

# **Georgia Tech Facilities, Inc.**

**Financial Statements**

**June 30, 2003 and 2002**



**Georgia Tech Facilities, Inc.**  
**Consolidated Financial Statements**  
**Index**  
**June 30, 2003 and 2002**

---

	<b>Page(s)</b>
<b>Report of Independent Auditors .....</b>	<b>1</b>
<b>Financial Statements</b>	
Statements of Financial Position .....	2 - 3
Statements of Activities and Changes in Net Assets .....	4 - 5
Statements of Cash Flows for the Years Ended .....	6
Notes to the Financial Statements .....	7 - 11



## Report of Independent Auditors

To the Board of Directors of  
Georgia Tech Facilities, Inc.

In our opinion, the accompanying statements of financial position and the related statements of activities and changes in net assets and of cash flows present fairly, in all material respects, the financial position of Georgia Tech Facilities, Inc. ("Facilities") at June 30, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of Facilities' management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

*PricewaterhouseCoopers* \_\_\_\_\_  
LLP

September 12, 2003



**Georgia Tech Facilities, Inc.**  
**Statement of Financial Position**  
**June 30, 2003**  
(in thousands)

	Unrestricted	June 30, 2003										Total 2003
		Temporarily Restricted										
		Habersham Building	Wardlaw Center	Success Center	Bioengineering Biotechnology Complex	Student Athletic Complex	Technology Square Complex	Student Health Center	BME Building	Research Administration Building	Family Housing	
Assets												
Cash and cash equivalents	\$ 80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ 5,731	\$ (22)	\$ (422)	\$ 5,663
Investments	290	-	-	-	-	-	-	-	-	-	-	290
Receivable from affiliate	1	-	-	-	-	4,782	15,420	-	-	-	-	20,203
Interest receivable from affiliate	-	28	87	59	-	-	-	-	-	-	-	174
Contribution receivable from affiliate	-	1,726	5,293	3,575	-	-	-	88	3,777	1,253	-	15,712
Net investment in direct financing lease	-	-	-	-	30,704	-	-	-	-	-	-	30,704
Construction in process	-	-	-	-	-	-	-	218	19,603	4,055	493	24,369
Real estate (net of accumulated depreciation of \$300 in 2003 and \$240 in 2002)	1,498	-	-	-	-	-	-	-	-	-	-	1,498
Bond issue costs and discounts (net of accumulated amortization of \$319 in 2003 and \$261 in 2002)	-	77	237	160	945	-	-	-	-	-	56	1,475
Total assets	\$ 1,869	\$ 1,831	\$ 5,617	\$ 3,794	\$ 31,649	\$ 4,782	\$ 15,420	\$ 602	\$ 29,111	\$ 5,286	\$ 127	\$ 100,088
Liabilities and Net Assets												
Interest payable	\$ -	\$ 28	\$ 87	\$ 59	\$ 335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127	\$ 509
Accounts payable	9	-	-	-	-	4,782	15,420	276	6,111	686	-	27,411
Current portion of bonds payable	-	37	112	76	430	-	-	-	-	-	-	655
Long-term bonds payable	-	1,690	5,181	3,499	19,945	-	-	-	-	-	-	30,315
Total liabilities	9	1,755	5,380	3,634	20,710	4,782	15,420	276	6,111	686	127	58,890
Net assets	1,860	76	237	160	10,939	-	-	326	23,000	4,600	-	41,198
Total Liabilities and net assets	\$ 1,869	\$ 1,831	\$ 5,617	\$ 3,794	\$ 31,649	\$ 4,782	\$ 15,420	\$ 602	\$ 29,111	\$ 5,286	\$ 127	\$ 100,088

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



**Georgia Tech Facilities, Inc.**  
**Statement of Financial Position**  
**June 30, 2002**  
(in thousands)

	Unrestricted	June 30, 2002								Total 2002
		Temporarily Restricted								
		Habersham Building	Wardlaw Center	Success Center	Bioengineering/Bioscience Complex	Student Athletic Complex	Technology Square	Student Health Center	BME Building	Research Administration Building
Assets										
Cash and cash equivalents	\$ 227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92	\$ 1,825	\$ 4,375	\$ -
Investments	-	-	-	-	-	-	-	2,591	6,046	-
Receivable from affiliates	1	-	-	-	-	37	1,157	-	-	-
Interest receivable from affiliate	-	29	89	60	-	-	-	-	-	-
Contributions receivable from affiliate	-	1,761	5,401	3,648	-	-	-	2,100	9,531	4,600
Net investment in direct financing lease	-	-	-	-	31,376	-	-	-	-	-
Construction in process	-	-	-	-	-	-	-	552	1,995	252
Real estate (net of accumulated depreciation of \$240 in 2002 and \$180 in 2001)	1,558	-	-	-	-	-	-	-	-	-
Bond issue costs and discounts (net of accumulated amortization of \$261 in 2002 and \$203 in 2001)	-	80	246	166	984	-	-	-	-	-
Total assets	\$ 1,786	\$ 1,870	\$ 5,736	\$ 3,874	\$ 32,360	\$ 37	\$ 1,249	\$ 7,068	\$ 21,947	\$ 4,852
Liabilities and Net Assets										
Interest payable	\$ -	\$ 28	\$ 89	\$ 60	\$ 341	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	3	-	-	-	-	37	1,249	343	647	252
Current portion of bonds payable	-	35	108	73	410	-	-	-	-	-
Long-term bonds payable	-	1,726	5,293	3,575	20,375	-	-	-	-	-
Total liabilities	3	1,789	5,490	3,708	21,126	37	1,249	343	647	252
Net assets	1,783	81	246	166	11,234	-	-	6,725	21,300	4,600
Total liabilities and net assets	\$ 1,786	\$ 1,870	\$ 5,736	\$ 3,874	\$ 32,360	\$ 37	\$ 1,249	\$ 7,068	\$ 21,947	\$ 4,852

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



**Georgia Tech Facilities, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2003**  
(in thousands)

	June 30, 2003										
	Unrestricted	Temporarily Restricted									Total 2003
	Habersham Building	Wardlaw Center	Success Center	Bioengineering Bioscience Complex	Student Athletic Complex	Technology Square Complex	Student Health Center	BME Building	Research Administration Building	Family Housing	
Support from Affiliates	\$ -	\$ 84	\$ 265	\$ 179	\$ -	\$ -	\$ -	\$ 1,700	\$ -	\$ -	\$ 1,838
Amortization of unearned income from direct financing lease	-	-	-	-	758	-	-	-	-	-	758
Interest and dividends	288	-	-	-	-	-	-	-	-	-	288
Other income	341	-	-	-	-	-	-	-	-	-	341
Net assets released from restriction	7,610	(89)	(274)	(185)	(1,053)	-	(6,009)	-	-	-	-
Total revenues	\$ 8,239	\$ (5)	\$ (9)	\$ (6)	\$ (295)	\$ -	\$ (6,399)	\$ 1,700	\$ -	\$ -	\$ 3,225
Interest expense - Habersham Building	85	-	-	-	-	-	-	-	-	-	85
Interest expense - Wardlaw Center	262	-	-	-	-	-	-	-	-	-	262
Interest expense - Success Center	177	-	-	-	-	-	-	-	-	-	177
Interest expense, net - Bioengineering/Bioscience	1,008	-	-	-	-	-	-	-	-	-	1,008
Depreciation and amortization	63	-	-	-	-	-	-	-	-	-	63
expense - Habersham Building	10	-	-	-	-	-	-	-	-	-	10
Amortization expense - Wardlaw Center	7	-	-	-	-	-	-	-	-	-	7
Amortization expense - Success Center	38	-	-	-	-	-	-	-	-	-	38
Other financing expense - Bioengineering/Bioscience	1	-	-	-	-	-	-	-	-	-	1
Other financing expense - Habersham Building	2	-	-	-	-	-	-	-	-	-	2
Other financing expense - Wardlaw Center	1	-	-	-	-	-	-	-	-	-	1
Other financing expense - Success Center	6	-	-	-	-	-	-	-	-	-	6
Other financing expense - Bioengineering/Bioscience	6,009	-	-	-	-	-	-	-	-	-	6,009
Contribution of assets to the Institute	493	-	-	-	-	-	-	-	-	-	493
General and administrative	8,162	-	-	-	-	-	-	-	-	-	8,162
Total expenses	77	(5)	(9)	(6)	(295)	-	(6,399)	1,700	-	-	(4,937)
Changes in net assets	1,783	81	246	166	11,234	-	6,725	21,300	4,600	-	46,135
Net assets, beginning of year	\$ 1,860	\$ 76	\$ 237	\$ 160	\$ 10,939	\$ -	\$ 326	\$ 23,000	\$ 4,600	\$ -	\$ 41,198
Net assets, end of year											

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



**Georgia Tech Facilities, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2002**  
(in thousands)

	For the year ended June 30, 2002										
	Unrestricted	Habersham Building	Wardlaw Center	Success Center	Bioengineering/Bioscience Complex	Student Athletic Complex	Technology Square	Student Health Center	BME Building	Research Administration Building	Total 2002
\$	-	\$ 88	\$ 268	\$ 181	\$ -	\$ -	\$ -	\$ 6,725	\$ 21,300	\$ 4,600	\$ 33,162
Support from Affiliates											
Amortization of unearned income from direct financing lease	-	-	-	-	758	-	-	-	-	-	758
Interest and dividends	78	-	-	-	-	-	-	-	-	-	78
Net assets released from restriction	1,627	(91)	(278)	(188)	(1,070)	-	-	-	-	-	-
Total revenues	\$ 1,705	\$ (3)	\$ (10)	\$ (7)	\$ (312)	\$ -	\$ -	\$ 6,725	\$ 21,300	\$ 4,600	\$ 33,998
Interest expense - Habersham Building	\$ 87	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87
Interest expense - Wardlaw Center	266	-	-	-	-	-	-	-	-	-	266
Interest expense - Success Center	180	-	-	-	-	-	-	-	-	-	180
Interest expense, net - Bioengineering/Bioscience	1,025	-	-	-	-	-	-	-	-	-	1,025
Depreciation and amortization expense - Habersham Building	63	-	-	-	-	-	-	-	-	-	63
Amortization expense - Wardlaw Center	10	-	-	-	-	-	-	-	-	-	10
Amortization expense - Success Center	7	-	-	-	-	-	-	-	-	-	7
Amortization expense - Bioengineering/Bioscience	39	-	-	-	-	-	-	-	-	-	39
Other financing expense - Habersham Building	1	-	-	-	-	-	-	-	-	-	1
Other financing expenses - Wardlaw Center	2	-	-	-	-	-	-	-	-	-	2
Other financing expenses - Success Center	1	-	-	-	-	-	-	-	-	-	1
Other financing expenses - Bioengineering/Bioscience	6	-	-	-	-	-	-	-	-	-	6
General and administrative	202	-	-	-	-	-	-	-	-	-	202
Total expenses	1,889	-	-	-	-	-	-	-	-	-	1,889
Change in net assets	(184)	(3)	(10)	(7)	(312)	-	-	6,725	21,300	4,600	32,109
Net assets, beginning of year	1,967	84	256	173	11,546	-	-	-	-	-	14,026
Net assets, end of year	\$ 1,783	\$ 81	\$ 246	\$ 166	\$ 11,234	\$ -	\$ -	\$ 6,725	\$ 21,300	\$ 4,600	\$ 46,135

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



**Georgia Tech Facilities, Inc.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2003 and 2002**  
(in thousands)

	2003	2002
Cash flows from operating activities		
Change in net assets	\$ (4,937)	\$ 32,109
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	60	60
Amortization of bond issue costs	58	58
Unrealized loss on investments	84	8
Contribution of assets to the Institute	6,009	-
Increase in receivable from affiliates	(19,008)	(732)
Decrease in interest receivable	4	2
Decrease (increase) in contributions receivable from affiliate	11,329	(16,026)
Decrease in direct financing lease	672	674
Decrease in interest payable	(9)	(8)
Increase in accounts payable	24,880	2,068
Net cash provided by operating activities	19,142	18,213
Cash flows from investing activities		
Additions to capitalized development cost	(27,579)	(2,799)
Proceeds from the sale (purchase) of investments	8,263	(8,645)
Net cash used in investing activities	(19,316)	(11,444)
Cash flows from financing activities		
Payment of bond issue costs	(57)	-
Repayment of Habersham debt	(35)	(33)
Repayment of Success Center debt	(73)	(69)
Repayment of Wardlaw Center debt	(108)	(103)
Repayment of Bioengineering Bioscience Complex debt	(409)	(395)
Net cash used in financing activities	(682)	(600)
(Decrease) increase in cash and cash equivalents	(856)	6,169
Cash and cash equivalents, beginning of year	6,519	350
Cash and cash equivalents, end of year	\$ 5,663	\$ 6,519
Supplemental information		
Interest paid		
Habersham Building	\$ 86	\$ 87
Wardlaw Center	263	266
Success Center	178	180
Bioengineering/Biosciences Complex	1,013	1,025
	\$ 1,540	\$ 1,558

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



**Georgia Tech Facilities, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2003 and 2002**  
(in thousands)

---

**1. Summary of Significant Accounting Policies**

**Organization**

The Georgia Tech Facilities, Inc. ("Facilities") was incorporated in the State of Georgia in 1985 as a not-for-profit corporation. The purpose of Facilities is to construct buildings and other facilities as may be appropriate to meet the needs and goals of the Georgia Institute of Technology (the "Institute"). Financing for construction is obtained by Facilities with debt service funded by support from various sources.

During fiscal year 2000, the Georgia Tech Foundation Facilities, Inc. changed its name to the Georgia Tech Facilities, Inc.

**Cash and Cash Equivalents**

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

**Contributions Received**

Facilities accounts for contributions received in accordance with Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made," ("SFAS 116"). SFAS 116 requires contributions and unconditional promises to give to be recognized as revenue in the period received at their fair value. Promises to give and gifts received include amounts originally promised or received by affiliated organizations and the Georgia Tech Foundation, Inc. (the "Foundation"). These amounts were restricted by the donors to be used for projects administered by Facilities. Therefore, such promises to give and gifts are transferred to Facilities by the related affiliates.

**Long-Lived Assets**

Gifts of long-lived assets are reported as restricted support. The restriction expires over the useful life of the donated assets. Buildings are depreciated on a straight-line basis based over a useful life of 20 years.

**Investments**

Investments consist of marketable securities and bonds. Facilities accounts for its investment securities under the provisions of Statement of Financial Accounting Standards No. 124, "Accounting for Certain Investments Held for Not-for-Profit Organizations" ("SFAS 124"). SFAS 124 requires investments in equity securities with readily determinable fair values and all investments in debt securities to be reported at fair value with unrealized gains and losses included in the Statements of Activities and Changes in Net Assets. As of June 30, 2003 and 2002, unrealized losses of \$84 and \$8, respectively, were included in the Statements of Activities and Changes in Net Assets as Interest and Dividends.

**Bond Issue Costs**

Bond issue costs directly attributable to securing financing and the related discounts are amortized over the period the bonds are outstanding.



**Georgia Tech Facilities, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2003 and 2002**  
(in thousands)

---

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. Leasing Arrangements**

In connection with the issuance of Series 1997B Bonds, Facilities entered into the following leasing arrangements.

**Ground Lease**

Facilities leased land on the campus of the Institute from the Board of Regents of the University System of Georgia ("Board of Regents") under a ground lease on which they constructed a new Bioengineering and Biosciences Complex (the "Complex"). The ground lease was signed on November 13, 1997 and has a term from inception until 30 years from the completion of the Complex at a nominal rental cost. Use of the land reverts back to the Board of Regents at the end of the lease term.

**Facility Lease**

During 1997, Facilities entered into a Facility Lease Agreement with Georgia Tech Research Corporation ("GTRC") whereby Facilities agreed to lease the Complex and to sublease the land on which the Complex is built to GTRC. The Complex was completed in July 1999. Under the 30-year lease arrangement, GTRC's lease payments began on September 1, 1999 and are equal to the debt service, including interest and redemption premiums due, on the 1997B Bonds.

The Complex and the land are leased by GTRC to the Board of Regents. In the event the Complex and land is leased to someone other than the Board of Regents, Facilities is required to pay to the Board of Regents all rentals received over the amount paid under the ground lease.

The following lists the components of the net investment in the direct financing lease as of June 30, 2003 and 2002:

	2003	2002
Total minimum lease payments to be received	\$ 37,122	\$ 38,539
Residual Value	12,300	12,300
Less: Amounts representing estimated executory costs included in total minimum lease payments	(83)	(83)
Minimum lease payments receivable	49,339	50,756
Less: Unearned income	(18,635)	(19,380)
Net investment in direct financing lease	\$ 30,704	\$ 31,376

The net investment in direct financing lease included approximately \$773 and \$779 in cash and cash equivalents as of June 30, 2003 and 2002, respectively.



**Georgia Tech Facilities, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2003 and 2002**  
(in thousands)

**3. Tax Status**

Facilities has received a ruling from the Internal Revenue Service that it is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**4. Real Estate**

A summary of real estate at June 30, 2003 and 2002 follows:

	2003	2002
Land	\$ 598	\$ 598
Buildings	1,200	1,200
	1,798	1,798
Less accumulated depreciation	(300)	(240)
	<u>\$ 1,498</u>	<u>\$ 1,558</u>

Depreciation expense for the years ended June 30, 2003 and 2002 amounted to \$60 and \$60, respectively.

**5. Bond Issuance**

During December 1997, Facilities issued \$11,580 Series 1997A Bonds and \$21,560 Series 1997B Bonds. The Series 1997A Bonds provided funds to repay outstanding Variable Rate Demand Bonds, Series 1992A and 1992B, and to finance the acquisition of a building, known as the Habersham Building, which is located on the campus of the Institute. The Series 1997B Bonds were issued to provide funds to finance the costs of acquisition, construction and installation of the Complex described in Note 2.

The following represents the applicable interest rates and mandatory bond principal redemptions on the Series 1997A Bonds until maturity on September 1, 2027:

Fiscal Year	Principal Amount	Interest Rate
2004	\$ 225	4.30%
2005	235	4.50%
2006	245	4.50%
2007	255	4.60%
2008	270	4.63%
Thereafter	9,365	ranging from 4.75% to 5.00%
	<u>\$ 10,595</u>	



**Georgia Tech Facilities, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2003 and 2002**  
(in thousands)

---

The following represents the applicable interest rates and mandatory bond principal redemptions on the Series 1997B Bonds until maturity on September 1, 2027:

<b>Fiscal year</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2004	\$ 430	4.30%
2005	450	4.50%
2006	470	4.50%
2007	490	4.60%
2008	515	4.63%
Thereafter	<u>18,020</u>	ranging from 4.75% to 5.00%
	<u>\$ 20,375</u>	

**6. Related Parties**

Payment of the principal and related interest and fees on the Series 1997A Bonds has been guaranteed by the Foundation through a Commitment of Support dated as of December 1, 1997. The Foundation is a separate not-for-profit corporation, which was formed in 1932 primarily to raise and receive funds to support the Institute. Certain members of the Board of Directors of Facilities may also serve as trustees of the Foundation.

The guaranteed future bond payments from the Foundation are recorded as contribution receivable in the financial statements in accordance with SFAS 116. The total contribution receivable recorded at June 30, 2003 was \$10,595 on the Series 1997A Bonds and is paid according to the debt schedule above, after the use of any cash held by Facilities. At June 30, 2002, the total contribution receivable was \$10,810 on the Series 1997A Bonds.

Payment of the principal and related interest and fees on the Series 1997B Bonds will be funded by any cash held by Facilities and by lease payments made under the Facility Lease Agreement between Facilities and GTRC. GTRC is a separate not-for-profit corporation founded in 1937 for the purpose of serving Georgia Tech and is operated exclusively for scientific, literary and education purposes, to engage in scientific research, and to distribute and disseminate information resulting from research. In accordance with the Bond Agreement, Facilities has assigned all interests in the Facility Lease Agreement to the Trustee.

On March 27, 2002, Facilities entered into a binding Memorandum of Understanding with the Institute and the Foundation to confirm responsibilities in connection with a \$4,600 project to renovate the Research Administration Building (previously referred to as 505 10<sup>th</sup> Street), a \$6,725 project to construct a Student Health Center on the campus of the Institute, and a \$23,000 project to construct the Biomedical Engineering building on the campus of the Institute. All of the fundings for these projects is to come from the Foundation and the Institute. During the year ended June 30, 2002, Facilities recognized revenue as Support from Affiliates of \$4,600 related to the Research Administration Building, \$6,725 related to the Student Health Center, and \$21,300 related to the Biomedical Engineering building. During fiscal year 2003, the institute determined that \$390 of the \$6,725 commitment for the Student Health Center would be funded separately through the



**Georgia Tech Facilities, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2003 and 2002**  
(in thousands)

operations of the Student Health Center. Accordingly, the facilities reversed the receivable and reduced the support from affiliates by \$390 during the year. In addition, on June 30, 2003, the Facilities transferred the Student Health Center assets totaling \$6,009 to the Board of Regents.

In connection with the above Memorandums of Understanding, the Facilities has entered into Development Management Services Agreements with the Institute under which the Institute has agreed to provide services such as project management and coordination, technical direction, insurance coverage and other services for a fee based on each service. In addition, Facilities will assess a Management Fee of approximately one percent of project costs payable by the Institute and the Foundation.

On December 20, 2002, Facilities entered into a binding Memorandum of Understanding with the Institute to confirm the responsibilities in connection with the financing and construction of the family apartments and related parking facility for the Family Campus Housing project on the campus of the Institute. The Facilities will be responsible for the financing, design, and construction of the \$56,100 project. The Facilities will fund the project through issuance of tax-exempt bonds (see Note 8).

**7. Commitments**

During fiscal year 2002, Facilities entered into agreements with contractors for the construction of the Student Health Center, the Biomedical Engineering Building, and the renovations to the Research Administration Building. As of June 30, 2003, Facilities' commitments under these agreements are up to \$6,100, \$20,772, and \$4,026, respectively, to be payable as the work is performed. As of June 30, 2003, \$5,824 has been expended for the Student Health Center, \$13,323 for the Biomedical Engineering Building, and \$3,121 for the Research Administration Building.

**8. Subsequent Events**

During July 2003, Facilities issued \$70,320 Series 2003 Revenue Bonds. The proceeds from these bonds are to be used to finance the construction of the family apartments and related parking facility for the Family Campus Housing project and a parking facility for the Klaus Advanced Computing Building on the campus of the Institute. The Series 2003 Revenue Bonds were issued to provide funds to finance the costs of acquisition, construction, and installation of the above projects.

The following represents the applicable interest rates and mandatory bond principal redemptions on the Series 2003 bonds until maturity on November 1, 2023:

<b>Fiscal Year</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2006	\$ 1,435	2.00%
2007	1,805	2.00%
2008	1,845	2.30%
Thereafter	65,235	ranging from 2.63% to 5.25%
	<u>\$ 70,320</u>	