 2021.

The Foundation follows the accounting guidance for uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. As of June 30, 2022 and 2021, the Foundation has no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements and no interest and penalties related to income taxes.

**Subsequent Events**

Management has evaluated subsequent events through September 2, 2022, which is the date the consolidated financial statements were available to be issued.

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

The Foundation's cash and cash equivalents and investments as of June 30, 2022 and 2021, are held as follows:

	<u>2022</u>	<u>2021</u>
The Bank of New York Trust Company, N.A.	9,655,499	\$ 9,605,294
Synovus Financial	838,722	1,079,419
J.P. Morgan Securities	<u>1,096,177</u>	<u>1,256,100</u>
Total	11,590,398	11,940,813
Less: investments	1,096,177	1,256,100
Less: restricted cash and cash equivalents	<u>9,655,499</u>	<u>9,605,294</u>
Total cash and cash equivalents	<u>\$ 838,722</u>	<u>\$ 1,079,419</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 consolidated statements of financial position. 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, as well as repair and maintenance reserves and other depository accounts as required by its bond indentures. The Foundation has not experienced any such shortfall in deposits as of June 30, 2022.

**3. FINANCE LEASES**

**Ground Leases**

The Foundation ground leases, for a nominal annual amount, from the Board of Regents of the University System of Georgia (Board of Regents), 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 of Regents.

**Facility Leases**

The Foundation constructs auxiliary buildings and facilities (Projects) 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 of Regents. Each rental agreement expires June 30 of each year, but is renewable on a year-by-year basis at the option of the Board of Regents until the expiration of the ground leases. The Board of Regents 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. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**3. FINANCE LEASES – CONTINUED**

The summary of the dates each of the facilities was placed in service as well as the requirements under the finance leases as of June 30, 2022, 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:						
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
2026	2,209,985	2,042,546	1,727,861	242,494	2,824,729	9,047,615
2027	2,238,131	2,110,073	1,733,097	242,494	2,824,729	9,148,524
Thereafter	<u>16,666,555</u>	<u>27,422,771</u>	<u>24,777,738</u>	<u>2,909,927</u>	<u>42,539,972</u>	<u>114,316,963</u>
Total payments	27,561,909	37,322,294	33,410,709	4,122,397	56,654,168	159,071,477
Less: amount representing interest	<u>6,794,819</u>	<u>12,195,042</u>	<u>12,991,656</u>	<u>1,215,518</u>	<u>21,088,892</u>	<u>54,285,927</u>
Present value of minimum lease payments	<u>\$ 20,767,090</u>	<u>\$ 25,127,252</u>	<u>\$ 20,419,053</u>	<u>\$ 2,906,879</u>	<u>\$ 35,565,276</u>	<u>\$ 104,785,550</u>

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**4. BONDS PAYABLE**

Bonds payable reported on the consolidated statement of financial position is comprised of the following as of June 30, 2022:

<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	\$ 21,710,000	\$ 2,830,000	\$ 13,625,000	\$ 35,710,000	\$ 24,805,000	\$ 6,885,000	\$ 105,565,000
Net (discount) premium on certificates payable	(227,158)	(31,888)	362,851	962,789	1,527,806	433,105	3,027,505
Net debt issuance costs on certificates payable	(397,261)	(50,226)	(134,214)	(572,825)	(295,970)	(95,176)	(1,545,672)
Net long-term debt	<u>\$ 21,085,581</u>	<u>\$ 2,747,886</u>	<u>\$ 13,853,637</u>	<u>\$ 36,099,964</u>	<u>\$ 26,036,836</u>	<u>\$ 7,222,929</u>	<u>\$ 107,046,833</u>

The Foundation's bonds payable consist of 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 were 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. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**4. BONDS PAYABLE – CONTINUED**

Details of the Foundation's bonds payable are as follows as of June 30, 2022:

<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	4/12/2012	8/2/2012	7/17/2012	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	4,700,000	950,000	5,300,000	7,980,000	2,855,000	1,290,000	23,075,000
Outstanding, end of year	<u>\$ 21,710,000</u>	<u>\$ 2,830,000</u>	<u>\$ 13,625,000</u>	<u>\$ 35,710,000</u>	<u>\$ 24,805,000</u>	<u>\$ 6,885,000</u>	<u>\$ 105,565,000</u>
Future principal requirements are as follows:							
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
2026	800,000	135,000	1,475,000	1,310,000	1,000,000	-	4,720,000
2027	830,000	140,000	1,555,000	1,355,000	1,115,000	-	4,995,000
Thereafter	17,845,000	2,180,000	6,705,000	29,435,000	20,315,000	6,885,000	83,365,000
Total	<u>\$ 21,710,000</u>	<u>\$ 2,830,000</u>	<u>\$ 13,625,000</u>	<u>\$ 35,710,000</u>	<u>\$ 24,805,000</u>	<u>\$ 6,885,000</u>	<u>\$ 105,565,000</u>

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**4. BONDS PAYABLE – CONTINUED**

<u>Project Funded</u>	<u>2011 Bond Issue</u> <u>Roberts Field</u>	<u>2012 Bond Issue</u> <u>Athletic Office Building</u>	<u>2012 Bond Issue</u> <u>Campus Center – Refinance</u>	<u>2012 Bond Issue</u> <u>Phase II</u>	<u>2014 Bond Issue</u> <u>Athletic Complex – Refinance</u>	<u>2014 Bond Issue</u> <u>Campus Center – Refinance</u>	<u>Total</u>
Future interest requirements are as follows:							
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
2026	863,098	101,013	346,838	1,461,044	1,006,775	316,706	4,095,474
2027	863,097	95,950	284,694	1,415,194	956,775	316,706	3,932,416
Thereafter	7,103,195	641,273	484,260	12,144,336	6,466,025	1,944,928	28,784,017
<b>Total</b>	<u>\$ 11,587,514</u>	<u>\$ 1,167,575</u>	<u>\$ 2,498,181</u>	<u>\$ 19,721,281</u>	<u>\$ 11,697,150</u>	<u>\$ 3,528,458</u>	<u>\$ 50,200,159</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>				
Total debt service requirements are as follows:							
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				
2026	4,720,000	4,095,474	8,815,474				
2027	4,995,000	3,932,416	8,927,416				
Thereafter	83,365,000	28,784,017	112,149,017				
<b>Total</b>	<u>\$ 105,565,000</u>	<u>\$ 50,200,159</u>	<u>\$ 155,765,159</u>				



**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**4. BONDS PAYABLE – 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 related to each bond series as of June 30, 2022, are as follows:

	2011 Bond Issue	2012 Bond Issue	2012 Bond Issue	2012 Bond Issue	2014 Bond Issue	2014 Bond Issue	Total
Project Funded	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)	\$ (425,648)	\$ (68,320)	\$ 1,313,715	\$ 1,830,279	\$ 2,704,079	\$ 714,785	\$ 6,068,890
Accumulated amortization, end of year	198,490	36,432	(950,864)	(867,490)	(1,176,273)	(281,680)	(3,041,385)
Future amortization of the (premium) discount is as follows:							
2023	\$ 18,592	\$ 3,108	\$ (75,566)	\$ (78,601)	\$ (147,003)	\$ (38,874)	\$ (318,344)
2024	18,084	3,002	(66,470)	(76,902)	(142,497)	(38,874)	(303,657)
2025	17,542	2,882	(58,750)	(73,985)	(137,338)	(38,874)	(288,523)
2026	16,967	2,759	(50,377)	(71,328)	(131,493)	(38,874)	(272,346)
2027	16,338	2,621	(41,351)	(69,089)	(124,962)	(38,874)	(255,317)
Thereafter	139,635	17,516	(70,337)	(592,884)	(844,513)	(238,735)	(1,589,318)
Total	<u>\$ 227,158</u>	<u>\$ 31,888</u>	<u>\$ (362,851)</u>	<u>\$ (962,789)</u>	<u>\$ (1,527,806)</u>	<u>\$ (433,105)</u>	<u>\$ (3,027,505)</u>

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**4. BONDS PAYABLE – CONTINUED**

Bond issuance costs consisted of the following as of June 30, 2022:

<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	410,467	62,254	325,915	545,539	231,158	66,349	1,641,682
Future amortization of bond costs is as follows:							
2023	\$ 33,499	\$ 5,060	\$ 25,402	\$ 47,920	\$ 28,274	\$ 8,422	\$ 148,577
2024	32,388	4,845	23,146	46,363	27,488	8,422	142,652
2025	31,238	4,622	20,731	44,759	26,587	8,422	136,359
2026	30,050	4,389	18,149	43,075	25,567	8,422	129,652
2027	28,816	4,148	15,399	41,317	24,427	8,422	122,529
Thereafter	241,270	27,162	31,387	349,391	163,627	53,066	865,903
<b>Total</b>	<b>\$ 397,261</b>	<b>\$ 50,226</b>	<b>\$ 134,214</b>	<b>\$ 572,825</b>	<b>\$ 295,970</b>	<b>\$ 95,176</b>	<b>\$ 1,545,672</b>

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**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 (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).

Level 1 investments are valued primarily at the closing price reported on the active market on which the individual securities are traded. Level 2 investments 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, 2022 and 2021.

The following table presents the financial assets subject to fair value measurement by valuation hierarchy level as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>ASSETS</b>			
Investments:			
Money market accounts	\$ 27,021	\$ -	\$ 27,021
Government and agency securities	-	141,818	141,818
Corporate bonds	-	133,348	133,348
Equity securities	793,990	-	793,990
Total investments	<u>\$ 821,011</u>	<u>\$ 275,166</u>	<u>\$ 1,096,177</u>

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**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, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>ASSETS</b>			
Investments:			
Money market accounts	\$ 23,604	\$ -	\$ 23,604
Government and agency securities	-	142,017	142,017
Corporate bonds	-	151,672	151,672
Equity securities	938,807	-	938,807
Total investments	<u>\$ 962,411</u>	<u>\$ 293,689</u>	<u>\$ 1,256,100</u>

**6. FUNCTIONAL EXPENSES**

Project costs have been summarized on a functional basis in the consolidated 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 across the 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, 2022:

	<u>Program Services Campus Facilities</u>	<u>Supporting Services Management and General</u>	<u>Total</u>
Contributions to the University	\$ 473,036	\$ -	\$ 473,036
Compensation and benefits	-	86,781	86,781
Insurance expense	-	9,403	9,403
Interest expense	4,558,329	-	4,558,329
Professional fees	9,675	31,910	41,585
Other operating expenses	40,838	2,775	43,613
Rent expense	-	6,404	6,404
Total	<u>\$ 5,081,878</u>	<u>\$ 137,273</u>	<u>\$ 5,219,151</u>

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**6. FUNCTIONAL EXPENSES – CONTINUED**

The following table represents the functional allocation of expenses for the year ended June 30, 2021:

	<u>Program Services Campus Facilities</u>	<u>Supporting Services Management and General</u>	<u>Total</u>
Contributions to the University	\$ 322,707	\$ -	\$ 322,707
Compensation and benefits		60,193	60,193
Insurance expense	8,630	-	8,630
Interest expense	4,422,637	-	4,422,637
Professional fees	42,340	1,519	43,859
Other operating expenses	52,853	211	53,064
Rent expense	-	6,404	6,404
Total	<u>\$ 4,849,167</u>	<u>\$ 68,327</u>	<u>\$ 4,917,494</u>

**7. LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects the Foundation's financial assets as of June 30, 2022 and 2021, 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>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 10,494,221	\$ 10,684,713
Investments	1,096,177	1,256,100
Leases receivable (not net of unearned interest)	159,071,477	167,743,769
Financial assets, at year end	170,661,875	179,684,582
Less those unavailable for general expenditure within one year due to:		
Restricted cash required by bond indentures	(9,655,499)	(9,605,294)
Investments not convertible to cash within the next 12 months	(270,146)	(285,593)
Leases receivable not due within the next 12 months	(150,314,818)	(159,071,477)
	<u>(160,240,463)</u>	<u>(168,962,364)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,421,412</u>	<u>\$ 10,722,218</u>

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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**7. LIQUIDITY AND FUNDS AVAILABLE – CONTINUED**

The Foundation's restricted items consist of restricted cash and cash equivalents, investments that cannot be converted to cash in the next 12 months, and leases receivable that are not due within the next 12 months from the University.

**8. 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. Management has not experienced any losses with these accounts and believes the Foundation is not exposed to any significant credit risk.

**Receivable and Revenue Concentration**

As of June 30, 2022 and 2021, all leases receivable and related revenue were from the University.

**9. RISKS AND UNCERTAINTIES**

The Foundation is subject to market risk, which is the risk that changes in interest rates, foreign exchange rates, or equity and commodity prices will affect the fair value of the Foundation's investments. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investments securities will occur in the near term, and such changes could materially affect the amounts reported on the balance sheets.

**10. RECLASSIFICATIONS**

Certain reclassifications have been made to the 2021 financial statements to conform to the 2022 presentation.

## **SUPPLEMENTARY INFORMATION**

**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF FINANCIAL POSITION**  
**JUNE 30, 2022**

	<u>UWG Campus Center, LLC</u>	<u>UWG Athletic Complex, LLC</u>	<u>Roberts Field, LLC</u>	<u>UWG Phase II, LLC</u>	<u>UWG Real Estate Foundation, Inc.</u>	<u>UWG Real Estate Foundation, Inc. and Subsidiaries</u>
<b>ASSETS</b>						
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 838,722	\$ 838,722
Restricted cash and cash equivalents	3,456,642	580,113	3,093,464	2,525,280	-	9,655,499
Investments	-	-	-	-	1,096,177	1,096,177
Due from related party	50,130	29,782	48,773	68,778	-	197,463
Leases receivable, net	20,767,090	28,034,131	20,419,053	35,565,276	-	104,785,550
<b>TOTAL ASSETS</b>	<b><u>\$ 24,273,862</u></b>	<b><u>\$ 28,644,026</u></b>	<b><u>\$ 23,561,290</u></b>	<b><u>\$ 38,159,334</u></b>	<b><u>\$ 1,934,899</u></b>	<b><u>\$ 116,573,411</u></b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 17,950	\$ 40,950	\$ 2,775	\$ 4,800	\$ 3,095	\$ 69,570
Accrued interest	361,342	52,828	472,920	69,387	-	956,477
Bonds payable	21,076,566	28,784,722	21,085,581	36,099,964	-	107,046,833
<b>TOTAL LIABILITIES</b>	<b><u>21,455,858</u></b>	<b><u>28,878,500</u></b>	<b><u>21,561,276</u></b>	<b><u>36,174,151</u></b>	<b><u>3,095</u></b>	<b><u>108,072,880</u></b>
<b>NET ASSETS</b>						
Without donor restrictions	2,818,004	(234,474)	2,000,014	1,985,183	1,931,804	8,500,531
<b>TOTAL NET ASSETS</b>	<b><u>2,818,004</u></b>	<b><u>(234,474)</u></b>	<b><u>2,000,014</u></b>	<b><u>1,985,183</u></b>	<b><u>1,931,804</u></b>	<b><u>8,500,531</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 24,273,862</u></b>	<b><u>\$ 28,644,026</u></b>	<b><u>\$ 23,561,290</u></b>	<b><u>\$ 38,159,334</u></b>	<b><u>\$ 1,934,899</u></b>	<b><u>\$ 116,573,411</u></b>

See independent auditors' report



**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF FINANCIAL POSITION**  
**JUNE 30, 2021**

	<b>UWG Campus Center, LLC</b>	<b>UWG Athletic Complex, LLC</b>	<b>Roberts Field, LLC</b>	<b>UWG Phase II, LLC</b>	<b>UWG Real Estate Foundation, Inc.</b>	<b>UWG Real Estate Foundation, Inc. and Subsidiaries</b>
<b>ASSETS</b>						
<b>ASSETS</b>						
Cash and cash equivalents	\$ 77,691	\$ 242,711	\$ 273,420	\$ 388,033	\$ 97,564	\$ 1,079,419
Restricted cash and cash equivalents	3,379,910	485,125	3,086,389	2,653,870	-	9,605,294
Investments	-	-	-	-	1,256,100	1,256,100
Leases receivable, net	21,903,501	28,724,192	20,975,978	36,558,422	-	108,162,093
Construction in progress	-	-	7,962	15,924	-	23,886
<b>TOTAL ASSETS</b>	<b>\$ 25,361,102</b>	<b>\$ 29,452,028</b>	<b>\$ 24,343,749</b>	<b>\$ 39,616,249</b>	<b>\$ 1,353,664</b>	<b>\$ 120,126,792</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 110,713	\$ 138,080	\$ -	\$ 248,793
Accrued interest	387,483	52,828	484,736	69,386	-	994,433
Bonds payable	22,301,521	29,632,472	21,726,952	37,236,860	-	110,897,805
<b>TOTAL LIABILITIES</b>	<b>22,689,004</b>	<b>29,685,300</b>	<b>22,322,401</b>	<b>37,444,326</b>	<b>-</b>	<b>112,141,031</b>
<b>NET ASSETS</b>						
Without donor restrictions	2,672,098	(233,272)	2,021,348	2,171,923	1,353,664	7,985,761
<b>TOTAL NET ASSETS</b>	<b>2,672,098</b>	<b>(233,272)</b>	<b>2,021,348</b>	<b>2,171,923</b>	<b>1,353,664</b>	<b>7,985,761</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 25,361,102</b>	<b>\$ 29,452,028</b>	<b>\$ 24,343,749</b>	<b>\$ 39,616,249</b>	<b>\$ 1,353,664</b>	<b>\$ 120,126,792</b>

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**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF ACTIVITIES**  
**JUNE 30, 2022**

	<u>UWG Campus Center, LLC</u>	<u>UWG Athletic Complex, LLC</u>	<u>Roberts Field, LLC</u>	<u>UWG Phase II, LLC</u>	<u>UWG Real Estate Foundation, Inc.</u>	<u>UWG Real Estate Foundation, Inc. and Subsidiaries</u>
<b>WITHOUT DONOR RESTRICTIONS</b>						
<b>REVENUES AND GAINS</b>						
Leasing revenues:						
Interest income on direct financing leases	\$ 956,448	\$ 1,348,748	\$ 1,163,842	\$ 1,826,712	\$ -	\$ 5,295,750
Rental revenue	90,826	53,757	139,285	211,081	-	494,949
Total leasing revenues	1,047,274	1,402,505	1,303,127	2,037,793	-	5,790,699
In-kind contributions	-	-	-	-	93,185	93,185
Investment income (loss), net	3,301	1,626	1,039	3,847	(159,776)	(149,963)
<b>TOTAL REVENUES AND GAINS (LOSSES)</b>	<u>1,050,575</u>	<u>1,404,131</u>	<u>1,304,166</u>	<u>2,041,640</u>	<u>(66,591)</u>	<u>5,733,921</u>
<b>EXPENSES</b>						
Contributions of facility projects to the University	41,400	194,200	42,759	194,677	-	473,036
Compensation and benefits	-	-	-	-	86,781	86,781
Insurance expense	-	-	-	-	9,403	9,403
Interest expense	770,372	1,155,112	999,472	1,633,373	-	4,558,329
Professional fees	3,000	4,425	1,500	750	31,910	41,585
Other operating expenses	12,194	8,849	8,307	11,488	2,775	43,613
Rent expense	-	-	-	-	6,404	6,404
<b>TOTAL EXPENSES</b>	<u>826,966</u>	<u>1,362,586</u>	<u>1,052,038</u>	<u>1,840,288</u>	<u>137,273</u>	<u>5,219,151</u>
<b>CHANGE IN NET ASSETS</b>	223,609	41,545	252,128	201,352	(203,864)	514,770
Transfers (to) from affiliates	(77,703)	(42,747)	(273,462)	(388,092)	782,004	-
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>2,672,098</u>	<u>(233,272)</u>	<u>2,021,348</u>	<u>2,171,923</u>	<u>1,353,664</u>	<u>7,985,761</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 2,818,004</u>	<u>\$ (234,474)</u>	<u>\$ 2,000,014</u>	<u>\$ 1,985,183</u>	<u>\$ 1,931,804</u>	<u>\$ 8,500,531</u>

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**UWG REAL ESTATE FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULES OF ACTIVITIES**  
**JUNE 30, 2021**

	<u>UWG Campus Center, LLC</u>	<u>UWG Athletic Complex, LLC</u>	<u>Roberts Field, LLC</u>	<u>UWG Phase II, LLC</u>	<u>UWG Real Estate Foundation, Inc.</u>	<u>UWG Real Estate Foundation, Inc. and Subsidiaries</u>
<b>WITHOUT DONOR RESTRICTIONS</b>						
<b>REVENUES AND GAINS</b>						
Leasing revenues:						
Interest income on direct financing leases	\$ 1,005,985	\$ 1,379,089	\$ 1,194,072	\$ 1,875,606	\$ -	\$ 5,454,752
Rental revenue	88,180	52,191	135,228	205,028	-	480,627
Total leasing revenues	1,094,165	1,431,280	1,329,300	2,080,634	-	5,935,379
In-kind contributions	-	-	-	-	66,597	66,597
Investment income, net	977	651	656	1,545	296,556	300,385
<b>TOTAL REVENUES AND GAINS</b>	<u>1,095,142</u>	<u>1,431,931</u>	<u>1,329,956</u>	<u>2,082,179</u>	<u>363,153</u>	<u>6,302,361</u>
<b>EXPENSES</b>						
Contributions of facility projects to the University	56,727	6,800	109,069	150,111	-	322,707
Compensation and benefits	-	-	-	-	60,193	60,193
Insurance expense	2,158	2,157	2,158	2,157	-	8,630
Interest expense	676,349	987,033	1,154,828	1,604,427	-	4,422,637
Professional fees	10,550	10,175	10,175	11,440	1,519	43,859
Other operating expenses	12,406	12,317	16,574	11,556	211	53,064
Rent expense	-	-	-	-	6,404	6,404
<b>TOTAL EXPENSES</b>	<u>758,190</u>	<u>1,018,482</u>	<u>1,292,804</u>	<u>1,779,691</u>	<u>68,327</u>	<u>4,917,494</u>
<b>CHANGE IN NET ASSETS</b>	336,952	413,449	37,152	302,488	294,826	1,384,867
<b>NET ASSETS AT BEGINNING OF YEAR</b>	2,335,146	(646,721)	1,984,196	1,869,435	1,058,838	6,600,894
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 2,672,098</u>	<u>\$ (233,272)</u>	<u>\$ 2,021,348</u>	<u>\$ 2,171,923</u>	<u>\$ 1,353,664</u>	<u>\$ 7,985,761</u>

See independent auditors' report