

**MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE
(A Component Unit of the City of Seattle, Washington)**

Financial Statements

For the Years Ended June 30, 2020 and 2019

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Independent Auditor's Report

**To the Council Members
Museum Development Authority of Seattle
Seattle, Washington**

We have audited the accompanying financial statements of the Museum Development Authority of Seattle (the Authority), a component unit of the City of Seattle, which comprise the statements of net position as of June 30, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the 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.

Auditor's 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 audit 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 auditor's 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 auditor considers 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.



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of June 30, 2020 and 2019, and the changes in its revenues, expenses, and net position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Clark Nuber P.S.

Certified Public Accountants
November 11, 2020

MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE

Management's Discussion and Analysis For the Years Ended June 30, 2020 and 2019

Management's Discussion and Analysis (MD&A) presents a narrative overview and analysis of the financial activities of the Museum Development Authority of Seattle (the Authority) for the years ended June 30, 2020 and 2019. The MD&A is designed to assist readers of the financial statements in focusing on significant financial activities and issues and to identify any significant changes. As this information is presented in summary form, it should be read in conjunction with the financial statements as a whole.

The Authority

The Authority is a public authority organized under Washington State law and an ordinance of the City of Seattle (the City). The Authority was issued a charter by the Mayor of Seattle on September 13, 1985. The Authority is governed by a nine member council with three appointed by the Mayor, three appointed by the Seattle Art Museum (the Museum), and three appointed by the Authority Council. The purpose of the Authority is to undertake and assist in the development and operations of a public art museum in downtown Seattle.

Overview of the Financial Statements

As a government enterprise, the Authority follows all pronouncements of the Government Accounting Standards Board (GASB).

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Authority by the City, the internal accounting records of the Authority are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, these funds have been combined.

As a special-purpose government entity engaged only in business-type activities, the Authority's financial statements are presented as a proprietary fund. The financial statements therefore include Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. The financial statements measure, recognize, and report transactions and balances using proprietary fund accounting and financial reporting standards as provided in GASB pronouncements.

The Authority uses the flow of economic resources and measurement focus and accrual basis of accounting, in which revenues are recognized when earned and expenses are recorded when incurred. In addition, long-lived assets in excess of \$2,500 in value, such as buildings and equipment, are capitalized and depreciated over their estimated economic lives. Long-lived assets associated with capital projects are capitalized as construction in progress until placed in service, at which time depreciation commences.

The financial statements provide both long-term and short-term information about the Authority's overall financial status as well as the Authority's net position. Net position is the difference between the Authority's assets and liabilities and over time serves as a useful indicator of the Authority's financial position. The financial statements also include notes that provide additional information that is essential to a full understanding of the information provided.

MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE

**Management’s Discussion and Analysis (Continued)
For the Years Ended June 30, 2020 and 2019**

Capital Asset and Long-Term Debt Activity

In May 2003, the Council Members and the Museum Board of Trustees entered into a development agreement with a bank to jointly develop a mixed-use facility of approximately 1,225,000 square feet, of which approximately 335,000 square feet is owned by the Authority and the Museum to provide expansion space for the Museum’s downtown facility.

The Authority issued approximately \$60,720,000 in special obligation bonds backed by a guarantee from the City in November 2005. The proceeds of the bonds were applied by the Authority to remodel, expand, and equip the Authority's existing downtown museum, to fund a debt service reserve account, and to pay costs of issuance. The expanded property is leased by the Authority to the Museum and used for expanded exhibition space. Lease payments are to be set at an amount to fund all debt service requirements. The City guarantee provides additional security to the Authority and to the bondholders in the event that lease payment requirements are not met (Note 3).

In 2014, the Authority issued \$44.4 million in special obligation refunding bonds to advance refund \$49.6 million of outstanding 2005 Series bonds. The net proceeds were used to purchase US government securities, which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2005 Series bonds. As a result, the 2005 Series bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

Financial Analysis and Highlights

The Authority’s net position as of June 30, 2020, 2019, and 2018, is presented in the table below:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Capital assets	\$ 66,751,186	\$ 69,558,017	\$ 72,364,847
Other assets	5,088,657	5,452,655	5,389,235
Total Assets	<u>\$ 71,839,843</u>	<u>\$ 75,010,672</u>	<u>\$ 77,754,082</u>
Total Deferred Outflow of Resources	<u>\$ 462,436</u>	<u>\$ 540,324</u>	<u>\$ 623,004</u>
Current liabilities	\$ 2,718,792	\$ 2,631,170	\$ 2,557,299
Noncurrent liabilities	34,321,190	37,626,115	40,408,507
Total Liabilities	<u>\$ 37,039,982</u>	<u>\$ 40,257,285</u>	<u>\$ 42,965,806</u>
Unrestricted net position	\$ (1,022,788)	\$ (1,496,432)	\$ (1,527,230)
Restricted for debt service	5,088,657	5,452,655	5,389,235
Invested in capital assets, net of related debt	31,196,428	31,337,488	31,549,275
Total Net Position	<u>\$ 35,262,297</u>	<u>\$ 35,293,711</u>	<u>\$ 35,411,280</u>

MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE

Management's Discussion and Analysis (Continued) For the Years Ended June 30, 2020 and 2019

Total assets decreased from 2019 to 2020 and 2018 to 2019 by \$3,170,829 and \$2,743,410, respectively, due primarily to depreciation of capital assets. Total deferred outflow of resources decreased from 2019 to 2020 and 2018 to 2019 by \$77,888 and \$82,680, respectively due to amortization of the advance refunding of debt.

Total liabilities decreased from 2019 to 2020 and 2018 to 2019 by \$3,217,303 and \$2,708,521, respectively, primarily due to the principal payments of bonds payable and amortization of bond premium. Total net position decreased by \$31,414 and \$117,569 from 2019 to 2020 and 2018 to 2019, respectively. The amount restricted for debt service decreased from 2019 to 2020 and increased from 2018 to 2019 by \$363,998 and \$63,420, respectively, which can be attributed to timing of rental payments received that are deposited into restricted cash accounts. Investments in capital assets, net of related debt decreased from 2019 to 2020 and 2018 to 2019 by \$141,060 and \$211,787, respectively, primarily due to the depreciation of capital assets, principal payments of bonds payable, and amortization of bond issuance costs and bond premium.

The Authority's Change in Net Position for the years ended June 30, 2020, 2019, and 2018, is presented in the table below:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 3,975,321	\$ 3,981,090	\$ 3,997,736
Operating expenses	<u>(2,840,105)</u>	<u>(2,843,873)</u>	<u>(2,859,775)</u>
Operating Income	1,135,216	1,137,217	1,137,961
Nonoperating revenues (expenses)	<u>(1,166,630)</u>	<u>(1,254,786)</u>	<u>(1,389,246)</u>
Change in Net Position	(31,414)	(117,569)	(251,285)
Net position, beginning of year	<u>35,293,711</u>	<u>35,411,280</u>	<u>35,662,565</u>
Net Position, End of Year	<u>\$ 35,262,297</u>	<u>\$ 35,293,711</u>	<u>\$ 35,411,280</u>

Operating revenues decreased by \$5,769 from 2019 to 2020 and by \$16,646 from 2018 to 2019, and can be attributed to changes in rental income received from the Museum. Operating expenses decreased by \$3,768 from 2019 to 2020 and by \$15,902 from 2018 to 2019 and can be attributed to the use of professional services. Nonoperating revenues (expenses) decreased by \$88,156 and \$134,460 from 2019 to 2020 and 2018 to 2019, respectively, which can be attributed to the change in interest income/expense, and amortization of bond issuance costs and bond premium.

Requests for Information

This report is designed to provide an overview of the Authority's finances for all those with interest in the Authority's finance. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Museum Development Authority of Seattle, Chief Financial Officer, 1300 First Avenue, Seattle, WA 98101-3100.

MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE

Statements of Net Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets:		
Restricted cash	\$ 5,088,657	\$ 5,452,655
Land	14,463,114	14,463,114
Buildings, furniture, fixtures and equipment, net	<u>52,288,072</u>	<u>55,094,903</u>
Total Assets	<u>\$ 71,839,843</u>	<u>\$ 75,010,672</u>
Deferred Outflow of Resources:		
Advance refunding of debt	<u>\$ 462,436</u>	<u>\$ 540,324</u>
Total Deferred Outflow of Resources	<u>\$ 462,436</u>	<u>\$ 540,324</u>
Liabilities:		
Accrued interest payable	\$ 409,125	\$ 436,503
Current portion of unearned ground lease revenue	4,667	4,667
Current portion of bonds payable	<u>2,305,000</u>	<u>2,190,000</u>
Total Current Liabilities	2,718,792	2,631,170
Unearned ground lease revenue, net of current portion	608,996	1,055,262
Bonds payable, net of current portion	30,425,000	32,730,000
Unamortized bond premium	<u>3,287,194</u>	<u>3,840,853</u>
Total Liabilities	<u>\$ 37,039,982</u>	<u>\$ 40,257,285</u>
Net Position:		
Unrestricted deficit	\$ (1,022,788)	\$ (1,496,432)
Restricted for debt service	5,088,657	5,452,655
Invested in capital assets, net of related debt	<u>31,196,428</u>	<u>31,337,488</u>
Total Net Position	<u>\$ 35,262,297</u>	<u>\$ 35,293,711</u>

See accompanying notes.

MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE

Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Building lease	\$ 3,967,954	\$ 3,976,423
Ground lease	4,667	4,667
Miscellaneous	2,700	
	<u>3,975,321</u>	<u>3,981,090</u>
Operating Expenses:		
General and administrative	33,274	37,043
Depreciation	2,806,831	2,806,830
	<u>2,840,105</u>	<u>2,843,873</u>
Operating Income	1,135,216	1,137,217
Nonoperating Revenues (Expenses):		
Investment return	76,225	64,544
Interest expense	(1,796,513)	(1,907,055)
Amortization of bond premium	553,658	587,725
	<u>(1,166,630)</u>	<u>(1,254,786)</u>
Change in Net Position	(31,414)	(117,569)
Net position, beginning of year	35,293,711	35,411,280
Net Position, End of Year	<u>\$ 35,262,297</u>	<u>\$ 35,293,711</u>

See accompanying notes.

MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE

Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Cash received from leases	\$ 3,529,055	\$ 3,976,423
Cash paid for goods and services	<u>(33,274)</u>	<u>(37,043)</u>
Net Cash Provided by Operating Activities	3,495,781	3,939,380
Cash Flows From Capital and Related Financing Activities:		
Payments for bond interest	(1,746,004)	(1,850,504)
Repayments of bond principal	<u>(2,190,000)</u>	<u>(2,090,000)</u>
Net Cash Used in Capital and Related Financing Activities	(3,936,004)	(3,940,504)
Cash Flows From Investing Activities:		
Interest and dividends	76,225	64,544
Net change in restricted cash and short-term investments	<u>363,998</u>	<u>(63,420)</u>
Net Cash Provided by Investing Activities	440,223	1,124
Net Change in Cash and Cash Equivalents		
Cash and cash equivalents, beginning of year	<u> </u>	<u> </u>
Cash and Cash Equivalents, End of Year	\$ -	\$ -
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 1,135,216	\$ 1,137,217
Adjustments to reconcile to net cash from operating activities-		
Depreciation	2,806,831	2,806,830
Change in assets and liabilities:		
Unearned lease revenue	<u>(446,266)</u>	<u>(4,667)</u>
Net Cash Provided by Operating Activities	\$ 3,495,781	\$ 3,939,380

See accompanying notes.

MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE

Notes to Financial Statements For the Years Ended June 30, 2020 and 2019

Note 1 - Operations and Summary of Significant Accounting Policies

Operations and Reporting Entity - The purpose of Museum Development Authority of Seattle (the Authority) is to undertake and assist in the development and operations of a public art museum in downtown Seattle, the Seattle Art Museum (the Museum). The Authority is a public authority organized under Washington State law and an ordinance of the City of Seattle (the City). The Authority was issued a charter by the Mayor of Seattle on September 13, 1985. The Authority is governed by a nine-member council with three appointed by the Mayor, three appointed by the Museum, and three appointed by the Authority Council. The City provides a guarantee on debt issued by the Authority (Note 3) and thus, the Authority is a component unit of the City. The financial statements include only the activities of the Authority as no component units of the Authority have been identified. The activities of the Museum are not included in the Authority's financial statements.

Basis of Presentation - Financial statement presentation follows accounting principles defined for special-purpose government entities. The Authority is a government enterprise and follows all pronouncements of the Governmental Accounting Standards Board (GASB). The financials have been prepared using the economic resources measurement focus and the accrued basis of accounting.

Under the flow of economic resources measurement focus and accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred. In addition, long-lived assets such as buildings and equipment are capitalized and depreciated over their estimated economic lives.

Operating and Nonoperating Activity - Operating activities represent revenues and expenses solely related to the property lease and operating agreement. Nonoperating activities are the revenues and expenses related to investments and debt.

Cash and Cash Equivalents - For purposes of reporting cash flows, cash includes cash on hand and on deposit with financial institutions and financial instruments with original maturities of ninety days or less. Cash equivalents include investments in money market funds and are stated at cost, which approximates market value. The Authority's operating deposits are required to be deposited in a qualified public depository as required by statute. As of June 30, 2020 and 2019, the Authority maintained an operating cash balance of \$0. The restricted cash balances held for the bonds payable at June 30, 2020 and 2019, of \$5,088,657 and \$5,452,655, respectively, are held in money market funds collateralized by securities held by the financial institution.

Credit Risk - Credit risk is the risk that an issuer of the counterparty to an investment will not fulfill its obligation. The Authority invests in U.S. Treasury Securities.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority invests in U.S. Treasury securities, generally with one year original maturity dates, to help manage its exposure to fair value losses arising from increasing interest rates.

Land, Buildings and Building Improvements - Land, buildings and building improvements are stated at cost. Depreciation of the buildings and building improvements are provided using the straight-line method over an estimated useful life of 40 years.

Furniture, Fixtures and Equipment - Furniture, fixtures and equipment are stated at cost. Depreciation is provided using the straight-line method over an estimated useful life up to 15 years.

MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE

Notes to Financial Statements For the Years Ended June 30, 2020 and 2019

Note 1 - Continued

Bond Premium - Bond premium represent deferred charges and an addition to the bond liability. Amortization of such amounts are provided using the bonds outstanding method.

Unearned Lease Revenue - Unearned lease revenue on the statements of net position represents payments received in advance from the Museum for the Olympic Sculpture Park ground lease and the Museum Expansion operating agreement.

Deferred Outflow of Resources - Deferred outflow of resources is the consumption of net position that is applicable to a future reporting period. A deferred outflow of resources involves no consumption of resources that results in either a net decrease in assets or a net increase in liabilities. Deferred outflows of resources presented in this manner on the accompanying financial statements are related to the advanced refunding of bonds.

Net Position - Net position is classified into the following three components: 1) Invested in capital assets, net of related debt - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. 2) Restricted - This component of net position consists of restrictions placed on net position use by external creditors (such as through debt covenants), grantors or contributors. 3) Unrestricted net position - This component consists of the net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt." The Authority applies unrestricted and restricted resources to purposes for which both unrestricted and restricted net position are available based on management's discretion.

Income Taxes - The Authority is a special-purpose organization of the State of Washington and accordingly is generally exempt from federal income taxes under the provisions of Section 115 of the Internal Revenue Code.

Use of Estimates - The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE

**Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019**

Note 2 - Capital Assets

The following is a summary of changes in capital assets:

	Balance at June 30, 2018	Additions/ (Reclassifications)	Balance at June 30, 2019	Additions/ (Reclassifications)	Balance at June 30, 2020
Capital Assets Not Being Depreciated:					
Land	\$ 14,463,114	\$ -	\$ 14,463,114	\$ -	\$ 14,463,114
Total Capital Assets Not Being Depreciated	14,463,114		14,463,114		14,463,114
Capital Assets Being Depreciated:					
Building	74,038,136		74,038,136		74,038,136
Building improvements	29,821,424		29,821,424		29,821,424
Furniture, fixtures and equipment	3,155,750		3,155,750		3,155,750
	107,015,310		107,015,310		107,015,310
Less accumulated depreciation	(49,113,577)	(2,806,830)	(51,920,407)	(2,806,831)	(54,727,238)
Total Capital Assets Being Depreciated	57,901,733	(2,806,830)	55,094,903	(2,806,831)	52,288,072
Net Capital Assets	\$ 72,364,847	\$ (2,806,830)	\$ 69,558,017	\$ (2,806,831)	\$ 66,751,186

Note 3 - Bonds Payable

In 2014, the Authority issued \$44.4 million in special obligation refunding bonds (the 2014 Bonds) to advance refund outstanding 2005 special obligation bonds (the 2005 Bonds). The net proceeds of the 2014 Bonds were used to purchase U.S. government securities that were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2005 Bonds. As a result, the 2005 Series bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements of the Authority. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the 2015 Bonds of \$1 million. The difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through the year 2031 using the effective-interest method.

The 2014 Bonds carry interest at 5% with interest paid twice a year. The 2014 Bonds mature at various dates through 2031. As part of the bond agreement, the Authority has agreed to certain covenants requiring minimum debt service coverage ratios for the Authority and a minimum net asset balance for the Museum. At June 30, 2020 and 2019, the Authority was in compliance with the debt service coverage requirement. Security for the 2014 Bonds includes a pledge of the Authority's right to receive rental payments from leasing the Authority's property, a guarantee agreement by the City, and a pledge of certain funds.

The following is a summary of changes in bonds payable:

	Balance at June 30, 2018	Redemptions	Balance at June 30, 2019	Redemptions	Balance at June 30, 2020
2014 Bonds	\$ 37,010,000	\$ (2,090,000)	\$ 34,920,000	\$ (2,190,000)	\$ 32,730,000

MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE

Notes to Financial Statements For the Years Ended June 30, 2020 and 2019

Note 3 - Continued

Maturities of bonds are as follows:

For the Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2021	\$ 2,305,000	\$ 1,636,500
2022	2,420,000	1,521,250
2023	2,540,000	1,400,250
2024	2,665,000	1,273,250
2025	2,800,000	1,140,000
2026 - 2030	16,250,000	3,454,250
2031	<u>3,750,000</u>	<u>187,500</u>
	<u>\$ 32,730,000</u>	<u>\$ 10,613,000</u>

Note 4 - Lease Agreements With the Museum

The Museum is leasing condominium units owned by the Authority in the new addition adjacent to the Museum's downtown Seattle facility. The lease expires in December 2103. Lease payments received for the years ended June 30, 2020 and 2019 were \$3,967,954 and \$3,976,423, respectively. Lease payments are due for the first 25 years of the lease agreement until 2031, and are set equal to the principal and interest payments required for the bonds as disclosed in Note 3. In addition to the minimum lease payments, the Museum is also obligated to bear the operating expenses of the Authority and comply with certain public benefit provisions.

Future minimum payments under the lease term approximate the following:

For the Year Ending June 30,	
2021	\$ 3,941,000
2022	3,941,000
2023	3,940,000
2024	3,940,001
2025	3,940,001
Thereafter	<u>22,656,750</u>
	<u>\$ 42,358,752</u>

The Museum is leasing land from the Authority for use of the Olympic Sculpture Park. Total lease payments of \$700,000 for this land were recorded as unearned ground lease revenue on the statements of net position and amortized over the life of the lease. The initial lease period expires in January 2152. The advanced lease payments are being amortized on a straight line basis over the 150-year life of the lease. For the years ended June 30, 2020 and 2019, amortization of the unearned ground lease revenue was \$4,667.