

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the Fiscal Year Ended: December 31, 2014

Commission file number: 000-23778

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP

(Exact name of registrant as specified in its charter)

<u>State of Minnesota</u> (State or other jurisdiction of incorporation or organization)	<u>41-1729121</u> (I.R.S. Employer Identification No.)
<u>30 East 7<sup>th</sup> Street, Suite 1300 St. Paul, Minnesota 55101</u> (Address of principal executive offices)	<u>(651) 227-7333</u> (Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
<u>None</u>	<u>None</u>

Securities registered pursuant to Section 12(g) of the Act:

<u>Limited Partnership Units</u> (Title of class)
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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  
 Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.  
 Large accelerated filer  Accelerated filer  
 Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  
 Yes  No

As of June 30, 2014, there were 21,126,861 Units of limited partnership interest outstanding and owned by nonaffiliates of the registrant, which Units had an aggregate market value (based solely on the price at which they were sold since there is no ready market for such Units) of \$21,126,861.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant has not incorporated any documents by reference into this report.

## PART I

### ITEM 1. BUSINESS.

AEI Net Lease Income & Growth Fund XX Limited Partnership (the "Partnership" or the "Registrant") is a limited partnership which was organized pursuant to the laws of the State of Minnesota on September 2, 1992. The registrant is comprised of AEI Fund Management XX, Inc. ("AFM") as Managing General Partner, Robert P. Johnson, the President and sole director of AFM, as the Individual General Partner, and purchasers of partnership units as Limited Partners. The Partnership offered for sale up to \$24,000,000 of limited partnership interests (the "Units") (24,000 Units at \$1,000 per Unit) pursuant to a registration statement effective January 20, 1993. The Partnership commenced operations on June 30, 1993 when minimum subscriptions of 1,500 Limited Partnership Units (\$1,500,000) were accepted. On January 19, 1995, the Partnership's offering terminated when the maximum subscription limit of 24,000 Limited Partnership Units (\$24,000,000) was reached.

The Partnership was organized to acquire existing and newly constructed commercial properties located in the United States, to lease such properties to tenants under net leases, to hold such properties and to eventually sell such properties. From subscription proceeds, the Partnership purchased fourteen properties, including partial interests in five properties, at a total cost of \$20,174,391. The balance of the subscription proceeds was applied to organization and syndication costs, working capital reserves and distributions, which represented a return of capital. The properties are commercial, single tenant buildings leased under net leases.

The Partnership's properties were purchased without any indebtedness. The Partnership will not finance properties in the future to obtain proceeds for new property acquisitions. If it is required to do so, the Partnership may incur short-term indebtedness, which may be secured by a portion of the Partnership's properties, to finance day-to-day cash flow requirements (including cash flow necessary to repurchase Units). The amount of borrowings that may be secured by the properties is limited in the aggregate to 10% of the purchase price of all properties. The Partnership will not incur borrowings to pay distributions and will not incur borrowings while there is cash available for distributions.

The Partnership will hold its properties until the General Partners determine that the sale or other disposition of the properties is advantageous in view of the Partnership's investment objectives. In deciding whether to sell properties, the General Partners will consider factors such as potential appreciation, net cash flow and income tax considerations. The Partnership expects to sell some or all of its properties prior to its final liquidation and to reinvest the proceeds from such sales in additional properties. The Partnership reserves the right, at the discretion of the General Partners, to either distribute proceeds from the sale of properties to the Partners or to reinvest such proceeds in additional properties, provided that sufficient proceeds are distributed to the Limited Partners to pay federal and state income taxes related to any taxable gain recognized as a result of the sale.

## **ITEM 1. BUSINESS. (Continued)**

In December 2008, the Managing General Partner mailed a Consent Statement (Proxy) seeking the consent of the Limited Partners to continue the Partnership for an additional 60 months or to initiate the final disposition, liquidation and distribution of all of the Partnership's properties and assets. On January 9, 2009, the proposal to continue the Partnership was approved with a majority of Units voted in favor of the continuation proposal. In June 2014, the Managing General Partner mailed a Consent Statement (Proxy) seeking the consent of the Limited Partners to continue the Partnership for an additional 60 months or to initiate the final disposition, liquidation and distribution of all of the Partnership's properties and assets within 24 to 36 months. Approval of either proposal required the affirmative vote of holders of a majority of the outstanding units. On July 22, 2014, the votes were counted and neither proposal received the required majority vote. As a result, the Partnership will not liquidate and will continue in operation until the Limited Partners vote to authorize the sale of all of the Partnership's properties or December 31, 2043, as stated in the Limited Partnership Agreement. However, in approximately five years, the Managing General Partner expects to again submit the question to liquidate to a vote by the Limited Partners.

### **Leases**

Although there are variations in the specific terms of the leases, the following is a summary of the general terms of the Partnership's leases. The properties are leased to tenants under net leases, classified as operating leases. Under a net lease, the tenant is responsible for real estate taxes, insurance, maintenance, repairs and operating expenses for the property. For some leases, the Partnership is responsible for repairs to the structural components of the building, the roof, and the parking lot. At the time the properties were acquired, the remaining primary lease terms varied from 10 to 20 years. The leases provide the tenants with two to six five-year renewal options subject to the same terms and conditions as the primary term. The leases provide for base annual rental payments, payable in monthly installments, and contain rent clauses which entitle the Partnership to receive additional rent in future years based on stated rent increases.

### **Property Activity During the Last Three Years**

As of December 31, 2011, the Partnership owned a significant interest in ten properties and a minor interest in one property with a total cost of \$16,701,188. During the years ended December 31, 2012, 2013 and 2014, the Partnership sold six property interests and received net sale proceeds of \$1,571,107, \$2,208,739 and \$2,362,480, which resulted in net gains of \$430,939, \$524,340 and \$708,907, respectively. During 2012 and 2014, the Partnership expended \$2,750,400 and \$2,360,000, respectively, to purchase three additional properties as it reinvested cash generated from property sales. As of December 31, 2014, the Partnership owned a significant interest in eight properties with a total cost of \$14,920,720.

**ITEM 1. BUSINESS. (Continued)****Major Tenants**

During 2014, four tenants each contributed more than ten percent of the Partnership's total rental income. The major tenants, in aggregate, contributed 79% of total rental income in 2014. It is anticipated that, based on the minimum rental payments required under the leases, each major tenant will continue to contribute more than ten percent of rental income in 2015. Any failure of these major tenants could materially affect the Partnership's net income and cash distributions.

**Competition**

The Partnership is a minor factor in the commercial real estate business. There are numerous entities engaged in the commercial real estate business which have greater financial resources than the Partnership. At the time the Partnership elects to dispose of its properties, the Partnership will be in competition with other persons and entities to find buyers for its properties.

**Employees**

The Partnership has no direct employees. Management services are performed for the Partnership by AEI Fund Management, Inc., an affiliate of AFM.

**ITEM 1A. RISK FACTORS.**

Not required for a smaller reporting company.

**ITEM 1B. UNRESOLVED STAFF COMMENTS.**

Not required for a smaller reporting company.

**ITEM 2. PROPERTIES.****Investment Objectives**

The Partnership's investment objectives are to acquire existing or newly-developed commercial properties throughout the United States that offer the potential for (i) regular cash distributions of lease income; (ii) growth in lease income through rent escalation provisions; (iii) preservation of capital through all-cash sale-leaseback transactions; (iv) capital growth through appreciation in the value of properties; and (v) stable property performance through long-term lease contracts. The Partnership does not have a policy, and there is no limitation, as to the amount or percentage of assets that may be invested in any one property. However, to the extent possible, the General Partners attempt to diversify the properties by tenant and geographic location.

**ITEM 2. PROPERTIES. (Continued)****Description of Properties**

The Partnership's properties are commercial, single tenant buildings. The properties were acquired on a debt-free basis and are leased to tenants under net leases, classified as operating leases. The Partnership holds an undivided fee simple interest in the properties.

The Partnership's properties are subject to the general competitive conditions incident to the ownership of single tenant investment real estate. Since each property is leased under a long-term lease, there is little competition until the Partnership decides to sell the property. At this time, the Partnership will be competing with other real estate owners, on both a national and local level, in attempting to find buyers for the properties. In the event of a tenant default, the Partnership would be competing with other real estate owners, who have property vacancies, to attract a new tenant to lease the property. The Partnership's tenants operate in industries that are competitive and can be affected by factors such as changes in regional or local economies, seasonality and changes in consumer preference.

The following table is a summary of the properties that the Partnership acquired and owned as of December 31, 2014.

<u>Property</u>	<u>Purchase Date</u>	<u>Original Property Cost</u>	<u>Tenant</u>	<u>Annual Lease Payment</u>	<u>Annual Rent Per Sq. Ft.</u>
HomeTown Buffet Restaurant Albuquerque, NM (40.1354%)	9/30/93	\$ 531,331	(1)		
Red Robin Restaurant Colorado Springs, CO	2/24/94	\$ 2,229,190	Red Robin West, Inc.	\$ 341,250	\$ 46.88
KinderCare Daycare Center Mayfield Heights, OH	6/14/02	\$ 1,407,058	KinderCare Learning Centers, Inc.	\$ 161,684	\$ 18.99
Jared Jewelry Store Hanover, MD (50%)	2/9/04	\$ 1,989,105	Sterling Jewelers Inc.	\$ 185,406	\$ 63.83
Staples Store Vernon Hills, IL (70%)	5/22/09	\$ 3,714,638 (2)	Staples the Office Superstore East, Inc.	\$ 308,315	\$ 23.00
Tractor Supply Company Store Starkville, MS (47%)	2/23/12	\$ 1,339,500 (2)	Tractor Supply Company	\$ 102,462	\$ 11.51
Family Dollar Store Mobile, AL	7/23/12	\$ 1,410,900 (2)	Family Dollar Stores of Alabama, Inc.	\$ 119,926	\$ 14.66
Fresenius Medical Center Green, OH	12/3/14	\$ 2,360,000 (2)	Bio-Medical Applications of Ohio, Inc.	\$ 163,184	\$ 15.50

(1) The property is vacant and listed for lease or sale.

(2) Does not include acquisition costs that were expensed.

**ITEM 2. PROPERTIES. (Continued)**

The properties listed above with a partial ownership percentage are owned with the following affiliated entities and/or unrelated third parties: Jared Jewelry store (AEI Income & Growth Fund XXI Limited Partnership); Staples store (AEI Income & Growth Fund 27 LLC) and Tractor Supply Company store (AEI Income & Growth Fund 26 LLC). The remaining interests in the HomeTown Buffet restaurant are owned by unrelated third parties.

The Partnership accounts for properties owned as tenants-in-common with affiliated entities and/or unrelated third parties using the proportionate consolidation method. Each tenant-in-common owns a separate, undivided interest in the properties. Any tenant-in-common that holds more than a 50% interest does not control decisions over the other tenant-in-common interests. The financial statements reflect only this Partnership's percentage share of the properties' land, building, liabilities, revenues and expenses.

At the time the properties were acquired, the remaining primary lease terms varied from 10 to 20 years. The Lease for the Red Robin restaurant was extended to expire on December 31, 2017. Most of the leases provide the tenant with two to six five-year renewal options subject to the same terms and conditions as the primary term.

Pursuant to the lease agreements, the tenants are required to provide proof of adequate insurance coverage on the properties they occupy. The General Partners believe the properties are adequately covered by insurance and consider the properties to be well-maintained and sufficient for the Partnership's operations.

For tax purposes, the Partnership's properties are depreciated under the Modified Accelerated Cost Recovery System (MACRS). The largest depreciable component of a property is the building which is depreciated, using the straight-line method, over 39 or 40 years. The remaining depreciable components of a property are personal property and land improvements which are depreciated, using an accelerated method, over 5 and 15 years, respectively. Since the Partnership has tax-exempt Partners, the Partnership is subject to the rules of Section 168(h)(6) of the Internal Revenue Code which requires a percentage of the properties' depreciable components to be depreciated over longer lives using the straight-line method. In general, the federal tax basis of the properties for tax depreciation purposes equals the book depreciable cost of the properties plus the amortizable cost of the related intangible lease assets, except for properties whose carrying value was reduced by a real estate impairment and properties purchased after January 1, 2009. Real estate impairments, which are recorded against the book cost of the land and depreciable property, are not recognized for tax purposes. For properties purchased after January 1, 2009, acquisition expenses that were expensed for book purposes were capitalized and added to the basis of the property for tax depreciation purposes.

At December 31, 2014, all properties listed above were 100% occupied. The only exception is the HomeTown Buffet restaurant in Albuquerque, New Mexico that became vacant on January 31, 2011 when the lease term expired.

**ITEM 3. LEGAL PROCEEDINGS.**

None.

**ITEM 4. MINE SAFETY DISCLOSURES.**

Not Applicable.

**PART II****ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCK-HOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.**

(a) As of December 31, 2014, there were 1,410 holders of record of the registrant's Limited Partnership Units. There is no other class of security outstanding or authorized. The registrant's Units are not a traded security in any market. During the period covered by this report, the Partnership did not sell any equity securities that are not registered under the Securities Act of 1933.

Cash distributions of \$11,899 and \$11,987 were made to the General Partners and \$1,177,992 and \$1,186,817 were made to the Limited Partners for 2014 and 2013, respectively. The distributions were made on a quarterly basis and represented Net Cash Flow, as defined, except as discussed below. These distributions should not be compared with dividends paid on capital stock by corporations.

As part of the Limited Partners' distributions discussed above, the Partnership distributed net sale proceeds of \$511,726 and \$207,773 in 2014 and 2013, respectively.

(b) Not applicable.

(c) Pursuant to Section 7.7 of the Partnership Agreement, as amended, each Limited Partner has the right to present Units to the Partnership for purchase by submitting notice to the Managing General Partner during January or July of each year. The purchase price of the Units is equal to 90% of the net asset value per Unit, as of the first business day of January or July of each year, as determined by the Managing General Partner in accordance with the provisions of the Partnership Agreement. Units tendered to the Partnership during January and July may be repurchased on April 1st and October 1st, respectively, of each year subject to the following limitations. The Partnership will not be obligated to purchase in any year any number of Units that, when aggregated with all other transfers of Units that have occurred since the beginning of the same calendar year (excluding Permitted Transfers as defined in the Partnership Agreement), would exceed 5% of the total number of Units outstanding on January 1 of such year. In no event shall the Partnership be obligated to purchase Units if, in the sole discretion of the Managing General Partner, such purchase would impair the capital or operation of the Partnership.

**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCK-HOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.**Small Business Issuer Purchases of Equity Securities

Period	Total Number of Units Purchased	Average Price Paid per Unit	Total Number of Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Units that May Yet Be Purchased Under the Plans or Programs
10/1/14 to 10/31/14	168.04	\$719.58	3,013.18(1)	(2)
11/1/14 to 11/30/14	--	--	--	--
12/1/14 to 12/31/14	--	--	--	--

(1) The Partnership's repurchase plan is mandated by the Partnership Agreement as included in the prospectus related to the original offering of the Units.

(2) The Partnership Agreement contains annual limitations on repurchases described in the paragraph above and has no expiration date.

**ITEM 6. SELECTED FINANCIAL DATA.**

Not required for a smaller reporting company.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

This section contains "forward-looking statements" which represent management's expectations or beliefs concerning future events, including statements regarding anticipated application of cash, expected returns from rental income, growth in revenue, the sufficiency of cash to meet operating expenses, rates of distribution, and other matters. These, and other forward-looking statements, should be evaluated in the context of a number of factors that may affect the Partnership's financial condition and results of operations, including the following:

- Market and economic conditions which affect the value of the properties the Partnership owns and the cash from rental income such properties generate;
- the federal income tax consequences of rental income, deductions, gain on sales and other items and the effects of these consequences for the Partners;
- resolution by the General Partners of conflicts with which they may be confronted;
- the success of the General Partners of locating properties with favorable risk return characteristics;
- the effect of tenant defaults; and
- the condition of the industries in which the tenants of properties owned by the Partnership operate.



## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)**

### **Application of Critical Accounting Policies**

The Partnership's financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles (US GAAP). Preparing the financial statements requires management to use judgment in the application of these accounting policies, including making estimates and assumptions. These judgments will affect the reported amounts of the Partnership's assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the financial statements and will affect the reported amounts of revenue and expenses during the reporting periods. It is possible that the carrying amount of the Partnership's assets and liabilities, or the results of reported operations, will be affected if management's estimates or assumptions prove inaccurate.

Management of the Partnership evaluates the following accounting estimates on an ongoing basis, and has discussed the development and selection of these estimates and the management discussion and analysis disclosures regarding them with managing partner of the Partnership.

### ***Allocation of Purchase Price of Acquired Properties***

Upon acquisition of real properties, the Partnership records them in the financial statements at cost. The purchase price is allocated to tangible assets, consisting of land and building, and to identified intangible assets and liabilities, which may include the value of above market and below market leases and the value of in-place leases. The allocation of the purchase price is based upon the fair value of each component of the property. Although independent appraisals may be used to assist in the determination of fair value, in many cases these values will be based upon management's assessment of each property, the selling prices of comparable properties and the discounted value of cash flows from the asset.

The fair values of above market and below market in-place leases will be recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) an estimate of fair market lease rates for the corresponding in-place leases measured over a period equal to the non-cancelable term of the lease including any bargain renewal periods. The above market and below market lease values will be capitalized as intangible lease assets or liabilities. Above market lease values will be amortized as an adjustment of rental income over the remaining terms of the respective leases. Below market leases will be amortized as an adjustment of rental income over the remaining term of the respective leases, including any bargain renewal periods. If a lease were to be terminated prior to its stated expiration, all unamortized amounts of above market and below market in-place lease values relating to that lease would be recorded as an adjustment to rental income.

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)**

The fair values of in-place leases will include estimated direct costs associated with obtaining a new tenant, and opportunity costs associated with lost rentals which are avoided by acquiring an in-place lease. Direct costs associated with obtaining a new tenant may include commissions, tenant improvements, and other direct costs and are estimated, in part, by management's consideration of current market costs to execute a similar lease. These direct costs will be included in intangible lease assets on the balance sheet and will be amortized to expense over the remaining term of the respective leases. The value of opportunity costs will be calculated using the contractual amounts to be paid pursuant to the in-place leases over a market absorption period for a similar lease. These intangibles will be included in intangible lease assets on the balance sheet and will be amortized to expense over the remaining term of the respective leases. If a lease were to be terminated prior to its stated expiration, all unamortized amounts of in-place lease assets relating to that lease would be expensed.

The determination of the fair values of the assets and liabilities acquired will require the use of significant assumptions with regard to the current market rental rates, rental growth rates, discount and capitalization rates, interest rates and other variables. If management's estimates or assumptions prove inaccurate, the result would be an inaccurate allocation of purchase price, which could impact the amount of reported net income.

### ***Carrying Value of Properties***

Properties are carried at original cost, less accumulated depreciation and amortization. The Partnership tests long-lived assets for recoverability when events or changes in circumstances indicate that the carrying value may not be recoverable. For properties the Partnership will hold and operate, management determines whether impairment has occurred by comparing the property's probability-weighted future undiscounted cash flows to its current carrying value. For properties held for sale, management determines whether impairment has occurred by comparing the property's estimated fair value less cost to sell to its current carrying value. If the carrying value is greater than the net realizable value, an impairment loss is recorded to reduce the carrying value of the property to its net realizable value. Changes in these assumptions or analysis may cause material changes in the carrying value of the properties.

### ***Allocation of Expenses***

AEI Fund Management, Inc. allocates expenses to each of the funds they manage primarily on the basis of the number of hours devoted by their employees to each fund's affairs. They also allocate expenses at the end of each month that are not directly related to a fund's operations based upon the number of investors in the fund and the fund's capitalization relative to other funds they manage. The Partnership reimburses these expenses subject to detailed limitations contained in the Partnership Agreement.

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)**

### **Results of Operations**

For the years ended December 31, 2014 and 2013, the Partnership recognized rental income from continuing operations of \$1,208,569 and \$1,195,849, respectively. In 2014, rental income increased due to additional rent received from one property acquisition in 2014. Based on the scheduled rent for the properties as of February 28, 2015, the Partnership expects to recognize rental income from continuing operations of approximately \$1,361,000 in 2015.

For the years ended December 31, 2014 and 2013, the Partnership incurred Partnership administration expenses from affiliated parties of \$232,842 and \$221,968, respectively. These administration expenses include costs associated with the management of the properties, processing distributions, reporting requirements and communicating with the Limited Partners. During the same periods, the Partnership incurred Partnership administration and property management expenses from unrelated parties of \$74,106 and \$57,008, respectively. These expenses represent direct payments to third parties for legal and filing fees, direct administrative costs, outside audit costs, taxes, insurance and other property costs.

For the year ended December 31, 2014, the Partnership incurred property acquisition expenses of \$83,428 related to the purchase of the Fresenius Medical Center in Green, Ohio.

The Partnership owns a 40.1354% interest in a HomeTown Buffet restaurant in Albuquerque, New Mexico. The remaining interests in this property are owned by unrelated third parties, who own the property with the Partnership as tenants-in-common. On January 31, 2011, the lease term expired and the tenant returned possession of the property to the owners. The owners listed the property for lease or sale with a real estate broker in the Albuquerque area. While the property is vacant, the Partnership is responsible for its 40.1354% share of real estate taxes and other costs associated with maintaining the property.

Based on its long-lived asset valuation analysis, the Partnership determined the HomeTown Buffet restaurant was impaired. As a result, in the fourth quarter of 2013, a charge to continuing operations for real estate impairment of \$61,002 was recognized, which was the difference between the carrying value at December 31, 2013 of \$336,002 and the estimated fair value of \$275,000. The charge was recorded against the cost of the land and building.

For the years ended December 31, 2014 and 2013, the Partnership recognized interest income of \$9,335 and \$3,044, respectively. In 2014, interest income increased primarily due to the Partnership having more money invested in a money market account due to property sales.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)

Prior to January 1, 2014, upon complete disposal of a property or classification of a property as Real Estate Held for Sale, the Partnership included the operating results and sale of the property in discontinued operations. In addition, the Partnership reclassified the prior periods' operating results of the property to discontinued operations. For the year ended December 31, 2014, the Partnership recognized income from discontinued operations of \$737,948, representing rental income less property management expenses of \$29,041 and gain on disposal of real estate of \$708,907. For the year ended December 31, 2013, the Partnership recognized income from discontinued operations of \$263,481, representing rental income less property management expenses and depreciation of \$147,009 and gain on disposal of real estate of \$524,340, which were partially offset by real estate impairments of \$407,868.

During 2012, the Partnership decided to sell its 44% interest in the Champps Americana restaurant in Utica, Michigan and classified it as Real Estate Held for Sale. In February 2013, Champps Operating Corporation ("Champps"), the tenant of the property, approached the Partnership with a request to adjust the rent on the property to a market rental rate based on the restaurant's performance and the current conditions in the market. In April 2013, after reviewing financial information for the restaurant and the tenant, and analyzing the local real estate market for the property, the Partnership and the property's other co-owners entered into an agreement to reduce the annual rent for the property by 63% to \$90,880. The Partnership's share of this rent was \$39,987. On December 15, 2013, Champps filed for Chapter 11 bankruptcy reorganization. In February 2014, Champps closed the restaurant, filed a motion with the bankruptcy court to reject the lease and returned possession of the property to the owners. The owners listed the property for sale or lease with a real estate broker in the Utica area. While the property was vacant, the Partnership was responsible for its 44% share of real estate taxes and other costs associated with maintaining the property.

Based on its long-lived asset valuation analysis, the Partnership determined the Champps property was impaired. As a result, in the fourth quarter of 2013, a charge to discontinued operations for real estate impairment of \$85,000 was recognized, which was the difference between the carrying value at December 31, 2013 of \$733,000 and the estimated fair value of \$648,000. The charge was recorded against the cost of the land and building. In June 2014, the Partnership and the other co-owners of the Champps property entered into an agreement to sell the property to an unrelated third party. On August 25, 2014, the sale closed with the Partnership receiving net sales proceeds of \$704,398, which resulted in a net gain of \$56,398.

In September 2013, the Partnership decided to sell the Royal Buffet restaurant in Colorado Springs, Colorado and classified it as Real Estate Held for Sale. Based on its long-lived asset valuation analysis, the Partnership determined the Royal Buffet restaurant was impaired. As a result, in the third quarter of 2013, a charge to discontinued operations for real estate impairment of \$322,868 was recognized, which was the difference between the carrying value at September 30, 2013 of \$642,868 and the estimated fair value of \$320,000. The charge was recorded against the cost of the land and building. On December 20, 2013, the Partnership sold the property to an unrelated third party. The Partnership received net sale proceeds of \$339,514, which resulted in a net gain of \$19,514.

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)**

On August 2, 2013, the Partnership sold its 40% interest in the Scott & White Clinic in College Station, Texas to an unrelated third party. The Partnership received net sale proceeds of \$1,869,225, which resulted in a net gain of \$504,826. At the time of sale, the cost and related accumulated depreciation was \$1,470,224 and \$105,825, respectively.

During 2014, the Partnership sold its 45% interest in the Applebee's restaurant in Sandusky, Ohio, in eight separate transactions, to unrelated third parties. The Partnership received total net sale proceeds of \$1,658,082, which resulted in a net gain of \$652,509. The cost and related accumulated depreciation of the interests sold was \$1,276,943 and \$271,370, respectively. At December 31, 2013, the property was classified as Real Estate Held for Sale with a carrying value of \$1,005,573.

Management believes inflation has not significantly affected income from operations. Leases may contain rent increases, based on the increase in the Consumer Price Index over a specified period, which will result in an increase in rental income over the term of the leases. Inflation also may cause the real estate to appreciate in value. However, inflation and changing prices may have an adverse impact on the operating margins of the properties' tenants, which could impair their ability to pay rent and subsequently reduce the Net Cash Flow available for distributions.

### **Liquidity and Capital Resources**

During the year ended December 31, 2014, the Partnership's cash balances decreased \$583,850 as a result of cash used to purchase property, and distributions paid to the Partners and cash used to repurchase Units in excess of cash generated from operating activities, which were partially offset by cash generated from the sale of property. During the year ended December 31, 2013, the Partnership's cash balances increased \$1,955,362 as a result of cash generated from the sale of property, which was partially offset by distributions paid to the Partners and cash used to repurchase Units in excess of cash generated from operating activities.

Net cash provided by operating activities decreased from \$1,106,805 in 2013 to \$895,976 in 2014 as a result of a decrease in total rental and interest income in 2014, an increase in Partnership administration and property management expenses in 2014 and net timing differences in the collection of payments from the tenants and the payment of expenses. During 2014, cash from operations was reduced by \$83,428 of acquisition expenses related to the purchase of real estate. Pursuant to accounting guidance, these expenses were reflected as operating cash outflows. However, pursuant to the Partnership Agreement, acquisition expenses were funded with proceeds from property sales,

The major components of the Partnership's cash flow from investing activities are investments in real estate and proceeds from the sale of real estate. During the years ended December 31, 2014 and 2013, the Partnership generated cash flow from the sale of real estate of \$2,362,480 and \$2,208,739, respectively. During the year ended December 31, 2014, the Partnership expended \$2,360,000 to invest in real properties as the Partnership reinvested cash generated from property sales.

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)**

On December 3, 2014, the Partnership purchased a Fresenius Medical Center in Green, Ohio for \$2,360,000. The property is leased to Bio-Medical Applications of Ohio, Inc., a subsidiary of Fresenius Medical Care Holdings, Inc., under a Lease Agreement with a remaining primary term of 10.2 years (as of the date of purchase) and annual rent of \$163,184.

On January 22, 2015, to facilitate the sale of its 47% interest in the Tractor Supply Company store in Starkville, Mississippi, the Partnership contributed the property via a limited liability company to AEI Net Lease Portfolio II DST ("ANLP II"), a Delaware statutory trust ("DST"), in exchange for 9.03% of the Class B ownership interests in ANLP II. The remaining interest in the property, owned by an affiliated entity, along with three other properties owned by two other affiliated entities, were also contributed to ANLP II in exchange for 90.97% of the Class B ownership interests in ANLP II. In addition, cash was contributed for working capital. A DST is a recognized mechanism for selling property to investors who are looking for replacement real estate to complete like-kind exchanges under Section 1031 of the Internal Revenue Code. As investors purchase Class A ownership interests in ANLP II, the proceeds received will be used to redeem, on a one-for-one basis, the Class B ownership interests of the Partnership and affiliated entities. If the DST offering is completed, the Partnership expects to receive net proceeds of approximately \$1,626,000.

The Partnership's primary use of cash flow, other than investment in real estate, is distribution payments to Partners and cash used to repurchase Units. The Partnership declares its regular quarterly distributions before the end of each quarter and pays the distribution in the first week after the end of each quarter. The Partnership attempts to maintain a stable distribution rate from quarter to quarter. The Partnership may repurchase tendered Units on April 1st and October 1st of each year subject to limitations.

For the years ended December 31, 2014 and 2013, the Partnership declared distributions of \$1,189,891 and \$1,198,804, respectively, which were distributed 99% to the Limited Partners and 1% to the General Partners. The Limited Partners received distributions of \$1,177,992 and \$1,186,817 and the General Partners received distributions of \$11,899 and \$11,987 for the years, respectively.

As part of the distributions discussed above, the Partnership distributed net sale proceeds of \$516,895 and \$209,872 in 2014 and 2013, respectively. The Limited Partners received distributions of \$511,726 and \$207,773 and the General Partners received distributions of \$5,169 and \$2,099 for the years, respectively. The Limited Partners' distributions represented \$24.24 and \$9.70 per Unit for the years, respectively. The Partnership anticipates the remaining net sale proceeds will either be reinvested in additional property or distributed to the Partners in the future.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)**

The Partnership may repurchase Units from Limited Partners who have tendered their Units to the Partnership. Such Units may be acquired at a discount. The Partnership will not be obligated to purchase in any year any number of Units that, when aggregated with all other transfers of Units that have occurred since the beginning of the same calendar year (excluding Permitted Transfers as defined in the Partnership Agreement), would exceed 5% of the total number of Units outstanding on January 1 of such year. In no event shall the Partnership be obligated to purchase Units if, in the sole discretion of the Managing General Partner, such purchase would impair the capital or operation of the Partnership.

During 2014, the Partnership repurchased a total of 380.60 Units for \$287,294 from 33 Limited Partners in accordance with the Partnership Agreement. During 2013, the Partnership repurchased a total of 192.49 Units for \$159,768 from 24 Limited Partners. The Partnership acquired these Units using Net Cash Flow from operations. In prior years, the Partnership repurchased a total of 2,440.09 Units for \$1,901,012 from 157 Limited Partners. The repurchases increase the remaining Limited Partners' ownership interest in the Partnership. As a result of these repurchases and pursuant to the Partnership Agreement, the General Partners received distributions of \$2,902 and \$1,614 in 2014 and 2013, respectively.

The continuing rent payments from the properties, together with cash generated from property sales, should be adequate to fund continuing distributions and meet other Partnership obligations on both a short-term and long-term basis.

**Off-Balance Sheet Arrangements**

As of December 31, 2014 and 2013, the Partnership had no material off-balance sheet arrangements that had or are reasonably likely to have current or future effects on its financial condition, results of operations, liquidity or capital resources.

**ITEM 7A. QUANTITATIVE & QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Not required for a smaller reporting company.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

See accompanying index to financial statements.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**

**INDEX TO FINANCIAL STATEMENTS**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners:  
AEI Net Lease Income & Growth Fund XX Limited Partnership  
St. Paul, Minnesota

We have audited the accompanying balance sheets of AEI Net Lease Income & Growth Fund XX Limited Partnership (a Minnesota limited partnership) as of December 31, 2014 and 2013, and the related statements of income, cash flows and changes in partners' capital for each of the years then ended. The Partnership's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AEI Net Lease Income & Growth Fund XX Limited Partnership as of December 31, 2014 and 2013, and the results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Boulay PLLP  
Certified Public Accountants

Minneapolis, Minnesota  
March 27, 2015

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP  
BALANCE SHEETS**

**ASSETS**

	<b>December 31, 2014</b>	<b>December 31, 2013</b>
<b>Current Assets:</b>		
Cash	\$ 1,830,155	\$ 2,414,005
<b>Real Estate Investments:</b>		
Land	4,188,830	3,788,830
Buildings	9,867,009	8,149,958
Acquired Intangible Lease Assets	946,946	703,997
Real Estate Held for Investment, at cost	15,002,785	12,642,785
Accumulated Depreciation and Amortization	(2,829,718)	(2,489,448)
Real Estate Held for Investment, Net	12,173,067	10,153,337
Real Estate Held for Sale	0	1,653,573
Total Real Estate Investments	12,173,067	11,806,910
Total Assets	<u>\$ 14,003,222</u>	<u>\$ 14,220,915</u>

**LIABILITIES AND PARTNERS' CAPITAL**

<b>Current Liabilities:</b>		
Payable to AEI Fund Management, Inc.	\$ 91,192	\$ 74,979
Distributions Payable	297,481	299,700
Unearned Rent	13,474	13,474
Total Current Liabilities	402,147	388,153
<b>Long-term Liabilities:</b>		
Acquired Below-Market Lease Intangibles, Net	66,476	71,978
<b>Partners' Capital:</b>		
General Partners	7,047	5,133
Limited Partners – 24,000 Units authorized; 20,987 and 21,367 Units issued and outstanding as of December 31, 2014 and 2013, respectively	13,527,552	13,755,651
Total Partners' Capital	13,534,599	13,760,784
Total Liabilities and Partners' Capital	<u>\$ 14,003,222</u>	<u>\$ 14,220,915</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP  
STATEMENTS OF INCOME**

	<b>Year Ended December 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Rental Income</b>	\$ 1,208,569	\$ 1,195,849
<b>Expenses:</b>		
Partnership Administration – Affiliates	232,842	221,968
Partnership Administration and Property Management – Unrelated Parties	74,106	57,008
Property Acquisition	83,428	0
Depreciation and Amortization	311,574	306,804
Real Estate Impairment	0	61,002
Total Expenses	701,950	646,782
<b>Operating Income</b>	506,619	549,067
<b>Other Income:</b>		
Interest Income	9,335	3,044
<b>Income from Continuing Operations</b>	515,954	552,111
Income from Discontinued Operations	737,948	263,481
<b>Net Income</b>	\$ 1,253,902	\$ 815,592
<b>Net Income Allocated:</b>		
General Partners	\$ 16,715	\$ 14,460
Limited Partners	1,237,187	801,132
Total	\$ 1,253,902	\$ 815,592
<b>Income per Limited Partnership Unit:</b>		
Continuing Operations	\$ 24.13	\$ 25.47
Discontinued Operations	34.32	11.85
Total – Basic and Diluted	\$ 58.45	\$ 37.32
Weighted Average Units Outstanding – Basic and Diluted	21,166	21,464

The accompanying Notes to Financial Statements are an integral part of these statements.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
**STATEMENTS OF CASH FLOWS**

	<b>Year Ended December 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Cash Flows from Operating Activities:</b>		
Net Income	\$ 1,253,902	\$ 815,592
Adjustments to Reconcile Net Income		
To Net Cash Provided by Operating Activities:		
Depreciation and Amortization	334,768	390,193
Real Estate Impairment	0	468,870
Gain on Sale of Real Estate	(708,907)	(524,340)
(Increase) Decrease in Receivables	0	1,843
Increase (Decrease) in Payable to AEI Fund Management, Inc.	16,213	(45,353)
Total Adjustments	(357,926)	291,213
Net Cash Provided By Operating Activities	895,976	1,106,805
<b>Cash Flows from Investing Activities:</b>		
Investments in Real Estate	(2,360,000)	0
Proceeds from Sale of Real Estate	2,362,480	2,208,739
Net Cash Provided By Investing Activities	2,480	2,208,739
<b>Cash Flows from Financing Activities:</b>		
Distributions Paid to Partners	(1,192,110)	(1,198,800)
Repurchase of Partnership Units	(290,196)	(161,382)
Net Cash Used For Financing Activities	(1,482,306)	(1,360,182)
<b>Net Increase (Decrease) in Cash</b>	(583,850)	1,955,362
<b>Cash, beginning of year</b>	2,414,005	458,643
<b>Cash, end of year</b>	\$ 1,830,155	\$ 2,414,005

The accompanying Notes to Financial Statements are an integral part of these statements.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP  
STATEMENTS OF CHANGES IN PARTNERS' CAPITAL**

	<u>General Partners</u>	<u>Limited Partners</u>	<u>Total</u>	<u>Limited Partnership Units Outstanding</u>
<b>Balance, December 31, 2012</b>	\$ 4,274	14,301,104	14,305,378	21,559.91
Distributions Declared	(11,987)	(1,186,817)	(1,198,804)	
Repurchase of Partnership Units	(1,614)	(159,768)	(161,382)	(192.49)
Net Income	<u>14,460</u>	<u>801,132</u>	<u>815,592</u>	
<b>Balance, December 31, 2013</b>	5,133	13,755,651	13,760,784	21,367.42
Distributions Declared	(11,899)	(1,177,992)	(1,189,891)	
Repurchase of Partnership Units	(2,902)	(287,294)	(290,196)	(380.60)
Net Income	<u>16,715</u>	<u>1,237,187</u>	<u>1,253,902</u>	
<b>Balance, December 31, 2014</b>	<u>\$ 7,047</u>	<u>\$ 13,527,552</u>	<u>\$ 13,534,599</u>	<u>20,986.82</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**(1) Organization –**

AEI Net Lease Income & Growth Fund XX Limited Partnership (“Partnership”) was formed to acquire and lease commercial properties to operating tenants. The Partnership's operations are managed by AEI Fund Management XX, Inc. (“AFM”), the Managing General Partner. Robert P. Johnson, the President and sole director of AFM, serves as the Individual General Partner. AFM is a wholly owned subsidiary of AEI Capital Corporation of which Mr. Johnson is the majority shareholder. AEI Fund Management, Inc. (“AEI”), an affiliate of AFM, performs the administrative and operating functions for the Partnership.

The terms of the Partnership offering called for a subscription price of \$1,000 per Limited Partnership Unit, payable on acceptance of the offer. The Partnership commenced operations on June 30, 1993 when minimum subscriptions of 1,500 Limited Partnership Units (\$1,500,000) were accepted. On January 19, 1995, the offering terminated when the maximum subscription limit of 24,000 Limited Partnership Units was reached. Under the terms of the Limited Partnership Agreement, the Limited Partners and General Partners contributed funds of \$24,000,000 and \$1,000, respectively.

During operations, any Net Cash Flow, as defined, which the General Partners determine to distribute will be distributed 90% to the Limited Partners and 10% to the General Partners; provided, however, that such distributions to the General Partners will be subordinated to the Limited Partners first receiving an annual, noncumulative distribution of Net Cash Flow equal to 10% of their Adjusted Capital Contribution, as defined, and, provided further, that in no event will the General Partners receive less than 1% of such Net Cash Flow per annum. Distributions to Limited Partners will be made pro rata by Units.

Any Net Proceeds of Sale, as defined, from the sale or financing of properties which the General Partners determine to distribute will, after provisions for debts and reserves, be paid in the following manner: (i) first, 99% to the Limited Partners and 1% to the General Partners until the Limited Partners receive an amount equal to: (a) their Adjusted Capital Contribution plus (b) an amount equal to 12% of their Adjusted Capital Contribution per annum, cumulative but not compounded, to the extent not previously distributed from Net Cash Flow; (ii) any remaining balance will be distributed 90% to the Limited Partners and 10% to the General Partners. Distributions to the Limited Partners will be made pro rata by Units.

For tax purposes, profits from operations, other than profits attributable to the sale, exchange, financing, refinancing or other disposition of property, will be allocated first in the same ratio in which, and to the extent, Net Cash Flow is distributed to the Partners for such year. Any additional profits will be allocated in the same ratio as the last dollar of Net Cash Flow is distributed. Net losses from operations will be allocated 99% to the Limited Partners and 1% to the General Partners.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**(1) Organization – (Continued)**

For tax purposes, profits arising from the sale, financing, or other disposition of property will be allocated in accordance with the Partnership Agreement as follows: (i) first, to those partners with deficit balances in their capital accounts in an amount equal to the sum of such deficit balances; (ii) second, 99% to the Limited Partners and 1% to the General Partners until the aggregate balance in the Limited Partners' capital accounts equals the sum of the Limited Partners' Adjusted Capital Contributions plus an amount equal to 12% of their Adjusted Capital Contributions per annum, cumulative but not compounded, to the extent not previously allocated; (iii) third, the balance of any remaining gain will then be allocated 90% to the Limited Partners and 10% to the General Partners. Losses will be allocated 98% to the Limited Partners and 2% to the General Partners.

The General Partners are not required to currently fund a deficit capital balance. Upon liquidation of the Partnership or withdrawal by a General Partner, the General Partners will contribute to the Partnership an amount equal to the lesser of the deficit balances in their capital accounts or 1% of total Limited Partners' and General Partners' capital contributions.

In December 2008, the Managing General Partner mailed a Consent Statement (Proxy) seeking the consent of the Limited Partners to continue the Partnership for an additional 60 months or to initiate the final disposition, liquidation and distribution of all of the Partnership's properties and assets. On January 9, 2009, the proposal to continue the Partnership was approved with a majority of Units voted in favor of the continuation proposal. In June 2014, the Managing General Partner mailed a Consent Statement (Proxy) seeking the consent of the Limited Partners to continue the Partnership for an additional 60 months or to initiate the final disposition, liquidation and distribution of all of the Partnership's properties and assets within 24 to 36 months. Approval of either proposal required the affirmative vote of holders of a majority of the outstanding units. On July 22, 2014, the votes were counted and neither proposal received the required majority vote. As a result, the Partnership will not liquidate and will continue in operation until the Limited Partners vote to authorize the sale of all of the Partnership's properties or December 31, 2043, as stated in the Limited Partnership Agreement. However, in approximately five years, the Managing General Partner expects to again submit the question to liquidate to a vote by the Limited Partners.

**(2) Summary of Significant Accounting Policies –**

**Financial Statement Presentation**

The accounts of the Partnership are maintained on the accrual basis of accounting for both federal income tax purposes and financial reporting purposes.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**(2) Summary of Significant Accounting Policies – (Continued)**

**Accounting Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with United States Generally Accepted Accounting Principles (US GAAP). Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates. Significant items, subject to such estimates and assumptions, include the carrying value of real estate held for investment, real estate held for sale and related intangible assets.

The Partnership regularly assesses whether market events and conditions indicate that it is reasonably possible to recover the carrying amounts of its investments in real estate from future operations and sales. A change in those market events and conditions could have a material effect on the carrying amount of its real estate.

**Cash Concentrations of Credit Risk**

The Partnership's cash is deposited in one financial institution and at times during the year it may exceed FDIC insurance limits.

**Receivables**

Credit terms are extended to tenants in the normal course of business. The Partnership performs ongoing credit evaluations of its customers' financial condition and, generally, requires no collateral.

Receivables are recorded at their estimated net realizable value. The Partnership follows a policy of providing an allowance for doubtful accounts; however, based on historical experience, and its evaluation of the current status of receivables, the Partnership is of the belief that such accounts, if any, will be collectible in all material respects and thus an allowance is not necessary. Accounts are considered past due if payment is not made on a timely basis in accordance with the Partnership's credit terms. Receivables considered uncollectible are written off.

**Income Taxes**

The income or loss of the Partnership for federal income tax reporting purposes is includable in the income tax returns of the partners. In general, no recognition has been given to income taxes in the accompanying financial statements.



**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**(2) Summary of Significant Accounting Policies – (Continued)**

The tax return and the amount of distributable Partnership income or loss are subject to examination by federal and state taxing authorities. If such an examination results in changes to distributable Partnership income or loss, the taxable income of the partners would be adjusted accordingly. Primarily due to its tax status as a partnership, the Partnership has no significant tax uncertainties that require recognition or disclosure. The Partnership is no longer subject to U.S. federal income tax examinations for tax years before 2011, and with few exceptions, is no longer subject to state tax examinations for tax years before 2011.

**Revenue Recognition**

The Partnership's real estate is leased under net leases, classified as operating leases. The leases provide for base annual rental payments payable in monthly installments. The Partnership recognizes rental income according to the terms of the individual leases. For leases that contain stated rental increases, the increases are recognized in the year in which they are effective. Contingent rental payments are recognized when the contingencies on which the payments are based are satisfied and the rental payments become due under the terms of the leases.

**Real Estate**

Upon acquisition of real properties, the Partnership records them in the financial statements at cost. The purchase price is allocated to tangible assets, consisting of land and building, and to identified intangible assets and liabilities, which may include the value of above market and below market leases and the value of in-place leases. The allocation of the purchase price is based upon the fair value of each component of the property. Although independent appraisals may be used to assist in the determination of fair value, in many cases these values will be based upon management's assessment of each property, the selling prices of comparable properties and the discounted value of cash flows from the asset.

The fair values of above market and below market in-place leases will be recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) an estimate of fair market lease rates for the corresponding in-place leases measured over a period equal to the non-cancelable term of the lease including any bargain renewal periods. The above market and below market lease values will be capitalized as intangible lease assets or liabilities. Above market lease values will be amortized as an adjustment of rental income over the remaining terms of the respective leases. Below market leases will be amortized as an adjustment of rental income over the remaining term of the respective leases, including any bargain renewal periods. If a lease were to be terminated prior to its stated expiration, all unamortized amounts of above market and below market in-place lease values relating to that lease would be recorded as an adjustment to rental income.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**(2) Summary of Significant Accounting Policies – (Continued)**

The fair values of in-place leases will include estimated direct costs associated with obtaining a new tenant, and opportunity costs associated with lost rentals which are avoided by acquiring an in-place lease. Direct costs associated with obtaining a new tenant may include commissions, tenant improvements, and other direct costs and are estimated, in part, by management's consideration of current market costs to execute a similar lease. These direct costs will be included in intangible lease assets on the balance sheet and will be amortized to expense over the remaining term of the respective leases. The value of opportunity costs will be calculated using the contractual amounts to be paid pursuant to the in-place leases over a market absorption period for a similar lease. These intangibles will be included in intangible lease assets on the balance sheet and will be amortized to expense over the remaining term of the respective leases. If a lease were to be terminated prior to its stated expiration, all unamortized amounts of in-place lease assets relating to that lease would be expensed.

The Partnership tests real estate for recoverability when events or changes in circumstances indicate that the carrying value may not be recoverable. For properties the Partnership will hold and operate, it compares the carrying amount of the property to the estimated probability-weighted future undiscounted cash flows expected to result from the property and its eventual disposition. If the sum of the expected future cash flows is less than the carrying amount of the property, the Partnership recognizes an impairment loss by the amount by which the carrying amount of the property exceeds the fair value of the property. For properties held for sale, the Partnership determines whether impairment has occurred by comparing the property's estimated fair value less cost to sell to its current carrying value. If the carrying value is greater than the net realizable value, an impairment loss is recorded to reduce the carrying value of the property to its net realizable value.

For financial reporting purposes, the buildings owned by the Partnership are depreciated using the straight-line method over an estimated useful life of 25 years. Intangible lease assets are amortized using the straight-line method for financial reporting purposes based on the remaining life of the lease.

Prior to January 1, 2014, upon complete disposal of a property or classification of a property as Real Estate Held for Sale, the Partnership includes the operating results and sale of the property in discontinued operations. In addition, the Partnership reclassifies the prior periods' operating results of the property to discontinued operations.

The Partnership accounts for properties owned as tenants-in-common with affiliated entities and/or unrelated third parties using the proportionate consolidation method. Each tenant-in-common owns a separate, undivided interest in the properties. Any tenant-in-common that holds more than a 50% interest does not control decisions over the other tenant-in-common interests. The financial statements reflect only this Partnership's percentage share of the properties' land, building, liabilities, revenues and expenses.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**(2) Summary of Significant Accounting Policies – (Continued)**

The Partnership's properties are subject to environmental laws and regulations adopted by various governmental entities in the jurisdiction in which the properties are located. These laws could require the Partnership to investigate and remediate the effects of the release or disposal of hazardous materials at these locations if found. For each property, an environmental assessment is completed prior to acquisition. In addition, the lease agreements typically strictly prohibit the production, handling, or storage of hazardous materials (except where incidental to the tenant's business such as use of cleaning supplies) in violation of applicable law to restrict environmental and other damage. Environmental liabilities are recorded when it is determined the liability is probable and the costs can reasonably be estimated. There were no environmental issues noted or liabilities recorded at December 31, 2014 and 2013.

**Fair Value Measurements**

Fair value, as defined by US GAAP, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. US GAAP establishes a hierarchy in determining the fair value of an asset or liability. The fair value hierarchy has three levels of inputs, both observable and unobservable. US GAAP requires the utilization of the lowest possible level of input to determine fair value. Level 1 inputs include quoted market prices in an active market for identical assets or liabilities. Level 2 inputs are market data, other than Level 1 inputs, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data. Level 3 inputs are unobservable and corroborated by little or no market data.

At December 31, 2014 and 2013, the Partnership had no financial assets or liabilities measured at fair value on a recurring basis or nonrecurring basis that would require disclosure. The Partnership had the following nonfinancial assets measured on a nonrecurring basis that were recorded at fair value during 2014 and 2013.

The Champps restaurant in Utica, Michigan, with a carrying amount of \$733,000 at December 31, 2013, was written down to its estimated fair value of \$648,000 after completing our long-lived asset valuation analysis. The resulting impairment charge of \$85,000 was included in earnings for the fourth quarter of 2013. The fair value of the property was based upon comparable sales of similar properties, which are considered Level 2 inputs in the valuation hierarchy. The property was sold on August 25, 2014.

The Royal Buffet restaurant in Colorado Springs, Colorado, with a carrying amount of \$642,868 at September 30, 2013, was written down to its estimated fair value of \$320,000 after completing our long-lived asset valuation analysis. The resulting impairment charge of \$322,868 was included in earnings for the third quarter of 2013. The fair value of the property was based upon comparable sales of similar properties, which are considered Level 2 inputs in the valuation hierarchy. The property was sold on December 20, 2013.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**(2) Summary of Significant Accounting Policies – (Continued)**

The HomeTown Buffet restaurant in Albuquerque, New Mexico, with a carrying amount of \$336,002 at December 31, 2013, was written down to its estimated fair value of \$275,000 after completing our long-lived asset valuation analysis. The resulting impairment charge of \$61,002 was included in earnings for the fourth quarter of 2013. The fair value of the property was based upon comparable sales of similar properties, which are considered Level 2 inputs in the valuation hierarchy.

**Income Per Unit**

Income per Limited Partnership Unit is calculated based on the weighted average number of Limited Partnership Units outstanding during each period presented. Diluted income per Limited Partnership Unit considers the effect of any potentially dilutive Unit equivalents, of which the Partnership had none for each of the years ended December 31, 2014 and 2013.

**Reportable Segments**

The Partnership invests in single tenant commercial properties throughout the United States that are net leased to tenants in various industries. Because these net leased properties have similar economic characteristics, the Partnership evaluates operating performance on an overall portfolio basis. Therefore, the Partnership's properties are classified as one reportable segment.

**Recently Adopted Accounting Standards**

In April 2014, the FASB issued ASU No. 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360) Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." This topic amends the requirements for reporting discontinued operations. The disposal of a component must represent a strategic shift that will have a major effect on the Partnership's operations and financial results in order to be reported as discontinued operations, and require certain additional interim and annual disclosures. The amendments in this ASU are effective for reporting periods beginning after December 15, 2014 with early adoption permitted. The Partnership has early adopted this standard effective January 1, 2014 and has applied the provisions prospectively. As a result, the Partnership anticipates that properties will not be considered discontinued operations when the properties are sold after January 1, 2014, with the exception of properties that were classified as Real Estate Held for Sale at December 31, 2013.

**Recently Issued Accounting Pronouncements**

Management has reviewed recently issued, but not yet effective, accounting pronouncements and does not expect the implementation of these pronouncements to have a significant effect on the Partnership's financial statements.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(3) Related Party Transactions –**

The Partnership owns the percentage interest shown below in the following properties as tenants-in-common with the affiliated entities listed: Jared Jewelry store (50% – AEI Income & Growth Fund XXI Limited Partnership); Staples store (70% – AEI Income & Growth Fund 27 LLC); and Tractor Supply Company store (47% – AEI Income & Growth Fund 26 LLC).

The Partnership owned a 40% interest in a Scott & White Clinic. AEI Income & Growth Fund XXI Limited Partnership and AEI Income & Growth Fund 25 LLC, affiliates of the Partnership, owned the remaining 60% interest in this property until the property was sold to an unrelated third party in 2013. The Partnership owned a 44% interest in a Champps Americana restaurant in Utica, Michigan. AEI Net Lease Income & Growth Fund XIX Limited Partnership, an affiliate of the Partnership, and unrelated third parties owned the remaining 56% interest in this property until the property was sold to an unrelated third party in 2014. The Partnership owned a 45% interest in an Applebee's restaurant in Sandusky, Ohio. AEI Income & Growth Fund 24 LLC, an affiliate of the Partnership, owned a 55% interest in this property until the interest was sold, in a series of transactions, to unrelated third parties in 2013 and 2014.

AEI received the following reimbursements for costs and expenses from the Partnership for the years ended December 31:

	<u>2014</u>	<u>2013</u>
a. AEI is reimbursed for costs incurred in providing services related to managing the Partnership's operations and properties, maintaining the Partnership's books, and communicating with the Limited Partners. These amounts included \$2,289 and \$2,977 of expenses related to Discontinued Operations in 2014 and 2013, respectively.	\$ <u>235,131</u>	\$ <u>224,945</u>
b. AEI is reimbursed for all direct expenses it paid on the Partnership's behalf to third parties related to Partnership administration and property management. These expenses included printing costs, legal and filing fees, direct administrative costs, outside audit costs, taxes, insurance and other property costs. These amounts included \$19,849 and \$41,312 of expenses related to Discontinued Operations in 2014 and 2013, respectively.	\$ <u>93,955</u>	\$ <u>98,320</u>
c. AEI is reimbursed for costs incurred in providing services and direct expenses related to the acquisition of properties on behalf of the Partnership.	\$ <u>83,428</u>	\$ <u>0</u>
d. AEI is reimbursed for costs incurred in providing services related to the sale of property.	\$ <u>66,509</u>	\$ <u>22,992</u>

The payable to AEI Fund Management, Inc. represents the balance due for the services described in 3a, b, c and d. This balance is non-interest bearing and unsecured and is to be paid in the normal course of business.

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**(4) Real Estate Investments –**

The Partnership leases its properties to tenants under net leases, classified as operating leases. Under a net lease, the tenant is responsible for real estate taxes, insurance, maintenance, repairs and operating expenses for the property. For some leases, the Partnership is responsible for repairs to the structural components of the building, the roof, and the parking lot. At the time the properties were acquired, the remaining primary lease terms varied from 10 to 20 years. The Lease for the Red Robin restaurant was extended to expire on December 31, 2017. Most of the leases provide the tenant with two to six five-year renewal options subject to the same terms and conditions as the primary term.

The Partnership's properties are commercial, single-tenant buildings. The HomeTown Buffet restaurant was constructed and acquired in 1993. The Red Robin restaurant was constructed in 1984 and acquired in 1994. The KinderCare daycare center was constructed in 1999 and acquired in 2002. The Jared Jewelry store was constructed in 2001 and acquired in 2004. The Staples store was constructed in 2008 and acquired in 2009. The Tractor Supply store and the Family Dollar store were constructed and acquired in 2012. The Fresenius Medical Center was constructed in 2012 and acquired in 2014. There have been no costs capitalized as improvements subsequent to the acquisitions.

The cost of the properties not held for sale and related accumulated depreciation at December 31, 2014 are as follows:

<u>Property</u>	<u>Land</u>	<u>Buildings</u>	<u>Total</u>	<u>Accumulated Depreciation</u>
HomeTown Buffet, Albuquerque, NM	\$ 198,032	\$ 272,297	\$ 470,329	\$ 204,975
Red Robin, Colorado Springs, CO	905,980	1,323,210	2,229,190	920,734
KinderCare, Mayfield Heights, OH	289,266	1,117,792	1,407,058	467,302
Jared Jewelry, Hanover, MD	861,052	1,128,053	1,989,105	408,922
Staples, Vernon Hills, IL	882,000	2,832,638	3,714,638	531,118
Tractor Supply, Starkville, MS	352,500	840,479	1,192,979	80,546
Family Dollar, Mobile, AL	300,000	635,489	935,489	52,075
Fresenius Medical Center, Green, OH	400,000	1,717,051	2,117,051	4,770
	<u>\$ 4,188,830</u>	<u>\$ 9,867,009</u>	<u>\$ 14,055,839</u>	<u>\$ 2,670,442</u>

For the years ended December 31, 2014 and 2013, the Partnership recognized depreciation expense for properties not held for sale of \$277,005 and \$272,235, respectively.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
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**(4) Real Estate Investments – (Continued)**

On December 3, 2014, the Partnership purchased a Fresenius Medical Center in Green, Ohio for \$2,360,000. The Partnership allocated \$242,949 of the purchase price to Acquired Intangible Lease Assets, representing in-place lease intangibles. The Partnership incurred \$83,428 of acquisition expenses related to the purchase that were expensed. The property is leased to Bio-Medical Applications of Ohio, Inc., a subsidiary of Fresenius Medical Care Holdings, Inc., under a Lease Agreement with a remaining primary term of 10.2 years (as of the date of purchase) and annual rent of \$163,184.

The following schedule presents the cost and related accumulated amortization of acquired lease intangibles not held for sale at December 31:

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
In-Place Lease Intangibles (weighted average life of 121 and 132 months, respectively)	\$ 662,380	\$ 89,927	\$ 419,431	\$ 55,358
Above-Market Lease Intangibles (weighted average life of 90 and 102 months, respectively)	284,566	69,349	284,566	40,653
Acquired Intangible Lease Assets	<u>\$ 946,946</u>	<u>\$ 159,276</u>	<u>\$ 703,997</u>	<u>\$ 96,011</u>
Acquired Below-Market Lease Intangibles (weighted average life of 145 and 157 months, respectively)	<u>\$ 82,065</u>	<u>\$ 15,589</u>	<u>\$ 82,065</u>	<u>\$ 10,087</u>

For the years ended December 31, 2014 and 2013, the value of in-place lease intangibles amortized to expense was \$34,569, the decrease to rental income for above-market leases was \$28,696 and the increase to rental income for below-market leases was \$5,502 for each year. For lease intangibles not held for sale as of December 31, 2014, the estimated amortization expense is \$58,466, the estimated decrease to rental income for above-market leases is \$28,696 and the estimated increase to rental income for below-market leases is \$5,502 for each of the next five succeeding years.

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**(4) Real Estate Investments – (Continued)**

On January 22, 2015, to facilitate the sale of its 47% interest in the Tractor Supply Company store in Starkville, Mississippi, the Partnership contributed the property via a limited liability company to AEI Net Lease Portfolio II DST (“ANLP II”), a Delaware statutory trust (“DST”), in exchange for 9.03% of the Class B ownership interests in ANLP II. The remaining interest in the property, owned by an affiliated entity, along with three other properties owned by two other affiliated entities, were also contributed to ANLP II in exchange for 90.97% of the Class B ownership interests in ANLP II. In addition, cash was contributed for working capital. A DST is a recognized mechanism for selling property to investors who are looking for replacement real estate to complete like-kind exchanges under Section 1031 of the Internal Revenue Code. As investors purchase Class A ownership interests in ANLP II, the proceeds received will be used to redeem, on a one-for-one basis, the Class B ownership interests of the Partnership and affiliated entities. If the DST offering is completed, the Partnership expects to receive net proceeds of approximately \$1,626,000.

The Partnership owns a 40.1354% interest in a HomeTown Buffet restaurant in Albuquerque, New Mexico. The remaining interests in this property are owned by unrelated third parties, who own the property with the Partnership as tenants-in-common. On January 31, 2011, the lease term expired and the tenant returned possession of the property to the owners. The owners listed the property for lease or sale with a real estate broker in the Albuquerque area. While the property is vacant, the Partnership is responsible for its 40.1354% share of real estate taxes and other costs associated with maintaining the property.

Based on its long-lived asset valuation analysis, the Partnership determined the HomeTown Buffet restaurant was impaired. As a result, in the fourth quarter of 2013, a charge to continuing operations for real estate impairment of \$61,002 was recognized, which was the difference between the carrying value at December 31, 2013 of \$336,002 and the estimated fair value of \$275,000. The charge was recorded against the cost of the land and building.

For properties owned as of December 31, 2014, the minimum future rent payments required by the leases are as follows:

2015	\$1,383,894
2016	1,391,900
2017	1,335,179
2018	864,660
2019	609,837
Thereafter	<u>2,518,630</u>
	<u>\$8,104,100</u>

There were no contingent rents recognized in 2014 and 2013.



**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
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**(5) Major Tenants –**

The following schedule presents rental income from individual tenants, or affiliated groups of tenants, who each contributed more than ten percent of the Partnership's total rental income for the years ended December 31:

<u>Tenants</u>	<u>Industry</u>	<u>2014</u>	<u>2013</u>
Red Robin West, Inc.	Restaurant	\$ 341,250	\$ 341,250
Staples the Office Superstore East, Inc.	Retail	308,315	308,315
Sterling Jewelers Inc.	Retail	185,405	185,406
KinderCare Learning Centers LLC	Retail	161,684	161,684
Aggregate rental income of major tenants		<u>\$ 996,654</u>	<u>\$ 996,655</u>
Aggregate rental income of major tenants as a percentage of total rental income		<u>79%</u>	<u>69%</u>

**(6) Discontinued Operations –**

During 2012, the Partnership decided to sell its 44% interest in the Champps Americana restaurant in Utica, Michigan and classified it as Real Estate Held for Sale. In February 2013, Champps Operating Corporation ("Champps"), the tenant of the property, approached the Partnership with a request to adjust the rent on the property to a market rental rate based on the restaurant's performance and the current conditions in the market. In April 2013, after reviewing financial information for the restaurant and the tenant, and analyzing the local real estate market for the property, the Partnership and the property's other co-owners entered into an agreement to reduce the annual rent for the property by 63% to \$90,880. The Partnership's share of this rent was \$39,987. On December 15, 2013, Champps filed for Chapter 11 bankruptcy reorganization. In February 2014, Champps closed the restaurant, filed a motion with the bankruptcy court to reject the lease and returned possession of the property to the owners. The owners listed the property for sale or lease with a real estate broker in the Utica area. While the property was vacant, the Partnership was responsible for its 44% share of real estate taxes and other costs associated with maintaining the property.

Based on its long-lived asset valuation analysis, the Partnership determined the Champps property was impaired. As a result, in the fourth quarter of 2013, a charge to discontinued operations for real estate impairment of \$85,000 was recognized, which was the difference between the carrying value at December 31, 2013 of \$733,000 and the estimated fair value of \$648,000. The charge was recorded against the cost of the land and building. In June 2014, the Partnership and the other co-owners of the Champps property entered into an agreement to sell the property to an unrelated third party. On August 25, 2014, the sale closed with the Partnership receiving net sales proceeds of \$704,398, which resulted in a net gain of \$56,398.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
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**(6) Discontinued Operations – (Continued)**

In September 2013, the Partnership decided to sell the Royal Buffet restaurant in Colorado Springs, Colorado and classified it as Real Estate Held for Sale. Based on its long-lived asset valuation analysis, the Partnership determined the Royal Buffet restaurant was impaired. As a result, in the third quarter of 2013, a charge to discontinued operations for real estate impairment of \$322,868 was recognized, which was the difference between the carrying value at September 30, 2013 of \$642,868 and the estimated fair value of \$320,000. The charge was recorded against the cost of the land and building. On December 20, 2013, the Partnership sold the property to an unrelated third party. The Partnership received net sale proceeds of \$339,514, which resulted in a net gain of \$19,514.

On August 2, 2013, the Partnership sold its 40% interest in the Scott & White Clinic in College Station, Texas to an unrelated third party. The Partnership received net sale proceeds of \$1,869,225 which resulted in a net gain of \$504,826. At the time of sale, the cost and related accumulated depreciation was \$1,470,224 and \$105,825, respectively.

During 2014, the Partnership sold its 45% interest in the Applebee's restaurant in Sandusky, Ohio, in eight separate transactions, to unrelated third parties. The Partnership received total net sale proceeds of \$1,658,082, which resulted in a net gain of \$652,509. The cost and related accumulated depreciation of the interests sold was \$1,276,943 and \$271,370, respectively. At December 31, 2013, the property was classified as Real Estate Held for Sale with a carrying value of \$1,005,573.

The financial results for these properties are reflected as Discontinued Operations in the accompanying financial statements. The following are the results of discontinued operations for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Rental Income	\$ 51,179	\$ 251,493
Property Management Expenses	(22,138)	(44,289)
Depreciation	0	(60,195)
Real Estate Impairment	0	(407,868)
Gain on Disposal of Real Estate	<u>708,907</u>	<u>524,340</u>
Income from Discontinued Operations	<u>\$ 737,948</u>	<u>\$ 263,481</u>

	<u>2014</u>	<u>2013</u>
Cash Flows from Discontinued Operations:		
Operating Activities	<u>\$ 29,041</u>	<u>\$ 207,204</u>
Investing Activities	<u>\$ 2,362,480</u>	<u>\$ 2,208,739</u>

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
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**(7) Partners' Capital –**

For the years ended December 31, 2014 and 2013, the Partnership declared distributions of \$1,189,891 and \$1,198,804, respectively. The Limited Partners received distributions of \$1,177,992 and \$1,186,817 and the General Partners received distributions of \$11,899 and \$11,987 for the years, respectively. The Limited Partners' distributions represented \$55.65 and \$55.29 per Limited Partnership Unit outstanding using 21,166 and 21,464 weighted average Units in 2014 and 2013, respectively. The distributions represented \$44.76 and \$29.84 per Unit of Net Income and \$10.89 and \$25.45 per Unit of return of capital in 2014 and 2013, respectively.

As part of the distributions discussed above, the Partnership distributed net sale proceeds of \$516,895 and \$209,872 in 2014 and 2013, respectively. The Limited Partners received distributions of \$511,726 and \$207,773 and the General Partners received distributions of \$5,169 and \$2,099 for the years, respectively. The Limited Partners' distributions represented \$24.24 and \$9.70 per Unit for the years, respectively.

The Partnership may repurchase Units from Limited Partners who have tendered their Units to the Partnership. Such Units may be acquired at a discount. The Partnership will not be obligated to purchase in any year any number of Units that, when aggregated with all other transfers of Units that have occurred since the beginning of the same calendar year (excluding Permitted Transfers as defined in the Partnership Agreement), would exceed 5% of the total number of Units outstanding on January 1 of such year. In no event shall the Partnership be obligated to purchase Units if, in the sole discretion of the Managing General Partner, such purchase would impair the capital or operation of the Partnership.

During 2014, the Partnership repurchased a total of 380.60 Units for \$287,294 from 33 Limited Partners in accordance with the Partnership Agreement. During 2013, the Partnership repurchased a total of 192.49 Units for \$159,768 from 24 Limited Partners. The Partnership acquired these Units using Net Cash Flow from operations. The repurchases increase the remaining Limited Partners' ownership interest in the Partnership. As a result of these repurchases and pursuant to the Partnership Agreement, the General Partners received distributions of \$2,902 and \$1,614 in 2014 and 2013, respectively.

**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP**  
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**(8) Income Taxes –**

The following is a reconciliation of net income for financial reporting purposes to income reported for federal income tax purposes for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Net Income for Financial Reporting Purposes	\$ 1,253,902	\$ 815,592
Depreciation for Tax Purposes Under Depreciation and Amortization for Financial Reporting Purposes	55,013	39,952
Acquisition Costs Expensed for Financial Reporting Purposes, Capitalized for Tax Purposes	83,428	0
Real Estate Impairment Loss Not Recognized for Tax Purposes	0	468,870
Gain on Sale of Real Estate for Tax Purposes Under Gain for Financial Reporting Purposes	(556,243)	(960,226)
Taxable Income to Partners	<u>\$ 836,100</u>	<u>\$ 364,188</u>

The following is a reconciliation of Partners' capital for financial reporting purposes to Partners' capital reported for federal income tax purposes for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Partners' Capital for Financial Reporting Purposes	\$ 13,534,599	\$ 13,760,784
Adjusted Tax Basis of Investments in Real Estate Over Net Investments in Real Estate for Financial Reporting Purposes	807,169	1,224,971
Income Accrued for Tax Purposes Over Income for Financial Reporting Purposes	39,562	39,562
Property Expenses for Tax Purposes Under Expenses for Financial Reporting Purposes	8,934	8,934
Syndication Costs Treated as Reduction of Capital For Financial Reporting Purposes	3,271,273	3,271,273
Partners' Capital for Tax Reporting Purposes	<u>\$ 17,661,537</u>	<u>\$ 18,305,524</u>

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

None.

**ITEM 9A. CONTROLS AND PROCEDURES.**

(a) Disclosure Controls and Procedures.

Under the supervision and with the participation of management, including its President and Chief Financial Officer, the Managing General Partner of the Partnership evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based upon that evaluation, the President and Chief Financial Officer of the Managing General Partner concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and that such information is accumulated and communicated to management, including the President and Chief Financial Officer of the Managing General Partner, in a manner that allows timely decisions regarding required disclosure.

(b) Internal Control Over Financial Reporting.

(i) Management's Report on Internal Control Over Financial Reporting. The Managing General Partner, through its management, is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Exchange Act, and for performing an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2014. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP. Our system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Partnership; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with US GAAP, and that receipts and expenditures of the Partnership are being made only in accordance with authorizations of management of the Managing General Partner; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Partnership's assets that could have a material effect on the financial statements.

Management of the Managing General Partner performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2014 based upon criteria in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on our assessment, management of the Managing General Partner determined that our internal control over financial reporting was effective as of December 31, 2014 based on the criteria in Internal Control-Integrated Framework (1992) issued by the COSO.

**ITEM 9A. CONTROLS AND PROCEDURES. (Continued)**

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

(ii) Changes in Internal Control Over Financial Reporting. During the most recent period covered by this report, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION.**

None.

**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

The registrant is a limited partnership and has no officers, directors, or direct employees. The General Partners manage and control the Partnership's affairs and have general responsibility and the ultimate authority in all matters affecting the Partnership's business. The General Partners are AEI Fund Management XX, Inc. ("AFM"), the Managing General Partner, and Robert P. Johnson, Chief Executive Officer, President and sole director of AFM, the Individual General Partner. AFM is a wholly owned subsidiary of AEI Capital Corporation of which Mr. Johnson is the majority shareholder. AFM has only one senior financial executive, its Chief Financial Officer. The Chief Financial Officer reports directly to Mr. Johnson and is accountable for his actions to Mr. Johnson. Although Mr. Johnson and AFM require that all of their personnel, including the Chief Financial Officer, engage in honest and ethical conduct, ensure full, fair, accurate, timely, and understandable disclosure, comply with all applicable governmental laws, rules and regulations, and report to Mr. Johnson any deviation from these principles, because the organization is composed of only approximately 45 individuals, because the management of a partnership by an entity that has different interests in distributions and income than investors involves numerous conflicts of interest that must be resolved on a daily basis, and because the ultimate decision maker in all instances is Mr. Johnson, AFM has not adopted a formal code of conduct. Instead, the materials pursuant to which investors purchase Units disclose these conflicts of interest in detail and Mr. Johnson, as the CEO and sole director of AFM, resolves conflicts to the best of his ability, consistent with his fiduciary obligations to AFM and the fiduciary obligations of AFM to the Partnership. The director and officers of AFM are as follows:

## **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

**(Continued)**

Robert P. Johnson, age 70, is Chief Executive Officer, President and sole director and has held these positions since the formation of AFM in September 1992, and has been elected to continue in these positions until December 2015. From 1970 to the present, he has been employed exclusively in the investment industry, specializing in limited partnership investments. In that capacity, he has been involved in the development, analysis, marketing and management of public and private investment programs investing in net lease properties as well as public and private investment programs investing in energy development. Since 1971, Mr. Johnson has been the president, a director and a registered principal of AEI Securities, Inc., which is registered with the SEC as a securities broker-dealer, is a member of the Financial Industry Regulatory Authority (FINRA) and is a member of the Security Investors Protection Corporation (SIPC). Mr. Johnson has been president, a director and the principal shareholder of AEI Fund Management, Inc., a real estate management company founded by him, since 1978. Mr. Johnson is currently a general partner or principal of the general partner in nine limited partnerships and a managing member in five LLCs.

Patrick W. Keene, age 55, is Chief Financial Officer, Treasurer and Secretary and has held these positions since January 22, 2003 and has been elected to continue in these positions until December 2015. Mr. Keene has been employed by AEI Fund Management, Inc. and affiliated entities since 1986. Prior to being elected to the positions above, he was Controller of the various entities. From 1982 to 1986, Mr. Keene was with KPMG Certified Public Accountants, first as an auditor and later as a tax manager. Mr. Keene is responsible for all accounting functions of AFM and the registrant.

Since Mr. Johnson serves as the Individual General Partner of the Partnership, as well as the sole director of AFM, all of the duties that might be assigned to an audit committee are assigned to Mr. Johnson. Mr. Johnson is not an audit committee financial expert, as defined. As an officer and majority owner, through a parent company, of AFM, and as the Individual General Partner, Mr. Johnson is not a "disinterested director" and may be subject to a number of conflicts of interests in his capacity as sole director of AFM.

Before the independent auditors are engaged, Mr. Johnson, as the sole director of AFM, approves all audit-related fees, and all permissible nonaudit fees, for services of our auditors.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Under federal securities laws, the directors and officers of the General Partner of the Partnership, and any beneficial owner of more than 10% of a class of equity securities of the Partnership, are required to report their ownership of the Partnership's equity securities and any changes in such ownership to the Securities and Exchange Commission (the "Commission"). Specific due dates for these reports have been established by the Commission, and the Partnership is required to disclose in this Annual Report on 10-K any delinquent filing of such reports and any failure to file such reports during the fiscal year ended December 31, 2014. Based upon information provided by officers and directors of the General Partner, all officers, directors and 10% owners filed all reports on a timely basis in the 2014 fiscal year.

**ITEM 11. EXECUTIVE COMPENSATION.**

The General Partner and affiliates are reimbursed at cost for all services performed on behalf of the registrant and for all third party expenses paid on behalf of the registrant. The cost for services performed on behalf of the registrant is based on actual time spent performing such services plus an overhead burden. These services include organizing the registrant and arranging for the offer and sale of Units, reviewing properties for acquisition and rendering administrative, property management and property sales services. The amount and nature of such payments are detailed in Item 13 of this annual report on Form 10-K.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

The following table sets forth information pertaining to the ownership of the Units by each person known by the Partnership to beneficially own 5% or more of the Units, by each General Partner, and by each officer or director of the Managing General Partner as of February 28, 2015:

<u>Name and Address of Beneficial Owner</u>	<u>Number of Units Held</u>	<u>Percent of Class</u>
AEI Fund Management XX, Inc.	0	0.00%
Robert P. Johnson	28	0.13%
Patrick W. Keene	0	0.00%

Address for all:  
1300 Wells Fargo Place  
30 East 7th Street, St. Paul, Minnesota 55101

The persons set forth in the preceding table hold sole voting power and power of disposition with respect to all of the Units set forth opposite their names. The General Partners know of no holders of more than 5% of the outstanding Units.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.**

The registrant, AFM and its affiliates have common management and utilize the same facilities. As a result, certain administrative expenses are allocated among these related entities. All of such activities and any other transactions involving the affiliates of the General Partner of the registrant are governed by, and are conducted in conformity with, the limitations set forth in the Limited Partnership Agreement of the registrant. Reference is made to Note 3 of the Financial Statements, as presented, and is incorporated herein by reference, for details of related party transactions for the years ended December 31, 2014 and 2013.

Neither the registrant, nor the Managing General Partner of the registrant, has a board of directors consisting of any members who are "independent." The sole director of the Managing General Partner, Robert P. Johnson, is also the Individual General Partner of the registrant, and is the Chief Executive Officer, and indirectly the principal owner, of the Managing General Partner. Accordingly, there is no disinterested board, or other functioning body, that reviews related party transactions, or the transactions between the registrant and the General Partners, except as performed in connection with the audit of its financial statements.



**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND  
DIRECTOR INDEPENDENCE. (Continued)**

The limitations included in the Partnership Agreement require that the cumulative reimbursements to the General Partners and their affiliates for administrative expenses not allowed under the NASAA Guidelines ("Guidelines") will not exceed the sum of (i) the front-end fees allowed by the Guidelines less the front-end fees paid by the Partnership, (ii) the cumulative property management fees allowed by the Guidelines but not paid, (iii) any real estate commission allowed by the Guidelines, and (iv) 10% of Net Cash Flow less the Net Cash Flow actually distributed to the General Partners. The administrative expenses not allowed under the Guidelines include a controlling person's salary and fringe benefits, rent and depreciation. As of December 31, 2014, the cumulative reimbursements to the General Partners and their affiliates did not exceed those amounts.

The following table sets forth the forms of compensation, distributions and cost reimbursements paid by the registrant to the General Partners or their Affiliates in connection with the operation of the Fund for the period from inception through December 31, 2014.

<u>Person or Entity Receiving Compensation</u>	<u>Form and Method of Compensation</u>	<u>Amount Incurred From Inception (September 2, 1992) To December 31, 2014</u>
AEI Securities, Inc.	Selling Commissions equal to 8% of proceeds plus a 2% nonaccountable expense allowance, most of which was reallocated to Participating Dealers.	\$ 2,398,039
General Partners and Affiliates	Reimbursement at Cost for other Organization and Offering Costs.	\$ 884,013
General Partners and Affiliates	Reimbursement at Cost for all Acquisition Expenses.	\$ 1,077,972
General Partners and Affiliates	Reimbursement at Cost for providing administrative services to the Fund, including all expenses related to management of the Fund's properties and all other transfer agency, reporting, partner relations and other administrative functions.	\$ 5,311,604
General Partners and Affiliates	Reimbursement at Cost for providing services related to the disposition of the Fund's properties.	\$ 976,311
General Partners	1% of Net Cash Flow in any fiscal year until the Limited Partners have received annual, non-cumulative distributions of Net Cash Flow equal to 10% of their Adjusted Capital Contributions and 10% of any remaining Net Cash Flow in such fiscal year.	\$ 318,669
General Partners	1% of distributions of Net Proceeds of Sale until Limited Partners have received an amount \$ equal to (a) their Adjusted Capital Contributions, plus (b) an amount equal to 12% of their Adjusted Capital Contributions per annum, cumulative but not compounded, to the extent not previously distributed. 10% of distributions of Net Proceeds of Sale thereafter.	49,880

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.**

The following is a summary of the fees billed to the Partnership by Boulay PLLP for professional services rendered for the years ended December 31, 2014 and 2013:

<u>Fee Category</u>	<u>2014</u>	<u>2013</u>
Audit Fees	\$ 18,454	\$ 17,925
Audit-Related Fees	0	0
Tax Fees	0	0
All Other Fees	0	0
Total Fees	<u>\$ 18,454</u>	<u>\$ 17,925</u>

Audit Fees - Consists of fees billed for professional services rendered for the audit of the Partnership's annual financial statements and review of the interim financial statements included in quarterly reports, and services that are normally provided by Boulay PLLP in connection with statutory and regulatory filings or engagements.

Audit-Related Fees - Consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of financial statements and are not reported under "Audit Fees." These services include consultations concerning financial accounting and reporting standards.

Tax Fees - Consists of fees billed for professional services for federal and state tax compliance, tax advice and tax planning.

All Other Fees - Consists of fees for products and services other than the services reported above.

Policy for Preapproval of Audit and Permissible Non-Audit Services

Before the Independent Registered Public Accounting Firm is engaged by the Partnership to render audit or non-audit services, the engagement is approved by Mr. Johnson acting as the Partnership's audit committee.

**PART IV**

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.**

(a) (1) A list of the financial statements contained herein is set forth on page 16.

(a) (2) Schedules are omitted because of the absence of conditions under which they are required or because the required information is presented in the financial statements or related notes.

(a) (3) The Exhibits filed in response to Item 601 of Regulation S-K are listed below.

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES. (Continued)**

- 3.1 Certificate of Limited Partnership (incorporated by reference to Exhibit 3.1 of the registrant's Registration Statement on Form SB-2 filed November 9, 1992 [File No. 3354354-C]).
- 3.2 Limited Partnership Agreement (incorporated by reference to Exhibit 3.2 of the registrant's Registration Statement on Form SB-2 filed November 9, 1992 [File No. 3354354-C]).
- 10.1 Assignment of Lease dated February 24, 1994 between the Partnership and Retlen Corporation, Inc., and the Lease Agreement dated May 11, 1987, relating to the Property at 1410 Jamboree Drive, Colorado Springs, Colorado (incorporated by reference to Exhibit B of Form 8-K filed March 8, 1994).
- 10.2 Net Lease Agreement dated June 14, 2002 between the Partnership and ARAMARK Educational Resources, Inc. relating to the Property at 200 Allen Bradley Drive, Mayfield Heights, Ohio (incorporated by reference to Exhibit 10.2 of Form 10-QSB filed August 14, 2002).
- 10.3 Assignment and Assumption of Lease dated February 9, 2004 between the Partnership, AEI Income & Growth Fund XXI Limited Partnership and Transmills, LLC relating to the Property at 7684 Arundel Mills, Hanover, Maryland (incorporated by reference to Exhibit 10.2 of Form 8-K filed February 24, 2004).
- 10.4 Assignment and Assumption of Purchase and Sale Agreement dated May 6, 2009 between the Partnership, AEI Income & Growth Fund 27 LLC and AEI Fund Management, Inc. relating to the Property at 1600 North Milwaukee Avenue, Vernon Hills, Illinois (incorporated by reference to Exhibit 10.1 of Form 8-K filed May 29, 2009).
- 10.5 Assignment and Assumption of Lease dated May 22, 2009 between the Partnership, AEI Income & Growth Fund 27 LLC and Bradford Landing South LLC relating to the Property at 1600 North Milwaukee Avenue, Vernon Hills, Illinois (incorporated by reference to Exhibit 10.2 of Form 8-K filed May 29, 2009).
- 10.6 Assignment of Purchase Agreement dated December 1, 2014 between the Partnership and AEI Property Corporation relating to the Property at 1565 Corporate Woods Parkway, Green, Ohio (incorporated by reference to Exhibit 10.1 of Form 8-K filed December 8, 2014).
- 10.7 Assignment and Assumption of Lease dated December 3, 2014 between the Partnership and Professional Center Associates, Limited Partnership relating to the Property at 1565 Corporate Woods Parkway, Green, Ohio (incorporated by reference to Exhibit 10.2 of Form 8-K filed December 8, 2014).
- 31.1 Certification of Chief Executive Officer of General Partner pursuant to Rule 15d-14(a)(17 CFR 240.15d-14(a)) and Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer of General Partner pursuant to Rule 15d-14(a)(17 CFR 240.15d-14(a)) and Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification of Chief Executive Officer and Chief Financial Officer of General Partner pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AEI NET LEASE INCOME & GROWTH  
FUND XX

Limited Partnership

By: AEI Fund Management XX, Inc.  
Its Managing General Partner

March 27, 2015

By: /s/ ROBERT P JOHNSON  
Robert P. Johnson, President and  
Director  
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ ROBERT P JOHNSON</u> Robert P. Johnson	President (Principal Executive Officer) and Sole Director of Managing General Partner	March 27, 2015
<u>/s/ PATRICK W KEENE</u> Patrick W. Keene	Chief Financial Officer and Treasurer (Principal Accounting Officer)	March 27, 2015

**CERTIFICATIONS**

I, Robert P. Johnson, certify that:

1. I have reviewed this annual report on Form 10-K of AEI Net Lease Income & Growth Fund XX Limited Partnership;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 27, 2015

/s/ ROBERT P  
**JOHNSON**  
 \_\_\_\_\_  
 Robert P. Johnson,  
 President  
 AEI Fund Management  
 XX, Inc.  
 Managing General Partner

**CERTIFICATIONS**

I, Patrick W. Keene, certify that:

1. I have reviewed this annual report on Form 10-K of AEI Net Lease Income & Growth Fund XX Limited Partnership;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities,

particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 27, 2015

/s/ PATRICK W KEENE  
Patrick W. Keene, Chief  
Financial Officer  
AEI Fund Management XX,  
Inc.  
Managing General Partner

Exhibit 32

**CERTIFICATION PURSUANT TO  
18 U.S.C. §1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of AEI Net Lease Income & Growth Fund XX Limited Partnership (the "Partnership") on Form 10-K for the period ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Robert P. Johnson, President of AEI Fund Management XX, Inc., the Managing General Partner of the Partnership, and Patrick W. Keene, Chief Financial Officer of AEI Fund Management XX, Inc., each certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ ROBERT P JOHNSON  
Robert P. Johnson, President  
AEI Fund Management XX, Inc.  
Managing General Partner  
March 27, 2015

/s/ PATRICK W KEENE  
Patrick W. Keene, Chief Financial  
Officer  
AEI Fund Management XX, Inc.  
Managing General Partner  
March 27, 2015