GEORGIA TECH FACILITIES, INC.

FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015

with
INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Georgia Tech Facilities, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Georgia Tech Facilities, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and changes in net assets (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Tech Facilities, Inc. as of June 30, 2016, and the changes in net assets (deficit) and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 11, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ending June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Smith + Howard

September 9, 2016

GEORGIA TECH FACILITIES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

ASSETS

	2016	2015
Cash and cash equivalents (Note 3)	$ 4,115,241	$ 3,131,141
Capital reserve funds (Note 3)	2,948,231	2,066,833
Due from related parties	213,994	242,374
Contribution receivable - affiliates (Note 7)	7,720,278	8,247,888
Lease payment receivable (Note 7)	-	826,465
Note receivable (Note 7)	2,230,780	2,737,705
Non-investment real estate (Note 4)	3,478,560	3,538,560
Investment in direct financing leases (Note 5)	194,791,078	205,325,027
Prepaid ground lease (Note 5)	4,068,750	4,262,500
Prepaid expense	31,920	33,608
Construction in progress (Note 2)	3,457	80,247
Total Assets	$ 219,602,289	$ 230,492,348

LIABILITIES AND NET ASSETS (DEFICIT)

	2016	2015
Liabilities:		
Accounts payable	$ 12,000	$ 23,157
Due to primary government	35,963	75,941
Accrued bond interest	1,971,052	2,047,627
Bonds payable, net - current portion (Note 6)	9,524,504	9,330,894
Bonds payable, net - noncurrent (Note 6)	237,993,967	247,518,488
Deferred revenue	10,000	123,221
Total Liabilities	249,547,486	259,119,328
Net Assets (Deficit)		
Unrestricted net deficit	(37,907,017)	(37,035,360)
Temporarily restricted net assets (Note 2)	7,961,820	8,408,380
Total Net Assets (Deficit)	(29,945,197)	(28,626,980)
Total Liabilities and Net Assets (Deficit)	$ 219,602,289	$ 230,492,348

The accompanying notes are an integral part of these financial statements.

GEORGIA TECH FACILITIES, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)
YEARS ENDED JUNE 30, 2016 AND 2015

	Unrestricted	Temporarily Restricted	2016 Total	Summarized Financial Information 2015 (Note 8)
Revenues:				
Support from affiliates - rent	$ 12,109,191	$ -	$ 12,109,191	$ 12,124,840
Support from affiliates - other	525,870	-	525,870	517,873
Grant revenue	-	245,000	245,000	-
Interest income	232,521	-	232,521	166,433
Management fees	726	-	726	4,965
Other revenue	-	-	-	10,000
Net assets released from restriction	691,560	(691,560)	-	-
Total Revenues	13,559,868	(446,560)	13,113,308	12,824,111
Program expense:				
Interest expense (Note 2)	13,308,174	-	13,308,174	13,632,631
Depreciation (Note 4)	60,000	-	60,000	60,000
Trustee fees	26,884	-	26,884	27,125
Rent - ground lease, electrical substation (Note 5)	193,750	-	193,750	193,750
Insurance and bonding	495,007	-	495,007	484,149
Donation expense (Note 7)	136,889	-	136,889	-
Miscellaneous fees	29,321	-	29,321	31,227
Total Program Expense	14,250,025	-	14,250,025	14,428,882
General and administrative expense:				
Supplies and materials	3,339	-	3,339	3,893
Insurance and bonding	21,288	-	21,288	20,595
Reimbursed administrative costs and salaries - Georgia Tech	72,600	-	72,600	72,600
Professional fees	84,273	-	84,273	49,990
Total General and Administrative Expense	181,500	-	181,500	147,078
Total Expenses	14,431,525	-	14,431,525	14,575,960
Decrease in net assets	(871,657)	(446,560)	(1,318,217)	(1,751,849)
Net assets (deficit), beginning of year	(37,035,360)	8,408,380	(28,626,980)	(26,875,131)
Net assets (deficit), end of year	$ (37,907,017)	$ 7,961,820	$ (29,945,197)	$ (28,626,980)

The accompanying notes are an integral part of these financial statements.

GEORGIA TECH FACILITIES, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Cash Flows from Operating Activities:		
Decrease in net assets (deficit)	$ (1,318,217)	$ (1,751,849)
Adjustments to reconcile change in net assets (deficit) to net cash provided by operating activities:		
Depreciation	60,000	60,000
Amortization of bond issuance and other financing costs and discount	1,602,833	1,602,850
Amortization of bond premium costs	(733,546)	(733,546)
Non-cash donation expense	136,889	-
Changes in operating assets and liabilities:		
Accounts receivable	-	1,007,249
Due from related parties	28,380	30,456
Contribution receivable - affiliates	527,610	517,561
Lease payment receivable	826,465	222,500
Note receivable	506,925	488,110
Investment in direct financing leases	10,533,949	10,531,199
Prepaid ground lease	193,750	193,750
Prepaid expense	1,688	(5,404)
Accrued bond interest	(76,575)	(68,634)
Accounts payable	(11,157)	7,657
Due to primary government	(39,978)	(175,218)
Deferred revenue	(113,221)	(30,181)
Net Cash Provided by Operating Activities	12,125,795	11,896,500
Cash Flows from Investing Activities:		
Additions to capitalized development costs, net	(60,099)	(80,247)
Net Cash Provided (Required) by Investing Activities	(60,099)	(80,247)
Cash Flows from Financing Activities:		
Repayments of bonds payable	(10,200,198)	(9,932,008)
Payments of bond issuance and other financing costs	-	(2,501)
Net Cash Required by Financing Activities	(10,200,198)	(9,934,509)
Net Increase in Cash and Cash Equivalents and Capital Reserve Funds	1,865,498	1,881,744
Cash and Cash Equivalents and Capital Reserve Fund, Beginning of Year	5,197,974	3,316,230
Cash and Cash Equivalents and Capital Reserve Fund, End of Year	$ 7,063,472	$ 5,197,974
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for interest	$ 12,515,462	$ 12,831,965

The accompanying notes are an integral part of these financial statements.

NOTE 1 – NATURE OF ORGANIZATION

Organization

Georgia Tech Facilities, Inc. (the "Organization") was incorporated as Georgia Tech Foundation Facilities, Inc. in the State of Georgia in 1985 as a not-for-profit corporation. The Organization dropped "Foundation" from its name in 1999 to highlight that it is separate from and not affiliated with the Georgia Tech Foundation, Inc. The purpose of the Organization is to construct buildings and other facilities as appropriate to meet the needs and goals of the Georgia Institute of Technology ("GIT"). Funding for construction is obtained by the Organization from contributions or from financing with debt service funded by support from various sources.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

The financial statements of the Organization have been prepared on the accrual basis of accounting. The financial statement presentation follows the recommendations of GAAP. Under GAAP, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Temporarily restricted net assets include purpose restricted gifts of $7,961,820 and $8,408,380 at June 30, 2016 and 2015 respectively.

New Accounting Standards

During 2016, the Organization adopted new FASB guidance regarding the presentation within the Statement of Financial Position for the costs of issuance of debt and related amortization expense in the Statement of Activities and Changes in Net Assets (deficit). The new guidance requires presenting such unamortized costs as a direct deduction from the face amount of the debt (see Note 6). Amortization is required to be included with interest expense in the Statement of Activities and Changes in Net Assets (deficit).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards (Continued)

Previously, the Organization reflected unamortized debt issuance costs and other financing costs as deferred charges in the Statement of Financial Position, and has reclassified 2015 amounts to accord with the new presentation. The reclassifications had no effect on net assets.

Similarly, interest expense for 2015 has been increased (and amortization and depreciation expense decreased) by $1,602,850 to accord with the new presentation, with no effect on previously reported net assets.

Contributions Received

The Organization accounts for contributions received in accordance with GAAP. Under GAAP, contributions and unconditional promises to give are required to be recognized as revenue in the period received at their fair value. All promises to give and gifts received were donated by other cooperative organizations of GIT. These amounts were restricted by the donors to be used for projects administered by the Organization.

Support From Affiliates – Rent

The Organization recognizes facility rental revenue as it accrues. Rental payments received in advance are deferred until earned.

Grant Revenue Recognition

On August 31, 2015, the Organization executed a Disbursement Agreement with a local foundation to receive up to Twenty Five Million Dollars ($25,000,000) (the "Grant") for the design, development and construction of an education and research facility on the campus of GIT. The Grant will be disbursed over six key phases beginning with design and consulting; and ending with the final disbursement delivered to the Organization upon its execution of a guaranteed maximum price construction contract, expected in January 2018.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grant Revenue Recognition (Continued)

The Grant has contingencies including the execution of a ground lease and rental agreement with the Board of Regents (BOR). If the contingencies stated within the Grant are not met then the foundation and the Organization have the right to terminate the Grant. Since the Grant has contingencies, the Organization will recognize revenue as received. As of June 30, 2016, the Organization received $245,000 to be used for pre-consulting and pre-design purposes. These funds are recorded within Grant Revenue in the accompanying Statement of Activities and Changes in Net Assets (Deficit) as temporarily restricted. In fiscal year ended June 30, 2016 the Organization released $3,457 associated with the Grant.

Estimates and Assumptions

The Organization uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents and Capital Reserve Funds

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Capital reserve funds relate to certain lease agreements which require the Organization to transfer specified amounts to a separate account which can be used only for specific purposes related to certain property leased by the Organization.

Long-Lived Assets

Gifts associated with the construction of long-lived assets are reported as restricted support until the asset is placed in service. Buildings are depreciated on a straight-line basis over a useful life of 30 years.

Bond Issuance and Other Financing Costs

Bond issuance costs and the related discounts are amortized over the period the bonds are outstanding. Amortization related to bond issuance costs and related discounts are recorded within interest expense on the accompanying Statement of Activities and Changes in Net Assets (deficit) and totaled $364,663 and $364,680 for the years ended June 30, 2016 and 2015, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bond Issuance and Other Financing Costs (Continued)

During the year ended June 30, 2014, the Organization incurred $26,505,250 to terminate two swaption agreements as part of a related refinancing of two bonds payable. The costs are being amortized over the terms of the new bonds payable and are presented as a deduction from the bonds payable amount. Amortization of the swaption agreements are included within interest expense on the accompanying Statement of Activities and Changes in Net Assets (deficit) and totaled $1,238,170 for the years ended June 30, 2016 and 2015, respectively.

Construction in Progress

The Organization records capitalized development costs for construction expenditures and capitalized interest related to uncompleted construction projects. As of June 30, 2016 and 2015, the amounts capitalized were $3,457 and $80,247, respectively.

Fair Value of Financial Instruments

Cash and cash equivalents, restricted cash, receivables, and accounts payable are carried at amounts which approximate their fair value due to the short-term nature of these instruments. Bonds payable are carried at the amount owed, less the discount, which approximates fair value.

Reclassification

Certain items in the 2015 financial statements have been reclassified to conform to the 2016 financial statement presentation.

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Status

The Organization has received a ruling from the Internal Revenue Service that it is exempt from Federal income tax under Section 501(a) as an organization described in Section 501 (c)(3) of the Internal Revenue Code.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. The Organization is no longer subject to tax examinations for tax years ending before June 30, 2013.

NOTE 3 – CONCENTRATIONS

The Organization is potentially subject to concentrations of credit risk in its cash and cash equivalents balances. Cash and cash equivalents are held on deposit at various banks, and are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum of $250,000. The total amount of cash in excess of FDIC insurance at June 30, 2016 is $6,813,472.

The Organization receives significant resources from GIT and related organizations pursuant to various agreements, including a memorandum of understanding between the Organization and GIT. An interruption of this support could cause substantial doubt in the Organization's ability to continue as an independent entity.

NOTE 4 – NON-INVESTMENT REAL ESTATE

The Organization's real estate consists of the Habersham Building, which is located on the GIT campus. The building was placed into service in 1997. During the year ended June 30, 2014, the Organization purchased land located at 150 North Avenue in the amount of $2,760,179. A summary of real estate at June 30 is as follows:

	2016	2015
Land	$ 3,358,560	$ 3,358,560
Building	1,200,000	1,200,000
	4,558,560	4,558,560
Less accumulated depreciation	(1,080,000)	(1,020,000)
	$ 3,478,560	$ 3,538,560

Depreciation expense was $60,000 during the years ended June 30, 2016 and 2015.

NOTE 5 – LEASING ARRANGEMENTS

The Organization's Statement of Financial Position includes Investments in Direct Financing Leases based on the cost of construction. The balance of the minimum lease payments and the unearned income (present-valued interest component) decrease by the straight-line method over the life of the lease. The components of the net investment in direct financing leases as of June 30 are as follows:

2016	Minimum lease payment receivable	Less unearned income	Net investment in direct financing lease
Bioengineering & Bioscience Building	$ 17,099,250	$ (4,415,756)	$ 12,683,494
Family Housing and Klaus Parking	70,268,538	(34,635,013)	35,633,525
Molecular Science and Engineering Building	122,105,500	(69,524,395)	52,581,105
Electrical Substation and System	70,500,000	(45,938,949)	24,561,051
North Avenue Apartments	84,480,000	(37,169,274)	47,310,726
North Avenue Apartments - Dining	11,760,000	(5,160,000)	6,600,000
Carbon-Neutral Energy Solutions Laboratory	23,667,000	(12,103,323)	11,563,677
Academy of Medicine	6,235,000	(2,377,500)	3,857,500
Total	$ 406,115,288	$ (211,324,210)	$ 194,791,078

NOTE 5 – LEASING ARRANGEMENTS (Continued)

2015	Minimum lease payment receivable	Less unearned income	Net investment in direct financing lease
Bioengineering & Bioscience Building	$ 18,526,375	$ (4,755,430)	$ 13,770,945
Family Housing and Klaus Parking	75,396,038	(37,120,420)	38,275,618
Molecular Science and Engineering Building	127,022,500	(72,715,017)	54,307,483
Electrical Substation and System	73,500,000	(47,853,072)	25,646,928
North Avenue Apartments	89,760,000	(39,492,353)	50,267,647
North Avenue Apartments - Dining	12,348,000	(5,418,000)	6,930,000
Carbon-Neutral Energy Solutions Laboratory	24,549,000	(12,551,594)	11,997,406
Academy of Medicine	6,665,000	(2,536,000)	4,129,000
Total	$ 427,766,913	$ (222,441,886)	$ 205,325,027

Electrical Substation and System

During the year ended June 30, 2006, in accordance with the terms of the ground lease, the Organization made a payment of $6,200,000 representing payment for the entire term of the lease. The payment was initially recorded as a prepaid expense, and will be recognized as an expense on a straight-line basis over the life of the ground lease. For each of the years ended June 30, 2016 and 2015, rental expense under this agreement was $193,750, and at June 30, 2016 and 2015, the related prepaid expense was $4,068,750 and $4,262,500, respectively.

NOTE 6 – BONDS PAYABLE

	2016	2015
Taxable bonds payable at June 30 consists of the following:		
$19,015,000 Series 2014B-Molecular Science and Engineering Building bonds, payable in annual interest installments until 2036 at a rate of 4.73% (b).	$17,740,000	$18,380,000
$7,295,000 Series 2005B-Electrical Substation and System bonds, payable in annual interest installments until 2017 at rates between 4.92% and 5.30%.	200,000	1,220,000
Taxable bonds total	$17,940,000	$19,600,000
Tax-exempt bonds payable at June 30 consists of the following:		
$24,540,000 Series 2007A-North Avenue Apartments bonds, payable in annual interest installments until 2032 at a fixed rate of 5.00%.	$24,540,000	$24,540,000
$19,900,000 Series 2008-Bioengineering and Bioscience Building bonds, payable in annual interest installments until 2027 at a fixed rate of 3.93%.	13,711,000	14,593,000
$37,175,000 Series 2009A-Electrical Substation and System bonds, payable in annual interest installments until 2040 at rates between 3.25% and 5.00%.	37,175,000	37,175,000
$30,580,000 Series 2009B-1-North Avenue Apartments bonds, payable in annual interest installments until 2032 at rates between 2.50% and 5.00%.	29,035,000	29,780,000
$15,280,000 Series 2009B-2-North Avenue Apartments bonds, payable in annual interest installments until 2020 at rates between 3.00% and 5.00%.	2,055,000	3,620,000

NOTE 6 – BONDS PAYABLE (Continued)

	2016	2015
$27,270,000 Series 2010A-Carbon-Neutral Laboratory/ North Avenue Apartments-Dining Hall/14th Street Building bonds, payable in annual interest installments until 2041 at rates between 2.00% and 5.00%.	22,225,000	23,200,000
$10,555,000 Series 2010B-Wardlaw/Habersham/ Success Center bonds, payable in annual interest installments until 2027 at rates between 2.00% and 4.00%.	7,675,000	8,200,000
$5,400,000 Series 2010C-Academy of Medicine bonds, payable in annual interest installments until 2031 at a fixed rate of 4.35%.	4,487,984	4,706,182
3		
$57,250,000 Series 2013-Married Family Housing bonds, payable in annual interest installments until 2029 at rates between 3.00% and 5.00% (a).	52,055,000	54,690,000
$56,830,000 Series 2014A-Molecular Science and Engineering Building bonds, payable in annual interest installments until 2041 at a rate of 4.25% (b).	54,865,000	55,860,000
Tax-exempt bonds total	$247,823,984	$256,364,182
Total bonds payable	$265,763,984	$275,964,182
Less unamortized discount and debt issuance costs	(28,519,421)	(30,122,254)
Plus unamortized bond issuance premium	10,273,908	11,007,454
Total bonds payable, net of discount, debt issuance costs and bond issuance premium	$247,518,471	$256,849,382

NOTE 6 – BONDS PAYABLE (Continued)

The following represents the mandatory bond principal redemptions on the above bonds payable for the years ending June 30:

2017	$ 10,393,793
2018	10,844,810
2019	11,403,267
2020	12,077,184
2021	12,039,582
Thereafter	209,005,348
	$ 265,763,984

(a) Series 2013

In September 2013, the Organization issued $57,250,000 Series 2013 Refunding Revenue Bonds. The proceeds of the bonds were used to refund the Series 2003 fixed demand bonds and the related interest rate swaption (the “Married Family Housing project”) and to pay certain costs of the bonds issuance.

The Organization paid $10,073,250 to terminate an existing swaption agreement. The purpose of the payment was to exit the existing bonds payable and refinance the bonds with improved terms. The payment and the unamortized portion is included within the unamortized discount and debt issuance costs above and is being amortized over the term of the Series 2013 bonds payable.

(b) Series 2014 A & B

In May 2014, the Organization issued $75,845,000 Series 2014 A & B Refunding Revenue Bonds. The proceeds of the bonds were used to refund the Series 2004 fixed demand bonds and the related interest rate swaption (the “Molecular Science and Engineering project”) and to pay certain costs of the bonds issuance.

The Organization paid $16,432,000 to terminate an existing swaption agreement. The purpose of the payment was to exit the existing bonds payable and refinance the bonds with improved terms. The payment and the unamortized portion is included within the unamortized discount and debt issuance costs above and is being amortized over the term of the Series 2014 A & B bonds payable.

NOTE 7 – RELATED PARTIES

Payment of the principal and related interest and fees on the Series 2010B Bonds has been guaranteed by Georgia Tech Foundation, Inc. (the “Foundation”) through a Commitment of Support dated as of May 10, 2010. The Foundation is a separate not-for-profit corporation, which was formed in 1932 primarily to receive, manage and disburse funds to support GIT. Certain members of the Board of Directors (the “Board”) of the Organization also serve as trustees of the Foundation. The unconditional promise to pay future bond payments from the Foundation is recorded as contributions receivable in the financial statements in accordance with GAAP. The total contribution receivable recorded at June 30, 2016 and 2015 is $7,720,278 and $8,247,888, respectively, on the Series 2010B Bonds and is paid according to the debt schedule in Note 6 after the use of any cash held by the Organization.

On May 1, 2010, the Organization entered into a Construction Loan Agreement for $5,000,000 with Georgia Advanced Technology Ventures, Inc. (“GATV”) for the renovation of the 14th Street Building. The Organization simultaneously recorded a note receivable from GATV and a corresponding liability of Due to Primary Government for $5,000,000. During 2012, the Organization satisfied this liability as the renovation of the 14th Street Building was completed. At June 30, 2016 and 2015, the Note Receivable included for the amount due to the Organization from GATV (including associated interest receivable) is $2,230,780 and $2,737,705, respectively. The Organization and GATV share common officers.

On October 16, 2002, the Organization entered into a Memorandum of Understanding (“MOU”) with GIT to confirm the responsibilities of the parties in connection with the construction of graduate and family housing, including childcare and parking accommodations for use by GIT (the "Family Housing Project"). On November 16, 2011, the Organization and GIT amended the MOU for the Family Housing Project for the construction of a Child Development Center. On February 10, 2012, the Organization amended the Development Management Services Agreement with GIT for the construction of the Child Development Center as part of the Family Housing Project. On July 11, 2012, the Certificate of Occupancy was issued for the Child Development Center. In accordance with the MOU, GIT pays annual lease payments of $222,500 for a total payment of $1,605,212 through April 2019. In June 2016, GIT paid the lease in full. The total lease receivable recorded at June 30, 2015 was $826,465.

During the year ended June 30, 2016, the Organization donated $136,889 to GIT for the Carbon Neutral Energy Solutions Laboratory. This is included as donation expense in the accompanying Statement of Activities and Changes in Net Assets (Deficit).

NOTE 8 – FINANCIAL INFORMATION FOR 2015

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2015, from which the summarized information was derived.