

**GEORGIA ADVANCED TECHNOLOGY
VENTURES, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

**with
INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

**The Board of Directors and Officers
Georgia Advanced Technology Ventures, Inc. and Subsidiaries**

Opinion

We have audited the accompanying consolidated financial statements of Georgia Advanced Technology Ventures, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date of this report.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Smith and Howard

Atlanta, GA
August 26, 2025

GEORGIA ADVANCED TECHNOLOGY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents (Notes 1 and 2)	\$ 17,447,941	\$ 18,961,935
Capital Reserve Funds (Note 1 and 2)	1,020,889	1,153,908
Restricted Cash (Notes 1 and 2)	4,722,341	3,505,440
Accounts Receivable, No Allowance Deemed Necessary	1,167	83,877
Due from Related Parties (Note 10)	3,092,349	439,270
Unconditional Promises to Give (Note 3)	439,217	468,977
Investment in Sales-Type Leases (Note 4)	90,081,212	91,238,095
Prepaid Expenses	213,894	8,026
Finance Lease, Right to Use Asset (Note 4)	39,467,429	40,832,605
Operating Lease, Right to Use Asset (Note 4)	25,533,439	30,398,719
Property and Equipment (Notes 1,5, and 6)		
Construction in process	9,409,166	10,794,832
Land	15,218,380	15,218,380
Buildings	24,802,832	24,158,146
Infrastructure	6,549,649	6,368,449
Tenant improvements	19,883,537	19,855,939
Furniture and fixtures	1,845,498	1,698,709
	<u>77,709,062</u>	<u>78,094,455</u>
Less accumulated depreciation	<u>21,827,265</u>	<u>19,338,049</u>
	55,881,797	58,756,406
Total Assets	<u>\$ 237,901,675</u>	<u>\$ 245,847,258</u>

LIABILITIES AND NET ASSETS

Accounts Payable and Accrued Expenses (Note 8)	\$ 2,194,629	\$ 1,498,157
Due to Related Parties (Note 10)	-	18,906
Subscription Payable	61,668	67,212
Deferred Revenue (Note 4)	13,873,628	13,827,029
Accrued Interest Payable	190,950	194,234
Funds Held for Others	1,960,634	1,488,286
Long-Term Notes Payable (Note 5)	982,595	1,057,046
Refundable Tenant Deposits	295,317	331,322
Finance Lease, Right to Use Liability (Note 4)	37,556,904	40,611,046
Operating Lease, Right to Use Liability (Note 4)	28,982,235	34,650,021
Bonds Payable, Net (Note 6)	53,667,706	55,080,161
Total Liabilities	<u>139,766,266</u>	<u>148,823,420</u>
Net Assets		
Without donor restriction	98,041,382	96,904,287
With donor restriction (Note 7)	94,027	119,551
Total Net Assets	<u>98,135,409</u>	<u>97,023,838</u>
Total Liabilities and Net Assets	<u>\$ 237,901,675</u>	<u>\$ 245,847,258</u>

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

GEORGIA ADVANCED TECHNOLOGY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Changes in net assets without donor restrictions		
Revenues and support without donor restriction:		
Rental income (Note 1)	\$ 21,248,697	\$ 21,608,348
Reimbursed improvements and other expenses	33,540,891	13,262,450
Development fees	15,878	436,712
Project management fees (Note 4)	121,346	39,217
Support from affiliates	455,000	455,000
Donations	20,240	21,611
Sponsorship revenue	87,000	125,460
Other	727,734	522,865
Project Engage	145,109	118,886
Net assets released from restrictions	<u>25,524</u>	<u>16,031</u>
Total revenues and support without donor restriction	<u>56,387,419</u>	<u>36,606,580</u>
Expenses without donor restriction:		
Program services	54,721,198	23,067,202
Management and general	<u>529,126</u>	<u>519,437</u>
Total expenses without donor restriction	<u>55,250,324</u>	<u>23,586,639</u>
Change in net assets without donor restriction	1,137,095	13,019,941
Changes in net assets with donor restriction		
Net assets released from restrictions	<u>(25,524)</u>	<u>(16,031)</u>
Change in net assets with donor restriction	<u>(25,524)</u>	<u>(16,031)</u>
Change in net assets	1,111,571	13,003,910
Net assets, beginning of year	<u>97,023,838</u>	<u>84,019,928</u>
Net assets, end of year	<u>\$ 98,135,409</u>	<u>\$ 97,023,838</u>

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

GEORGIA ADVANCED TECHNOLOGY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Bank charges	\$ -	\$ 52,253	\$ 52,253
Insurance	375,811	-	375,811
Legal, accounting, and consulting	876,891	-	876,891
Program and property management	5,071,708	476,873	5,548,581
Marketing and sponsorship	3,950	-	3,950
Office supplies	2,927	-	2,927
Property repairs and maintenance	740,594	-	740,594
Rent	4,873,647	-	4,873,647
Taxes - property	530,834	-	530,834
Utilities	713,208	-	713,208
Depreciation and amortization	3,854,391	-	3,854,391
Interest	4,108,824	-	4,108,824
Contributions	33,402,572	-	33,402,572
Other expenses	165,841	-	165,841
Total Expenses	<u>\$ 54,721,198</u>	<u>\$ 529,126</u>	<u>\$ 55,250,324</u>

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

GEORGIA ADVANCED TECHNOLOGY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Bank charges	\$ -	\$ 52,328	\$ 52,328
Insurance	293,753	-	293,753
Legal, accounting, and consulting	701,285	-	701,285
Program and property management	4,438,952	467,109	4,906,061
Marketing and sponsorship	2,733	-	2,733
Office supplies	9,475	-	9,475
Property repairs and maintenance	1,256,714	-	1,256,714
Registration fees	450	-	450
Rent	5,539,704	-	5,539,704
Taxes - property	582,885	-	582,885
Utilities	549,012	-	549,012
Depreciation and amortization	3,578,919	-	3,578,919
Interest	4,348,410	-	4,348,410
Bad debt expense	2,610	-	2,610
Contributions	1,114,837	-	1,114,837
GATV memberships	507,694	-	507,694
Other expenses	139,769	-	139,769
Total Expenses	<u>\$ 23,067,202</u>	<u>\$ 519,437</u>	<u>\$ 23,586,639</u>

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

GEORGIA ADVANCED TECHNOLOGY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,111,571	\$ 13,003,910
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,854,391	3,578,919
Amortization of bond issuance and other financing costs	62,686	73,915
Amortization of bond premium costs	(250,141)	(250,141)
Non-cash donations without donor restriction	(29,760)	(28,389)
Contributions of Property and Equipment to related party	33,402,572	-
Operating lease expense	4,501,357	5,171,928
Payments on operating lease liability obligations	(5,303,863)	(5,170,505)
Changes in operating assets and liabilities:		
Accounts receivable	82,710	(72,014)
Due from related parties	(2,653,079)	(267,831)
Investment in sales-type leases	1,156,883	862,031
Deposits	-	507,694
Prepaid expenses	(205,868)	38,701
Accounts payable and accrued expenses	(150,331)	(649,494)
Due to related parties	(18,906)	13,230
Subscription payable	(5,544)	(6,801)
Deferred revenue	46,599	12,798
Accrued interest payable	(3,284)	(3,079)
Funds held for others	472,348	74,118
Refundable tenant deposits	(36,005)	22,064
Net Cash Provided by Operating Activities	<u>36,034,336</u>	<u>16,911,054</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	<u>(32,170,375)</u>	<u>(14,247,331)</u>
Net Cash Required by Investing Activities	<u>(32,170,375)</u>	<u>(14,247,331)</u>
Cash Flows from Financing Activities:		
Payments on notes payable	(74,451)	(70,108)
Payments on bonds payable	(1,225,000)	(1,190,000)
Payments on finance leases	<u>(2,994,622)</u>	<u>(2,707,809)</u>
Net Cash Required by Financing Activities	<u>(4,294,073)</u>	<u>(3,967,917)</u>

(Continued)

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

GEORGIA ADVANCED TECHNOLOGY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

(Continued)

Net Change in Cash and Cash Equivalents, Capital Reserve Funds, and Restricted Cash	(430,112)	(1,304,194)
Cash and Cash Equivalents, Capital Reserve Funds, and Restricted Cash, Beginning of Year	<u>23,621,283</u>	<u>24,925,477</u>
Cash and Cash Equivalents, Capital Reserve Funds, and Restricted Cash, End of Year	<u>\$ 23,191,171</u>	<u>\$ 23,621,283</u>

**Reconciliation of Cash and Cash Equivalents to the
Statement of Financial Position:**

Cash and cash equivalents	\$ 17,447,941	\$ 18,961,935
Capital reserve funds	1,020,889	1,153,908
Restricted cash	<u>4,722,341</u>	<u>3,505,440</u>
	<u>\$ 23,191,171</u>	<u>\$ 23,621,283</u>

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for interest	<u>\$ 4,292,872</u>	<u>\$ 4,351,489</u>
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Supplemental Schedule of Noncash Financing and Investing Activities:

During the years ended June 30, 2025 and 2024, finance lease obligations of \$50,000 were repaid through a reduction in Unconditional Promises to Give (Note 3). During 2025 and 2024, this is reflected above with a reduction of operating cash flow of \$29,760 and \$28,389 with the remaining \$20,240 and \$21,611 used to reduce

For the years ended June 30, 2025 and 2024, cash flows from investing activities do not include purchases of \$846,803 and \$845,881, respectively, as the corresponding construction in process invoices are included in

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

**GEORGIA ADVANCED TECHNOLOGY VENTURES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Georgia Advanced Technology Ventures, Inc. (“GATV”) is a Georgia not-for-profit organization formed as a supporting organization of the Georgia Institute of Technology (“GIT”) focused on technology, commercialization, economic development and relevant real estate development. GATV provides support for technology transfer and economic activities including GIT’s Advanced Technology Development Center (“ATDC”) incubator facilities and services to ATDC affiliated companies.

GATV is the sole member of seventeen limited liability companies. The seventeen subsidiaries are the following:

Company	Description
VLP1, LLC	Holds ownership to property at 575 14 th Street
VLP2, LLC	Holds ownership to property at 720 14 th Street and 1115 Howell Mill Road
VLP3, LLC	Holds ownership to properties at 395 North Avenue and 380 Northyards Boulevard
VLP4, LLC	Holds ownership to property at 0 North Avenue
Technology Enterprise Park 1, LLC	Formed to utilize the master lease at the property at 387 Technology Circle until the property was transferred on October 1, 2015
Technology Enterprise Park 2, LLC	Formed to lease a new building to be constructed at 369 Technology Circle
GT Innovation Fund, LLC	Provides seed funding for start-up companies that further the mission of GATV
GT Real Estate Services, LLC	Facilitates the purchase and transfer of real estate to GIT in further support of the mission of GATV
GTatrium, LLC	Formed to oversee the operations of the GTatrium project
Ethel Street, LLC	Formed to hold ownership to property at 650 Ethel Street after transfer from VLP2, LLC
GATV Crossroads Studio, LLC	Formed to acquire property to develop GIT Savannah Film Studio
Georgia Tech Cobb Research Campus, LLC	Formed to obtain financing to acquire and renovate research facilities in Cobb County
Georgia Tech Cobb County Infrastructure, LLC	Formed to contract for, and implement, infrastructure work related to the Cobb County development
Georgia Tech Cobb Research Campus South, LLC	Formed to hold ownership of, and develop, property on the southern portion of the Cobb County development
Georgia Tech Savannah, LLC	Formed to hold ownership of and develop property for the Savannah film/production studio project
North Avenue Bridges, LLC	Formed to hold ownership of and develop bridges on North Avenue
Velocity404, LLC (name changed to Velocity Startups, LLC 08/01/25)	Formed as accelerator for GT research and student startups offering deep tech support, programming, mentorship, and funding

**GEORGIA ADVANCED TECHNOLOGY VENTURES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Principles of Consolidation

The consolidated financial statements include the accounts of GATV and the limited liability companies of which it is a sole member and are collectively referred to hereafter as (the “Organization”). All material intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting

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 consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Consolidated Financial Statement Presentation

Net assets, along with revenues, expenses, gains and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.
- Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity. The Organization does not have any net assets that are perpetual in nature as of June 30, 2025 and 2024.

Cash and Cash Equivalents

The Organization considers all highly liquid investments without donor restrictions that have initial maturity of three months or less to be cash equivalents.

Capital Reserve Funds

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 the leased property.

**GEORGIA ADVANCED TECHNOLOGY VENTURES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Restricted Cash

Restricted cash relates to funds restricted for a specific project.

Accounts Receivable

Accounts receivable consist primarily of rental income due to the Organization. Outstanding balances are reviewed at the end of each reporting period and a determination is made on any rental income that is uncollectible and should be included in the allowance for doubtful accounts.

Property and Equipment

It is the Organization's policy to capitalize at cost personal property additions in excess of \$30,000. Lesser amounts are expensed. Real property and tenant improvements are capitalized at cost.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has designated the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method. Depreciation expense for the years ended June 30, 2025 and 2024 was \$3,854,391 and \$3,578,919, respectively.

The Organization leases the building and tenant improvements at 575 14th Street to the Board of Regents of the University System of Georgia under an operating lease. The leased property is recorded at a cost of \$11,388,206 and \$11,029,856 in Buildings, \$181,200 and \$0 in Infrastructure, and \$6,958,881 in Tenant Improvements at June 30, 2025 and 2024, respectively, on the Consolidated Statement of Financial Position. The net book value of the property at June 30, 2025 and 2024 was \$10,183,074 and \$10,373,590, respectively.

Deferred Revenue

Rental payments received from lessees in advance of the periods to which they pertain are deferred and recognized over the periods to which the rental payments relate. Capital reserve funds held for certain lease agreements are deferred and recognized when the funds are spent on their intended purpose. There are also restricted funds received in advance of work being done for a specific project that is recognized when the funds are spent on this project.

**GEORGIA ADVANCED TECHNOLOGY VENTURES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Revenue Recognition

Contributions received by the Organization are recorded as revenue with donor restrictions or revenue without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying Consolidated Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Unconditional promises to give are recognized as receivables and as revenues in the period in which the Organization is notified by the donor of his or her commitment to make a contribution. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Organization's rental income is generated primarily by leasing facilities to tenants under various cancelable leases and subleases. Rental income from all sources is \$21,248,697 and \$21,608,348 for the years ended June 30, 2025 and 2024, respectively. Many of the leases provide tenants the option to terminate these leases at any time by giving the Organization 30 days written notice. The Organization has elected to apply the short-term lease exception to all leases of one year or less.

The Organization follows ASU 2016-02 *Leases (Topic 842)* and is applying the provisions of ASU 2016-02 to non-lease components of capital leases in which the Organization is the lessor. This ASU resulted in the deferral of the portion of rent revenue received as it relates to repairs and maintenance funds. Unspent funds and the related deferred rent revenue are reflected as Capital Reserve Funds and Deferred Revenue, respectively, in the accompanying Consolidated Statement of Financial Position in the amount of \$1,020,889 and \$1,153,908 as of June 30, 2025 and 2024, respectively.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying Consolidated Statement of Activities and Changes in Net Assets and in the Consolidated Statement of Functional Expenses. Minimal costs have been allocated among the programs and supporting services benefited as the majority of the Organization's expenses are directly related to program services.

Income Taxes

GATV is a not-for-profit corporation and is exempt from income taxes under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying consolidated financial statements. The consolidated subsidiaries are organized as single-member limited liability companies (LLC's) and are not liable for income taxes on their taxable income. Instead, GATV, as the sole-member, is liable for income taxes, if any, on the LLC's taxable income. The Organization's consolidated financial statements do not include a provision or liability for income taxes.

**GEORGIA ADVANCED TECHNOLOGY VENTURES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Income Taxes (Continued)

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, 2022.

Estimates and Assumptions

The Organization uses estimates and assumptions in preparing consolidated 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.

Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform with the 2025 financial statements.

NOTE 2 – RISKS AND UNCERTAINTIES

The financial instruments which potentially subject the Organization to concentrations of credit risk are cash and cash equivalents. The Organization has cash deposits in a financial institution in excess of the \$250,000 limit federally insured by the Federal Deposit Insurance Corporation. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements.

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 3 – UNCONDITIONAL PROMISES TO GIVE

At June 30, 2006, the Organization received a commitment from The University Financing Foundation ("TUFF") for \$1,500,000. This commitment has been paid in \$50,000 increments since fiscal period 2007. Effective July 1, 2014, this commitment will be paid as a reduction in the rent payment due by the Organization to TUFF. This commitment has been recorded at a present value of \$439,217 and \$468,977 at June 30, 2025 and 2024, respectively, using a discount rate of 4.83%, which represents the risk-free rate of return at the date of the pledge.

The consolidated financial statements do not include conditional pledges, expectancies and bequests, which have not been recognized as revenue.

**GEORGIA ADVANCED TECHNOLOGY VENTURES, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 4 – LEASING ARRANGEMENTS

Sales-type Lease

The Organization's Consolidated Statement of Financial Position includes investments in sales-type leases. At the inception of the lease, the Organization records the minimum future lease payments receivable and the unearned lease income. Unearned interest income will be recognized as revenue over the life of the lease using the effective interest method which applies a constant rate of interest equal to the internal rate of return on the lease. The components of the net investment in sales-type leases as of June 30, are as follows:

	Minimum lease payment <u>receivable</u>	Less unearned income	Net investment in sales-type lease
<u>2025</u>			
VLP 2 Ground Lease	\$ 262,255,869	\$ (245,271,403)	\$ 16,984,466
Ethel Street Ground Lease	105,095,364	(98,842,808)	6,252,556
GTCRC	86,362,334	(30,670,129)	55,692,205
Science Square Ground Lease	<u>228,695,321</u>	<u>(217,543,336)</u>	<u>11,151,985</u>
Total	<u>\$ 682,408,888</u>	<u>\$ (592,327,676)</u>	<u>\$ 90,081,212</u>

	Minimum lease payment <u>receivable</u>	Less unearned income	Net investment in sales-type lease
<u>2024</u>			
VLP 2 Ground Lease	\$ 263,555,869	\$ (246,800,879)	\$ 16,754,990
Ethel Street Ground Lease	105,610,364	(99,427,461)	6,182,903
GTCRC	90,272,908	(32,939,789)	57,333,119
Science Square Ground Lease	<u>229,532,349</u>	<u>(218,565,266)</u>	<u>10,967,083</u>
Total	<u>\$ 688,971,490</u>	<u>\$ (597,733,395)</u>	<u>\$ 91,238,095</u>

VLP 2 Ground Lease

On December 31, 2018, the Organization entered into a sales-type ground lease whereby the Organization agreed to lease land to a third party with an initial term of 40 years. Upon the expiration of the initial term, unless the lease is terminated by the third party, the lease will automatically renew and extend for an additional forty years. Upon the expiration of the first renewal term, unless the lease is terminated by the third party, the lease will automatically renew and extend for an additional 19 years. The net investment in sales-type lease reflects payments due through December 31, 2117, based on the automatic renewal of these two renewal terms.

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NOTE 4 – LEASING ARRANGEMENTS (Continued)

Sales-type Lease (Continued)

Georgia Tech Cobb Research Campus (“GTCRC”)

Effective June 1, 2019, the Organization entered into a sales-type lease with the Board of Regents of the University System of Georgia (“BOR”) whereby the Organization agreed to lease GTCRC to the Board of Regents for the use of GIT. The BOR has the exclusive option to annually renew the lease on a year-to-year basis, for thirty (30) consecutive years at an annual rate that is sufficient to enable the Organization to pay debt service on the Series 2017A and 2017B, as described in Note 6.

Ethel Street Ground Lease

On April 27, 2021, the Organization entered into a sales-type ground lease whereby the Organization agreed to lease land at the corner of 11th Street and Northside Drive to a third party with an initial term of 40 years. Upon the expiration of the initial term, unless the lease is terminated by the third party, the lease will automatically renew and extend for an additional forty years. Upon the expiration of the first renewal term, unless the lease is terminated by the third party, the lease will automatically renew and extend for an additional 19 years. The net investment in sales-type lease reflects payments due through April 30, 2120, based on the automatic renewal of these two renewal terms.

Science Square Ground Lease

On March 28, 2022, the Organization entered into a sales-type ground lease whereby the Organization agreed to lease land at the corner of North Avenue and Northside Drive to a third party for ninety-nine years. The net investment in sales-type lease reflects payments due through July 31, 2121.

Future minimum net amounts receivable under sales-type leases at June 30, are as follows:

2026	\$ 6,558,715
2027	6,562,750
2028	6,564,340
2029	6,271,589
2030	6,379,130
Thereafter	<u>650,072,364</u>
Gross investment in sales-type leases	682,408,888
Less unearned interest income	<u>(592,327,676)</u>
Net investment in sales-type leases	<u>\$ 90,081,212</u>

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NOTE 4 – LEASING ARRANGEMENTS (Continued)

Financing Lease

The Organization is party to a lease agreement with TUFF ATDC LLC under which the Organization initially leased space on the first through fifth floors of the Centergy One Building on Fifth Street in Atlanta. The Organization subleases this space to organizations compatible with its mission. The first through third floor lease extends to August 2033 and the fourth and fifth floor lease extends to December 2034. At the end of the lease agreement, the Organization may purchase the property for a nominal charge. Additionally, the lease agreement with TUFF ATDC LLC provides that the Organization may purchase the property during the lease term at an amount determined by a formula accounting for interest rates and the total previous payments made. The leases have been restated, amended, and consolidated at various times, the most recent of which is dated February 28, 2024.

The properties under the above finance leases are recorded as assets in the accompanying Consolidated Statement of Financial Position at the value of certain pre-occupancy payments plus the present value of the future minimum lease payments. The obligations under the finance lease have been recorded at the present value of future minimum lease payments, discounted at an interest rate appropriate to the Organization's estimated borrowing rate at the time of lease inception. Those interest rates are 5.00% for all floors, as amended through February 28, 2024.

Operating Leases

During the year ended June 30, 2007, the Organization, as lessor, entered into a Base Lease Agreement with TUFF Bullet LLC for a portion of an existing building at Technology Enterprise Park. The Base Lease Agreement is for a term for 35 years and provided for a Base Rental Payment to the Organization in the amount of \$3,463,517. The unamortized portion of the Base Rental Payment is recorded within Deferred Revenue, in the amount of \$1,298,819 and \$1,414,269 at June 30, 2025 and 2024, respectively.

During the year ended June 30, 2007, the Organization, as lessee, entered into an operating lease agreement with TUFF Bullet LLC for a building at Technology Enterprise Park. The lease has a term of thirty years, after which possession of the space reverts to TUFF Bullet LLC.

During May 2016, the Organization entered into an agreement for the assignment of an operating lease with Marietta Boulevard Associates as landlord and TUFF GT Library, LLC as assignor. The Organization follows ASU 2016-02 *Leases (Topic 842)* and is applying the provisions of ASU 2016-02 to this lease. The lease provides the option to renew for two consecutive five-year terms. During 2023, the Organization renewed the lease of the Marietta Boulevard Associates property for one five-year term. This lease is now scheduled to go through January 31, 2028. The Organization recognized a Right-of-use "ROU" Lease Liability of \$1,051,391 and a corresponding intangible ROU Lease Asset. At June 30, 2025 and 2024, the ROU Lease Liability is \$573,402 and \$777,038, respectively, and the intangible ROU Lease Asset is \$543,219 and \$753,497.

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NOTE 4 – LEASING ARRANGEMENTS (Continued)

Operating Leases (Continued)

On December 31, 2018, the Organization entered into the sales-type ground lease with a third party, which is described on page 17 under VLP 2 Ground Lease. This ground lease included an office lease agreement to lease 50,000 square feet from the third party with an initial term of 10 years from the date of occupancy. This space was occupied during the year ending June 30, 2021 and the Organization recognized an ROU Lease Liability of \$14,494,097 and a corresponding intangible ROU Lease Asset of \$11,994,097 based on the future minimum rental payments of this lease. The lease is scheduled to go through May 31, 2031. At June 30, 2025 and 2024, the ROU Lease Liability is \$8,786,605 and \$10,211,328, respectively, and the intangible ROU Lease Asset is \$6,959,387 and \$8,176,062, respectively.

During December 2021, the Organization entered into an agreement for the assignment of an operating lease with Titanium Lease HoldCo 2020, LLC as landlord and the Board of Regents of the University System of Georgia as assignor for 387 Technology Circle. During the year ending June 30, 2023, this property was sold and the lease was assigned to Ancora TEP Holdings, LLC. The Organization follows ASU 2016-02 *Leases (Topic 842)* and is applying the provisions of ASU 2016-02 to this lease. The lease is scheduled to go through January 31, 2033. The Organization recognized a ROU Lease Liability of \$11,635,416 and a corresponding intangible ROU Lease Asset. At June 30, 2025 and 2024, the ROU Lease Liability is \$7,816,099 and \$9,684,837, respectively, and the intangible ROU Lease Asset is \$7,804,004 and \$9,097,547, respectively.

The operating lease with Ancora TEP Holdings, LLC for 387 Technology Circle has an operating lease component for 60 parking spots in a parking deck adjacent to the building. The lease is scheduled to go through January 31, 2033. At June 30, 2025 and 2024, the ROU Lease Liability is \$347,353 and \$382,275, respectively, and the intangible ROU Lease Asset is \$314,106 and \$355,987, respectively.

During September 2021, the Organization entered into an agreement for the assignment of an operating lease with SCG Carriage Works, LLC as landlord and the Board of Regents of the University System of Georgia as assignor. The Organization follows ASU 2016-02 *Leases (Topic 842)* and is applying the provisions of ASU 2016-02 to this lease. The Organization recognized a ROU Lease Liability of \$3,205,471 and a corresponding intangible ROU Lease Asset. The lease is scheduled to go through April 30, 2027. At June 30, 2025 and 2024, the ROU Lease Liability is \$1,242,547 and \$1,888,377, respectively, and the intangible ROU Lease Asset is \$1,015,290 and \$1,565,849, respectively.

The financing lease with TUFF ATDC LLC for the first through fifth floors of the Centergy One Building on Fifth Street in Atlanta has an operating lease component for 443 parking spots in a parking deck adjacent to the Building. The lease is scheduled to go through December 31, 2034. At June 30, 2025 and 2024, the ROU Lease Liability is \$4,365,106 and \$4,710,369, respectively, and the intangible ROU Lease Asset is \$3,829,188 and \$4,232,259, respectively.

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NOTE 4 – LEASING ARRANGEMENTS (Continued)

Operating Leases (Continued)

During May 2022, the Organization entered into an agreement for the assignment of an operating lease with Biltmore Technology Square, LLC as landlord and the Board of Regents of the University System of Georgia as assignor for Suite 300. The Organization follows ASU 2016-02 Leases (Topic 842) and is applying the provisions of ASU 2016-02 to this lease. The space was occupied during the year ended June 30, 2023 and the Organization recognized an ROU Lease Liability of \$1,641,137 and an intangible ROU Lease Asset of \$1,475,822. The lease is scheduled to go through September 30, 2027. At June 30, 2025 and 2024, the ROU Lease Liability is \$868,121 and \$1,221,550, respectively, and the intangible ROU Lease Asset is \$737,911 and \$1,065,871, respectively.

During May 2022, the Organization entered into an agreement for the assignment of an operating lease with Biltmore Technology Square, LLC as landlord and the Board of Regents of the University System of Georgia as assignor for Suite 500. The Organization follows ASU 2016-02 Leases (Topic 842) and is applying the provisions of ASU 2016-02 to this lease. The space was occupied during the year ended June 30, 2023 and the Organization recognized an ROU Lease Liability of \$2,198,804 and an intangible ROU Lease Asset of \$1,977,314. The lease is scheduled to go through September 30, 2027. At June 30, 2025 and 2024, the ROU Lease Liability is \$1,163,114 and \$1,636,640, respectively, and the intangible ROU Lease Asset is \$988,658 and \$1,428,060, respectively.

During May 2022, the Organization entered into an agreement for the assignment of an operating lease with Biltmore Technology Square, LLC as landlord and the Board of Regents of the University System of Georgia as assignor for Suite 770. The Organization follows ASU 2016-02 Leases (Topic 842) and is applying the provisions of ASU 2016-02 to this lease. The space was occupied during the year ended June 30, 2023 and the Organization recognized an ROU Lease Liability of \$4,516,964 and an intangible ROU Lease Asset of \$4,200,964. The lease is scheduled to go through April 24, 2034. At June 30, 2025 and 2024, the ROU Lease Liability is \$3,819,888 and \$4,137,601, respectively, and the intangible ROU Lease Asset is \$3,341,676 and \$3,723,582, respectively.

The components of lease cost for 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 4,501,357	\$ 5,171,928
Finance lease cost:		
Amortization of right-of-use assets	\$ 1,365,176	\$ 1,374,590
Interest on lease liabilities	1,961,192	2,107,227
Total finance lease cost	<u>\$ 3,326,368</u>	<u>\$ 3,481,817</u>

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NOTE 4 – LEASING ARRANGEMENTS (Continued)

	<u>2025</u>	<u>2024</u>
Financing Leases		
Finance lease assets, gross	\$ 66,352,598	\$ 66,352,598
Accumulated amortization	<u>(26,885,169)</u>	<u>(25,519,993)</u>
Finance lease assets	<u>39,467,429</u>	<u>40,832,605</u>
Operating lease assets	<u>\$ 25,533,439</u>	<u>\$ 30,398,719</u>

The following table includes supplemental cash flow information related to leases:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	\$ 5,303,863	\$ 5,170,505
Operating cash outflows from financing leases	\$ 1,961,192	\$ 2,107,227
Financing cash outflows from financing leases	\$ 2,994,622	\$ 2,707,809

Weighted Average Remaining Lease Term:

Operating leases	7 years	8 years
Finance leases	10 years	11 years

Weighted Average Discount Rate:

Operating leases	1.95%	1.87%
Finance leases	4.90%	4.90%

Future minimum lease payments under the operating and financing leases are as follows:

	<u>Operating Leases</u>	<u>Finances Leases</u>
Year ended June 30,		
2026	\$ 4,726,193	\$ 5,116,795
2027	5,649,370	5,065,428
2028	4,377,644	5,107,980
2029	4,098,963	5,216,952
2030	4,189,630	5,329,424
Thereafter	<u>10,634,749</u>	<u>20,919,195</u>
	33,676,549	46,755,774
Less amounts representing interest	(2,350,634)	(9,198,870)
Less payments to TUFF Bullet LLC (page 19)	<u>(2,343,680)</u>	<u>-</u>
Present value of future minimum lease payments	<u>\$ 28,982,235</u>	<u>\$ 37,556,904</u>

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NOTE 5 – LONG-TERM NOTES PAYABLE

Long-term notes payable are as follows at June 30:

	<u>2025</u>	<u>2024</u>
Loan from TUFF; interest at 6.025%; monthly payments of \$11,342 through December 2034 unsecured	\$ 982,595	\$ 1,057,046
	<u>\$ 982,595</u>	<u>\$ 1,057,046</u>

Principal maturities on the notes payable are as follows:

Year ended June 30,	
2026	\$ 79,062
2027	83,959
2028	89,160
2029	94,683
2030	100,547
Thereafter	<u>535,184</u>
	<u>\$ 982,595</u>

NOTE 6 – BONDS PAYABLE

During December 2017, the Organization issued \$45,395,000 of Series 2017A Revenue Bonds (non-taxable) and \$11,485,000 of Series 2017B Revenue Bonds (taxable). The proceeds from these bonds were used for the purchase, planning, design, financing and construction of renovations and improvements to the space formally known as the Cobb County Lockheed South Campus buildings and land. This space has been converted to the Georgia Tech Cobb Research Campus ("GTCRC") and is used for research related to national security, homeland defense and commercial advanced technology initiatives of GIT.

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NOTE 6 – BONDS PAYABLE (Continued)

The following represents the applicable interest rates and mandatory bond principal redemptions remaining on the Series 2017A bonds until maturity on June 1, 2049 and the Series 2017B bonds until maturity on June 1, 2029:

	<u>Series 2017A (non-taxable)</u>		<u>Series 2017 B (taxable)</u>		<u>Total Bonds Payable</u>
	<u>Principal</u>	<u>Rate</u>	<u>Principal</u>	<u>Rate</u>	
Year ended June 30,					
2026	-	-	1,255,000	2.85%	\$ 1,255,000
2027	-	-	1,295,000	2.95%	1,295,000
2028	-	-	1,335,000	3.05%	1,335,000
2029	670,000	-	705,000	3.15%	1,375,000
2030	1,430,000	-	-		1,430,000
Thereafter	43,295,000	3.00% to 5.00%	-		43,295,000
	<u>\$ 45,395,000</u>		<u>\$ 4,590,000</u>		<u>\$ 49,985,000</u>
Less unamortized debt issuance costs					(236,520)
Plus unamortized bond issuance premium					<u>3,919,226</u>
Total bonds payable, net of debt issuance costs and bond issuance premium					<u>\$ 53,667,706</u>

During the years ended June 30, 2025 and 2024, the Organization recorded amortization expense associated with the debt issuance costs totaling \$62,686 and \$73,915, respectively. Amortization associated with the bond issuance premium totaled \$250,141 for the years ended June 30, 2025 and 2024. The amortization is included within interest expense in the accompanying Consolidated Statement of Functional Expenses.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions contain donor-imposed restrictions that permit the Organization to use or expend the donated assets as specified and are satisfied either by the passage of time or by actions of the Organization. Included in net assets with donor restrictions as of June 30, 2025 and 2024 are project funds of \$94,027 and \$119,551, respectively.

NOTE 8 – PAYMENTS TO AFFILIATES

The Organization remitted payments, or accrued liabilities for balances due to GIT in the amount of \$1,466,165 and \$727,058 for the years ended June 30, 2025 and 2024, respectively.

The Organization, under various agreements, reimburses ATDC and GIT for administrative services received, including the estimated value of employees' time performing services for the Organization. These reimbursements are included as program service expenses and management and general expenses in the accompanying Consolidated Statement of Activities and Changes in Net Assets.

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NOTE 9 – COMMITMENTS AND CONTINGENCIES

To guarantee performance under certain finance leases described in Note 4, the Organization is required to maintain a letter of credit payable to TUFF ATDC, LLC with a face amount of \$4,800,000. The letter of credit bears interest at the rate of prime plus 2%. and is collateralized by a limited guaranty equal to its face amount by Georgia Tech Foundation, Inc. The letter of credit expires June 10, 2026. There were no outstanding draws against the letter of credit at June 30, 2025 or 2024.

NOTE 10 – RELATED PARTY TRANSACTIONS

Certain members of the Organization's Board of Directors are investors in tenants or manage companies who invest in tenants that lease office space and parking spots from the Organization. Total payments received from these companies during 2025 and 2024 were \$320,574 and \$339,435, respectively.

The Organization also leases office space to GIT and receives operating support from GIT. Total payments received from GIT during 2025 and 2024 were \$17,098,219 and \$17,053,537, respectively.

During the year ended June 30, 2025, the Organization used \$732,187 of capital reserve funds for construction of a building improvement project at the research facility in Cobb County that was completed during the year. The Organization also performed work for GIT for tenant improvement projects at this facility that were completed or in progress totaling \$32,670,385. These non- capital reserve projects were funded by the affiliate Georgia Tech Advanced Research Corporation. For the year ended June 30, 2025, the Organization recorded a total contribution expense for the capital reserve and non-capital reserve projects of \$33,402,572 to GIT in the accompanying Statement of Activities and Changes in Net Assets.

During the year ended June 30, 2024, the Organization used \$920,689 of capital reserve funds for construction at the research facility in Cobb County. This project was completed during the year ended June 30, 2024 and, at the completion of the project, the Organization recorded a contribution expense of \$920,689 to GIT in accompanying Statement of Activities and Changes in Net Assets.

The Organization entered into a Program Administration Services Agreement with Engage Venture Fund I, LP on May 22, 2017. Under the agreement, the Organization will provide program administration services for Project Engage participants. Engage Venture Fund I, LP is managed by Tech Square Venture Partners II, LLC. The managing partner of Tech Square Venture Partners II, LLC is also a Board member of the Organization. Total contribution revenue from Engage Venture Fund I, LP during 2025 and 2024 was \$95,109 and \$118,886, respectively, in the accompanying Statement of Activities and Changes in Net Assets.

The Organization entered into a Program Administration Services Agreement with Engage Venture Fund II, LP on February 19, 2021. Under the agreement, the Organization will provide program administration services for Project Engage participants. Engage Venture Fund II, LP is managed by Tech Square Venture Partners II, LLC. The managing partner of Tech Square Venture Partners II, LLC is also a Board member of the Organization. There was no contribution revenue from Engage Venture Fund II, LP during 2025 and 2024.

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NOTE 10 – RELATED PARTY TRANSACTIONS (Continued)

The Organization entered into a Program Administration Services Agreement with Tech Square Ventures, LLC on November 20, 2024. Under the agreement, the Organization will provide services for the Engage Program managed by Engage Venture Fund III, LP. The managing partner of Tech Square Ventures, LLC is also a Board Member of the Organization. Total contribution revenue from Engage Venture Fund III, LP during 2025 was \$50,000.

NOTE 11 – 575 14TH STREET PROJECT AGREEMENT

The Organization is a party to a Project Agreement effective as of July 1, 2003, which provides that in the event of the sale of the real property and improvements at 575 14th Street, the net proceeds realized by the Organization from such sale in excess of costs incurred in operating the property and completing the sale are to be divided equally between the Organization and a restricted account of the Georgia Tech Foundation, Inc.

NOTE 12 – LIQUIDITY AND AVAILABILITY

For purposes of analyzing resources available to meet general expenditures for subsequent fiscal years, the Organization considers cash and cash equivalents and receivables that will be collected and available in the following fiscal year for activities that are ongoing and major to the Organization. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Financial assets available for general expenditures, within one year are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 17,447,941	\$ 18,961,935
Capital reserve funds and restricted cash	5,743,230	4,659,348
Accounts receivable	1,167	83,877
Investment in sales-type leases	90,081,212	91,238,095
Unconditional promises to give	<u>439,217</u>	<u>468,977</u>
Total Financial Assets	<u>113,712,767</u>	<u>115,412,232</u>
Less financial assets not available for general expenditure:		
Restricted cash	(5,743,230)	(4,659,348)
Investment in sales-type leases, non-current portion	(88,377,218)	(89,597,181)
Unconditional promises to give, non-current portion	(408,080)	(439,217)
Net assets with donor restrictions	<u>(94,027)</u>	<u>(119,551)</u>
	<u>(94,622,555)</u>	<u>(94,815,297)</u>
Financial assets available to meet cash needs		
for general expenditures within one year	<u>\$ 19,090,212</u>	<u>\$ 20,596,935</u>

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NOTE 13 – SUBSEQUENT EVENTS

Subsequent to June 30, 2025, the Organization created a new entity. Creative Quarter is a site that is owned by the Georgia Tech Foundation, Inc. The Institute seeks to develop an artistic innovation district on this site as the Creative Quarter Project. GATV created the special purpose entity Creative Quarter, LLC (“CQL”) on July 8, 2025 to manage and oversee the Creative Quarter Project, have CQL enter into a ground lease with GTF for the use of the site, have CQL enter into an Administrative Services Agreement with the Institute and have CQL enter into a Management Services Agreement with a third party contractor for a thirty-six month period short-term activation, management and operation of the site. The GATV Board of Directors approved effective July 22, 2025 that CQL perform these intended actions for the short-term activation of the site with the understanding that the project shall be funded up to \$5,000,000 through the Georgia Tech Foundation Funding Program.

Management has evaluated subsequent events through August 26, 2025, the date the financial statements were issued.