KPMG

FULLER ROAD MANAGEMENT CORPORATION

Financial Statements and Supplementary Information

June 30, 2019 and 2018

(With Independent Auditors’ Report Thereon)

FULLER ROAD MANAGEMENT CORPORATION

Financial Statements and Supplementary Information

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KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Directors
Fuller Road Management Corporation:

We have audited the accompanying financial statements of Fuller Road Management Corporation (Corporation), which comprise the balance sheets as of June 30, 2019 and 2018, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fuller Road Management Corporation as of June 30, 2019 and 2018, and its changes in net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Emphasis of Matters

Related parties

As discussed in note 6 to the financial statements, the Corporation has had significant transactions with related parties. Whether the terms of these transactions would have been the same had they been between unrelated parties cannot be determined. Our opinion is not modified with respect to this matter.

Adoption of new accounting standards

As discussed in note 1(m) to the financial statements, the Corporation adopted Accounting Standards Update (ASU) No. 2016-14, *Not for Profit Entities (Topic 958) Presentation of Financial Statements of Not for Profit Entities*, and ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made,* during the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on page 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Albany, New York
April 15, 2020

FULLER ROAD MANAGEMENT CORPORATION

Balance Sheets

June 30, 2019 and 2018

Assets		2019	2018
Cash and cash equivalents	$	17,344,777	13,319,893
Rent and other receivables		5,122,470	5,862,766
Grant related receivables		2,500,000	4,801,281
Prepaid expenses		810,319	853,638
		25,777,566	24,837,578
Assets limited as to use:			
By debt agreements		16,192,041	15,421,262
Under grant agreements		1,406,195	3,497,124
By board for capital replacement		1,815,515	1,815,515
		19,413,751	20,733,901
Interest rate swaps		—	1,844,514
Land, buildings and equipment, net		636,746,465	677,109,569
Total assets	$	681,937,782	724,525,562
Liabilities and Net Assets			
Liabilities:			
Accrued interest payable	$	3,336,938	3,225,119
Construction and other costs payable		1,913,682	4,738,304
Line of credit		13,935,667	11,597,078
Capital lease payable		7,785,650	8,039,221
Bonds and credit agreement payable		354,655,182	395,427,380
Deferred rent and deferred revenue		9,462,998	13,394,894
Interest rate swaps		1,501,535	—
Total liabilities		392,591,652	436,421,996
Commitments and contingencies (note 12)			
Net assets:			
Net assets without donor restrictions		226,921,322	226,649,817
Net assets with donor restrictions		62,424,808	61,453,749
Total net assets		289,346,130	288,103,566
Total liabilities and net assets	$	681,937,782	724,525,562

See accompanying notes to financial statements.

FULLER ROAD MANAGEMENT CORPORATION

Statements of Activities

Years ended June 30, 2019 and 2018

	2019			2018		
	Without donor restriction	**With donor restriction**	**Total**	**Without donor restriction**	**With donor restriction**	**Total**
Support and revenue:						
Rental income and other support	$ 66,381,196	—	66,381,196	66,249,567	—	66,249,567
Grants and other contributions	5,000,000	2,297,204	7,297,204	—	50,655,106	50,655,106
Investment income	367,486	—	367,486	394,169	—	394,169
Net assets released from restrictions:						
Satisfaction of program designation restrictions	1,326,145	(1,326,145)	—	43,747,559	(43,747,559)	—
Satisfaction of construction of facilities restrictions	—	—	—	2,176,696	(2,176,696)	—
Total support and revenue	73,074,827	971,059	74,045,886	112,567,991	4,730,851	117,298,842
Expenses and equity transfers:						
Contracted services	1,982,479	—	1,982,479	2,316,640	—	2,316,640
Repairs, maintenance, and supplies	1,478,426	—	1,478,426	1,328,944	—	1,328,944
Utilities	2,647,422	—	2,647,422	2,637,096	—	2,637,096
Insurance and other	943,743	—	943,743	1,175,634	—	1,175,634
Professional fees	577,505	—	577,505	860,282	—	860,282
Interest expense	17,061,338	—	17,061,338	16,699,933	—	16,699,933
Depreciation and amortization	43,440,215	—	43,440,215	44,718,088	—	44,718,088
Transfers to The Research Foundation for The State University of New York	1,326,145	—	1,326,145	40,308,997	—	40,308,997
Total expenses and transfers	69,457,273	—	69,457,273	110,045,614	—	110,045,614
Increase in net assets, before other changes in net assets	3,617,554	971,059	4,588,613	2,522,377	4,730,851	7,253,228
Other changes in net assets:						
Change in fair value of interest rate swaps	(3,346,049)	—	(3,346,049)	1,043,330	—	1,043,330
Increase in net assets	271,505	971,059	1,242,564	3,565,707	4,730,851	8,296,558
Net assets, beginning of year	226,649,817	61,453,749	288,103,566	223,084,110	56,722,898	279,807,008
Net assets, end of year	$ 226,921,322	62,424,808	289,346,130	226,649,817	61,453,749	288,103,566

See accompanying notes to financial statements.

FULLER ROAD MANAGEMENT CORPORATION

Statements of Cash Flows

Years ended June 30, 2019 and 2018

		2019	2018
Operating activities:			
Change in net assets	$	1,242,564	8,296,558
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation and amortization		41,711,558	41,887,970
Amortization of bond discount		9,672	9,673
Amortization of deferred financing cost		1,728,657	2,830,118
Change in fair value of interest rate swaps		3,346,049	(1,043,330)
Temporarily restricted grants and other contributions		(2,297,204)	(50,655,106)
Cash transfers to The Research Foundation for The State University of New York		1,326,145	40,308,997
Changes in assets:			
Rent and other receivables		740,296	6,529,431
Prepaid expenses		43,319	3,869
Changes in liabilities:			
Construction and other costs payable		(234,958)	(3,589,006)
Deferred rent and deferred revenue		(3,931,896)	(1,657,610)
Accrued interest payable		111,819	(363,858)
Net cash provided by operating activities		43,796,021	42,557,706
Investing activities:			
Sales of investments held		37,986,911	15,513,118
Purchases of investments		(36,666,760)	(12,919,776)
Payments for building and equipment additions		(3,938,119)	(30,673,357)
Net cash used in investing activities		(2,617,968)	(28,080,015)
Financing activities:			
Borrowing from bonds and credit agreement payable		297,030	746,538
Payments on bonds and credit agreement payable		(40,235,773)	(39,355,628)
Borrowing on line of credit		2,338,589	—
Debt modification payments		(2,571,784)	—
Payments on capital lease		(253,571)	(239,554)
Cash transfers to The Research Foundation for The State University of New York		(1,326,145)	(40,308,997)
Cash received from grants and restricted investment income		4,598,485	66,717,464
Net cash used in financing activities		(37,153,169)	(12,440,177)
Net increase in cash and cash equivalents		4,024,884	2,037,514
Cash and cash equivalents, beginning of year		13,319,893	11,282,379
Cash and cash equivalents, end of year	$	17,344,777	13,319,893
Supplemental disclosure of cash flow information:			
Cash paid for interest	$	16,939,848	16,776,549

See accompanying notes to financial statements.

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

Fuller Road Management Corporation (the Corporation) is a not-for-profit membership organization incorporated in September 1993 pursuant to Section 402 of the Not-For-Profit Corporation Law of New York State. In each of May 2005, January 2016, and April 2017, the Corporation's Certificate of Incorporation was amended under Section 803 of the Not-For-Profit Corporation Law of New York State. The members of the Corporation consist of The Research Foundation for The State University of New York (the Research Foundation) and the SUNY Polytechnic Institute Foundation.

Under the Corporation's bylaws, the New York State Urban Development Corporation (d/b/a Empire State Development) (ESD), an entity affiliated with New York State, has the right to recommend the appointment of two board directors and consent to the appointment of three additional directors at large. Further, ESD's President and CEO serves as a nonvoting, nonfiduciary advisory representative to the Corporation's board of directors.

Pursuant to its Certificate of Incorporation, as amended, the Corporation was formed and shall be operated exclusively for the purpose of holding title to property and collecting income therefrom. Its objectives are to advance the educational and research mission of The State University of New York (SUNY) and The State University of New York Polytechnic Institute (SUNY Poly) by providing facilities for research and scholarly programs for the enhancement of faculty, visiting scholars, students and staff, and to enhance the ability of SUNY and SUNY Poly to attract public and private funds to further research and scholarly studies.

In December 2019, the New York Center for Research, Economic Advancement, Technology, Engineering and Science (NY CREATES) was formed and became the sole member of both the Corporation and Fort Schuyler Management Corporation (FSMC). The two members of NY CREATES are the Research Foundation and SUNY Polytechnic Institute Foundation. Prior to the formation of NY CREATES, the Research Foundation and SUNY Polytechnic Institute Foundation had also been the members of both the Corporation and FSMC. The Corporation's Articles of Incorporation and By-laws were amended to reflect this change. The change in corporate structure did not have an effect on the financial operations of the Corporation.

The Corporation's activities include planning, designing, developing, constructing, owning, operating and leasing facilities necessary to foster its mission, including the following significant projects:

- NanoFab 200 – This facility, which is approximately 70,000 square feet, contains both office space and 4,000 square feet of laboratory space, and cost approximately $16.5 million to construct. The source of funds for this project was a combination of New York State grants and advances received from the federal government (National Weather Service).
- NanoFab 300S – This facility, which is approximately 150,000 square feet, contains office space and 32,000 square feet of cleanroom, and cost approximately $50.0 million to construct. The source of funds for this project was a combination of debt and New York State and Federal grants (note 9).
- NanoFab 300N – This $175.0 million facility, which is approximately 228,000 square feet, including 35,000 square feet of cleanroom, is specifically designed for research and development activities

associated with nanotechnology. NanoFab 300N was funded through a combination of New York State grants and the issuance of debt (note 9). In 2016, the Corporation commenced renovations in connection with the New York Power Electronics Manufacturing Consortium (PEMC), which will be completed in fiscal 2020.

- NanoFab East – The Corporation completed construction of the NanoFab East office building in 2009. NanoFab East contains 250,000 square feet of office and laboratory space. The source of funds for the NanoFab East office and laboratory space was debt (note 9).
- NanoFab Central cleanroom – The NanoFab Central facility contains 100,000 square feet, including 15,000 square feet of cleanroom. This facility was completed in two phases. Phase I was completed in July 2010 and Phase II was completed in late 2011. The source of funds for the NanoFab Central facility was New York State grants.
- NanoFab X –The NanoFab X facility contains 280,000 square feet, including 45,000 square feet of cleanroom space. The source of funds for construction of the NanoFab X facility was New York State grants and debt (note 9).
- Zen building – The Zen building was completed in fiscal 2016 and is approximately 357,000 square feet and houses a number of tenants and a New York State Tier III Computer Center. The source of the funds for construction of Zen building was New York State grants and debt (notes 9).
- In addition to the above, which are all located on the SUNY Poly campus in Albany, the Corporation owns property in two other New York locations: downtown Albany and Greece.
- In December 2019, the Corporation sold its Canal Ponds property to an unrelated party. The sale of the property did not generate a material loss.

(b) Basis of Presentation

The accompanying financial statements of the Corporation are presented consistent with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities* (ASC 958), which addresses the presentation of financial statements for not-for-profit entities.

As more fully described in note 1(m), in 2019 the Corporation adopted Accounting Standard Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14)*, which establishes the reporting requirements for net asset classification requirements under ASC 958. In accordance with the provisions of ASC 958, net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor and grantor imposed restrictions. Accordingly, net assets without donor restrictions are amounts not subject to donor and grantor imposed restrictions and are otherwise available for operations. Net assets with donor restrictions are grant or donor restricted net assets whose use has been limited to a specific time period or purpose. When a donor or grantor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Corporation received multiple grants over the past several years from the State of New York to construct facilities and to purchase and install equipment (research and development tools) in support of nanotechnology initiatives. From time to time, the Research Foundation participates in programs at the Corporation's facilities that are supported by grants and as a result the Corporation may reimburse the Research Foundation for project expenditures it incurs. In such situations, the Corporation transfers to the Research Foundation grant monies it receives in support of these initiatives and they are reflected as transfers to the Research Foundation in the statement of activities.

(c) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Corporation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents, exclusive of assets limited as to use.

(d) Assets Limited as to Use

Assets limited as to use include assets held by trustees under bond indenture agreements, grant proceeds restricted for specific nanotechnology initiatives, and funds designated by the Corporation's Board of Directors for capital replacement. Investments included as assets limited as to use consist of cash equivalents and U.S. government obligations, which are measured at fair value in the balance sheets. Investment income (including net realized and unrealized gains and losses on investments, interest, and dividends) is included in the statements of activities consistent with the purpose and restrictions of the funds.

(e) Fair Value Measurements

The Corporation estimates fair value on a valuation framework that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); then to quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, or models that use inputs that are either directly or indirectly observable (Level 2 measurements); and the lowest priority to unobservable inputs in models (Level 3 measurements).

Cash equivalents, including those within assets limited as to use, are stated at fair value using Level 1 measurements. The Corporation's U.S. government obligations included in assets limited as to use are stated at fair value as determined by broker or dealer quotations of similar instruments, which are considered Level 2 measurements. The Corporation's interest rate swaps are stated at fair value as determined by pricing tools that use observable contractual and market inputs, and therefore are considered Level 2 measurements.

(f) Concentration of Credit Risk

Financial instruments which potentially subject the Corporation to concentrations of credit risk consist primarily of cash equivalents and U.S. Government obligations, included in assets limited as to use. The risk associated with temporary cash investments is mitigated by the fact that the investments are placed with what management believes are high quality financial institutions.

(g) Buildings and Equipment

Buildings and equipment are stated at cost or, if acquired by gift, at fair market value at the date of donation. Depreciation of buildings and equipment is calculated on a straight-line basis over the estimated useful lives of the assets, ranging from 7 to 40 years. Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of

(Continued)

acquiring these assets (note 5). Assets recorded as capital leases are amortized over the shorter of their lease term or their useful lives. Lease amortization is included within depreciation and amortization.

Buildings and equipment, and any other long-lived tangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If circumstances require such a long-lived asset or asset group be tested for possible impairment, the Corporation first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. If such estimation is necessary, fair value is determined using various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals.

(h) Deferred Financing Costs

Deferred financing costs, which relate to the issuance of debt, are being amortized ratably over the period the associated debt is outstanding, using the straight-line method.

(i) Rental Income and Other Support

The Corporation is both a lessor and a lessee and applies the guidance of ASC 840, *Leases,* to account for its lease arrangements. Rental income represents amounts received from various tenants, including the Research Foundation, pursuant to noncancelable operating leases and strategic alliance agreements. In addition, the Corporation receives in-kind support in lieu of rent from related organizations (the Research Foundation and SUNY Poly) who occupy space in these facilities (see notes 6 and 7).

Lease payments received related to future periods are recorded as deferred rent and will be recognized as rental income in the period to which they relate. Rental agreements with escalating rent payment terms, rent holidays or concessions are recognized as rental income on a straight-line basis over the minimum lease term.

(j) Income Taxes

The Corporation is a tax-exempt organization under Section 501(c)(25) of the Internal Revenue Code, and is exempt from Federal income taxes pursuant to Section 501(a) of the Code. The Corporation applies the provisions of ASC 740-10, *Accounting for Uncertainty of Income Taxes*, which addresses accounting for uncertainties in income taxes recognized in an entity's financial statements and prescribes a threshold of more-likely than-not for recognition of tax positions taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on measurement, classification, interest and penalties, and disclosure of tax uncertainties. Management has evaluated ASC 740-10 and concluded that there are no uncertain tax positions that impact the Corporation's financial statements for the years ended June 30, 2019 and 2018.

(k) Derivative Instruments and Hedging Activities

The Corporation accounts for derivatives and hedging activities in the balance sheet at their respective fair values. As the Corporation does not report earnings as a separate caption in a statement of financial performance, it recognizes the change in fair value on all derivative instruments as a change in net assets in the period of change (note 10).

(l) Use of Estimates

Management of the Corporation has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingencies to prepare these financial statements in conformity with U.S. generally accepted accounting principles. Actual results could differ from those estimates.

(m) Recent Accounting Pronouncements

(i) Not-for-Profit Financial Statement Presentation

During 2019, the Corporation adopted ASU No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). The requirements of ASU 2016-14 are intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The main provisions of ASU 2016-14 that are applicable to the Corporation include: presentation of net assets as with and without donor restriction; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; enhancements to disclosure for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification.

A summary of the net asset reclassifications as a result of the adoption of ASU 2016-14 as of June 30, 2018 and 2017 follows:

	ASU 2016-14 Classifications		
2018 net assets classifications	**Without donor restrictions**	**With donor restrictions**	**Total net assets**
As previously presented:			
Unrestricted	$ 287,998,977	—	287,998,977
Temporarily restricted	—	104,589	104,589
Permanently restricted	—	—	—
Reclassification	(61,349,160)	61,349,160	—
Net assets, as reclassified	$ 226,649,817	61,453,749	288,103,566

2017 net assets classifications		ASU 2016-14 Classifications Without donor restrictions	With donor restrictions	Total net assets
As previously presented:				
Unrestricted	$	279,702,419	—	279,702,419
Temporarily restricted		—	104,589	104,589
Permanently restricted		—	—	—
Reclassification		(56,618,309)	56,618,309	—
Net assets, as reclassified	$	223,084,110	56,722,898	279,807,008

The reclassification from without donor restrictions to net assets with donor restrictions relates to construction projects in-progress as of June 30, 2018 and 2017. Under ASU 2016-14, in the absence of explicit donor stipulations, contributions to be used to acquire or construct a long-lived asset must be reclassified from net assets with donor restrictions to net assets without donor restrictions when such assets are placed into service. Historically, the Corporation released such funds from restriction as the asset was constructed. The effect of this reclassification resulted in a decrease in the change in net assets without donor restrictions by approximately $4,731,000 and a corresponding increase to the change in net assets with donor restrictions for the year ended June 30, 2018.

Additional disclosure requirements that resulted from the adoption are found in notes 2 and 13.

(ii) Contributions Received and Contributions Made

During 2019, the Corporation also adopted ASU 2018-08 – *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). This ASU is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made by not-for-profit entities. The ASU provides that a contribution is considered conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. Conditional contributions received are accounted for as a liability or are unrecognized initially, that is, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions. The effect of adopting this ASU was not material to the financial statements.

(2) Liquidity

As of June 30, 2019, combined financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows:

Financial assets:		
Cash and cash equivalents	$	17,344,777
Rent and other receivables		178,336
Grant related receivables		2,500,000
Building interest and maintenance reserve		3,457,948
Total financial assets available within one year	$	23,481,061

The Corporation's revenues and related operating activities are generally not seasonal in nature. The building interest and maintenance reserve represents cash maintained for NFE as required by the Series 2007 Bond agreement and can be used for NFE related activities, including operating expenses, capital costs, or debt related payments, without third-party approval. In addition to the funds reported above, there is a $2.1 million interest reserve and maintenance fund held by a trustee and available for payment of interest on a specified loan upon request and there is $1.8 million of funds designated by the board that may be made available for general purposes upon board approval. In addition, the Corporation also has access to unused line of credit funding of $1.1 million as of June 30, 2019.

On April 15, 2020, the Corporation refinanced its Series 2007, 2014A and 2014B bonds, NFX Credit Agreement, and Series 2005A bonds (note 9), which represented a cumulative outstanding balance of $360.2 million, as of June 30, 2019 (the "Prior Indebtedness"). This was achieved through the issuance of $318.0 million of fixed rate taxable municipal bonds through the New York Transportation Development Corporation (the "Series 2020 Bonds"), the proceeds of which were used to defease or redeem the Prior Indebtedness, terminate associated interest rate swap agreements and pay the costs of issuance. The Series 2020 Bonds are term bonds with a fixed interest rate of 4.248% and fully amortize over a 15-year term. Principal and interest payments on the bonds are approximately $20.0 million through September 1, 2020; approximately $40.0 million thereafter through September 1, 2028; approximately $17.0 million thereafter through September 1, 2029; and approximately $7.0 million thereafter through September 1, 2035. The Series 2020 Bonds are payable from rents due to the Corporation from the Research Foundation under certain leases between the Corporation and the Research Foundation (note 6).

(3) Assets Limited as to Use

The composition of assets limited as to use at June 30, is set forth in the following table. Investments are stated at fair value:

		2019	2018
By debt agreements (note 9):			
Cash and cash equivalents	$	10,175,570	9,416,225
U.S. government obligations		6,016,471	6,005,037
	$	16,192,041	15,421,262
Under grant agreements:			
Cash and cash equivalents	$	1,406,195	3,497,124
By board for capital replacement:			
Cash and cash equivalents	$	1,815,515	1,815,515

(4) Net Assets with Donor Restrictions

The composition of net assets with donor restrictions at June 30, is set forth in the following table.

		2019	2018
Net asset with donor restrictions:			
Capital projects not yet placed into service	$	62,320,219	61,349,160
Other initiatives		104,589	104,589
	$	62,424,808	61,453,749

(5) Buildings and Equipment

Buildings and equipment at June 30 are summarized as follows:

		2019	2018
Land	$	1,310,000	1,310,000
Buildings and permanent fixtures		899,014,211	898,826,719
Furnishings and equipment		14,882,536	14,271,978
		915,206,747	914,408,697
Less accumulated depreciation		340,780,502	299,103,231
		574,426,245	615,305,466
Construction in progress		62,320,220	61,804,103
Net buildings and equipment	$	636,746,465	677,109,569

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Substantially all of the Corporation's buildings and equipment are leased to tenants.

During 2016, the Corporation began a $135.0 million renovation of the NanoFab 300N cleanroom to house New York PEMC's Advanced Technology Silicone Carbide Line. Construction is expected to be completed in 2020. At June 30, 2019, $124.6 million had been expended on these projects for construction and equipment, of which approximately $62.3 million was included in construction in progress and approximately $62.3 million has been transferred to the RF in support of these programs.

For the years ended June 30, 2019 and 2018, depreciation expense was $41.2 million and $41.4 million, respectively.

It is the Corporation's policy to capitalize the interest cost associated with significant capital additions as a component of the cost of such assets, which is then amortized over the asset's estimated useful life. For the years ended June 30, 2019 and 2018, no interest was capitalized.

(6) Transactions with Related Parties

(a) Research Foundation

The Corporation leases space to the Research Foundation on behalf of SUNY Poly. The Corporation recognized rental and related income from the Research Foundation of approximately $46.1 million for each of years ended June 30, 2019 and 2018, of which a small portion is in exchange for certain maintenance services and payment of utilities (in-kind support).

In November 2011, the Corporation entered into a noncancelable lease agreement, as amended, with the Research Foundation to lease approximately 140,000 gross square feet of cleanroom and office space in NanoFab X (the 2011 Lease). The 2011 Lease commenced on January 1, 2013 and expires on December 31, 2028. During the lease term, the Research Foundation shall pay to the Corporation basic lease payments in the annual amount equal to the greater of (a) $36.0 million or (b) all scheduled payments of principal and interest and related payments due under the Corporation's Credit Agreement (see note 9). Lease payments are due to the Corporation monthly, in installments equal to 1/12th of the total annual amount payable by the Research Foundation. The Research Foundation has also entered into access agreements with semiconductor industry partners to provide space in NanoFab X. Subsequent to year end, in connection with the issuance of the Series 2020 Bonds, the 2011 Lease was amended and restated to, among other things, amend the annual lease payment to be $36.0 million, provide that the lease payments shall be paid quarterly and remove references to the NFX Credit Agreement.

In May of 2005, the Corporation entered into a noncancelable lease agreement with the Research Foundation for approximately 66,243 gross square feet of cleanroom space in the NanoFab South and North buildings (the 2005 Lease). The 2005 Lease commenced on May 20, 2005 and expires on September 30, 2035. During the lease term, the Research Foundation shall pay to the Corporation basic lease payments in an annual amount equal to $7.0 million. Lease payments are due to the Corporation quarterly, in installments equal to 1/4 of the total annual amount payable by the Research Foundation. The Research Foundation has also entered into access agreements with semiconductor industry partners to provide space in these cleanrooms. Rent proceeds for these facilities are used to secure the 2005A Bonds (note 9). Subsequent to year end, in connection with the issuance of the

Series 2020 Bonds, the 2005 Lease was amended and restated to, among other things, remove references to the 2005A Bonds.

Also subsequent to year end, in connection with the issuance of the Series 2020 Bonds, the Corporation assigned to the issuer and trustee of the Series 2020 Bonds a lien and security interest in the Corporation's right, title and interest in the rents payable by the Research Foundation under the 2011 Lease and the 2005 Lease and, in connection therewith, the Research Foundation agreed to pay rents directly to the trustee during the respective terms of the respective lease agreements.

In addition to the above, as of June 30, 2019 and 2018, $47 thousand and $691 thousand, respectively, was due to the Research Foundation for grant funded expenditure reimbursements made on the Corporation's behalf.

The Corporation transferred cash to the Research Foundation during 2019 and 2018, totaling $1.3 million and $7.7 million, respectively, in support of nanotechnology grants and initiatives and additionally transferred $32.6 million on April 27, 2018 as a member transfer in accordance with its corporate purposes.

As of June 30, 2019 and 2018, $2.5 million was due from the Research Foundation for grant expenditures incurred by the Corporation on the Research Foundation's behalf.

(b) SUNY

The Corporation leases the land on which its Nanotech Campus buildings reside from SUNY under land leases which began in 1994, 2011, and 2014. The 1994 lease has since been amended, the most recent of which occurred in 2005 and resulted in increased space for additional research facilities and an extension of the lease term to 40 years from the effective date of the amendment. Under the terms of the lease, the annual rent payable to SUNY was $1.00 for the first three years from the date of the original lease. Beginning in the fourth year, the annual rent is determined by SUNY's Board of Trustees as it deems appropriate. Such amounts have remained at $1.00 per year through the year ended June 30, 2019.

The 2011 lease added approximately 5 acres to the northern most area of the campus, upon which NanoFab X was constructed. The 2011 lease has a term of 40 years and an annual rental cost of $1 per year. The 2014 lease is for an additional contiguous 6 acre parcel, upon which the Zen building was constructed. This lease is for 40 years with annual rent of $1 per year over the term of the lease.

In addition to the above arrangements, the Corporation provides a small portion of space on its campus to SUNY in exchange for certain maintenance services and utilities cost (in-kind support). The amounts related to in-kind support were $375 thousand and $399 thousand, which are reflected in the statements of activities as rental revenue and contracted services and utilities expense for the years ended June 30, 2019 and 2018, respectively. There were no formal agreements between the Corporation and SUNY relative to the provision of in-kind support for the years ended June 30, 2019 and 2018.

(c) State of New York

On January 22, 2013, the Corporation entered into a lease with the State of New York for 10,000 square feet of data center space in NanoFab X and 30,000 square feet of data center and 14,573 square feet of office space in the Zen building. The lease term is for 15 years from the date of commencement of each space. The Corporation recognized rental income from the State of New York of approximately $7.2 million and $7.5 million for the years ended June 30, 2019 and 2018, respectively.

(7) Rental Income

The Corporation currently leases space to various tenants, including the Research Foundation and the State of New York (note 6), under noncancelable operating leases. Following is a summary of approximate minimum rental income from these agreements for the next five years as of June 30, 2019:

2020	$	62,309,066
2021		58,475,834
2022		57,226,276
2023		54,891,388
2024		53,509,600

(8) Capital Lease

During 2014, the Corporation entered into a capital lease with respect to the Tech Valley High School building located in Albany, on the SUNY Poly campus in Albany. Future minimum lease payments, under the capital lease obligation, are as follows, as of June 30, 2019:

Year ending June 30:		
2020	$	734,635
2021		740,512
2022		740,513
2023		740,513
2024		740,513
Thereafter		8,093,184
Total minimum lease payments		11,789,870
Less amounts representing imputed interest (rate of 5.7%)		4,004,220
Present value of net minimum lease payments	$	7,785,650

(Continued)

(9) Bonds and Credit Agreement Payable

Bonds and credit agreement payable consists of the following at June 30:

		2019	2018
Taxable revenue bonds, Series 2005A	$	63,255,000	65,585,000
Taxable revenue bonds, Series 2007		44,390,000	45,475,000
NFX Credit Agreement		73,587,000	107,489,500
Taxable revenue bonds, Series 2014A		92,129,416	93,472,736
Taxable revenue bonds, Series 2014B		86,854,506	88,132,429
		360,215,922	400,154,665
Less:			
Unamortized original issue discount		159,593	169,265
Unamortized deferred financing costs		5,401,147	4,558,020
	$	354,655,182	395,427,380

- *Series 2005A* – The Corporation issued taxable revenue bonds, Series 2005A, with a face value of $84.0 million (Series 2005A Bonds) on November 22, 2005. Proceeds from the Series 2005A Bonds were used to provide funding for Phase II construction of the fit-up of the NanoFab 300N cleanroom, refinancing of amounts from a revolving loan and the balance of an existing term note related to NanoFab 300S, fund a debt service reserve fund, and pay for issuance costs. The Series 2005A Bonds are secured by an assignment of Research Foundation leases and rents associated with NanoFab South and North cleanroom space constructed by the Corporation (note 7).

  The Series 2005A Bonds were issued with fixed interest rates ranging from 5.00% to 5.85% and are subject to a 30-year amortization period. Interest payments are due semi-annually on March 1 and September 1 of each year. Principal payments are due annually on September 1 through 2035. The portion of the Series 2005A Bonds maturing on or after September 1, 2015 are subject to redemption provisions by the Corporation in whole, at any time, or in part, on any interest payment date, at 100% of the principal amount plus accrued interest at the date of redemption.

- *Series 2007* – The Series 2007 Bonds were originally issued as variable rate demand bonds but were converted to bank held bonds in 2013, requiring quarterly payments of principal and interest with a variable interest rate of LIBOR plus 1.95%. The original term of the agreement was five years through February 1, 2018, with a 25 year amortization consistent with the original issuance, after which time the agreement could be renewed. Effective February 1, 2018, the Series 2007 Bonds were modified to change the long-term rate period to May 1, 2019 while the bonds were retained by KeyBank at a revised interest rate of one month LIBOR plus 2.5% (4.49% at June 30, 2018). Effective April 18, 2019, the Series 2017 Bonds were modified to change the long-term rate period to May 1, 2020 with no change in the interest rate (4.94% at June 30, 2019). If the parties elect not to renew upon the end of the term, the agreement allows KeyBank to require the Corporation to change the mode of the bonds, refinance or otherwise exit KeyBank from the bonds at KeyBank's option. The Corporation would then be free to sell the bonds to another purchaser.
- *NFX Credit Agreement* – In May 2012, the Corporation entered into a $251.4 million Syndicated Loan Credit Agreement (NFX Credit Agreement) with Manufacturers and Traders Trust Company (M&T Bank), the Administrator and lead creditor, and a syndicate of other financial institution lenders. The Credit Agreement provided permanent funding for construction of the NanoFab X facility and associated debt-financing costs of approximately $8.3 million.

  Commencing April 1, 2013, the Corporation began making principal payments, which are due quarterly over a six-year term with a balloon payment of $73.6 million due at maturity in May 2019. The Corporation may make voluntary prepayments without penalty at any time, subject to the terms of the NFX Credit Agreement. The interest rate on amounts outstanding under the NFX Credit Agreement is equal to the 3 month LIBOR rate plus 208 basis points. The interest rate was 4.06% at June 30, 2018. The NFX Credit Agreement allows the Corporation to elect to apply an alternative LIBOR based rate to borrowings outstanding. Borrowings under the NFX Credit Agreement are collateralized by a mortgage interest in the NanoFab X premises, including the building and related fixtures, and an assignment of a master lease of the premises (see note 7).

  On November 18, 2013, the Corporation executed an amendment to the NFX Credit Agreement (First Amendment) borrowing an additional $14.5 million, at the same terms, to finance the cost of tenant fit-out for New York State's data center housed in the NFX facility.

  On April 19, 2019, the NFX Credit Agreement was amended and extended to change the maturity date of the loan to May 8, 2020. The quarterly principal payment for the Credit Agreement is $8,353,000 and $129,500 for the Amendment. All other significant terms, including the interest rate, 4.70% at June 30, 2019, remained consistent with the existing terms.
- *Series 2014 A and B* – On December 23, 2014, the Albany County Capital Resource Corporation issued taxable revenue bonds, consisting of Series 2014A (face value of $95,000,000) and Series B (face value of $90,375,000), collectively Series 2014 Bonds. Proceeds from the Series 2014 Bonds were used to provide funding for the construction of the Zen building. During the construction phase the Series 2014 Bonds accrued interest at one month LIBOR plus 2.25%. Pursuant to the terms of the borrowings, the rates reduced to one month LIBOR plus 2.00% on October 27, 2016, upon the completion of constructing and issuance of the certificate of occupancy. The interest rate was 4.44% and 4.00% at June 30, 2019 and 2018, respectively. The bonds are secured by a leasehold mortgage on both the Zen and CESTM buildings, an assignment of leases and rents from the Zen and CESTM

buildings and a subordinate lien on the revenues from the NFN lease with the Research Foundation. Bond principal payments commenced in 2017 and amortize over a 30-year period ending in 2047, with a mandatory tender on May 8, 2019. Effective April 19, 2019 the mandatory tender date was extended to May 8, 2020 with no other change in terms, including to the interest rate, 4.44% at June 30, 2019. The Series 2014A bonds have an option for conversion to a tax exempt rate if certain conditions are met. Financing costs incurred for this loan were approximately $5.8 million and are being recognized over the term of the bonds.

Under the terms of the bond indentures, the Corporation established certain bank trusteed accounts with the proceeds of the Series 2005A, 2005B, and 2007 Bonds, including the maintenance of a debt service reserve fund for Series 2005A. In addition, the Corporation is required to deposit quarterly lease payments from the Research Foundation into the revenue fund, established by the bank trustee, for payment of debt service on the 2005A Bonds.

The Corporation must satisfy certain financial performance and reporting requirements as long as the bonds and NFX Credit Agreement are outstanding. In addition, the Corporation is required to file certain financial information and other related actions with its banks on a periodic basis. From time to time, such financial information and related actions were not completed within the required timeframe. In April 2020, the lending institutions waived these instances of noncompliance.

Included in the accompanying financial statements, classified as assets limited as to use, are the Corporation’s balances in these funds at June 30 as follows:

	2019	2018
Series 2005 Bonds:		
Debt service fund	$ 357	350
Debt service reserve fund	6,923,025	6,613,383
Revenue fund	3,710,711	3,589,386
	10,634,093	10,203,119
Series 2007 Bonds:		
Replacement reserve fund	3,457,948	3,118,143
Series 2014 A and B:		
Interest/maintenance reserve	2,100,000	2,100,000
	$ 16,192,041	15,421,262

(Continued)

Following are the required principal payments on the Series 2005A, 2007, 2014A and 2014B bonds and the NFX Credit Agreement, excluding contingent prepayments (if any), for the next five years and subsequent periods as of June 30, 2019:

Year ending June 30:		
2020	$	299,420,922
2021		2,600,000
2022		2,740,000
2023		2,895,000
2024		3,055,000
Subsequent		49,505,000

As discussed in note 2, subsequent to year end, the Corporation permanently financed its Series 2007, 2014A and 2014B bonds, NFX Credit Agreement, and Series 2005A bonds through the issuance of the 2020 Bonds. The required principal payments shown in the table above do not reflect the expected principal payment schedule of the refinanced debt, which is over a 15-year term.

(10) Interest Rate Swap Agreements

The Corporation has entered into interest rate swap agreements (interest rate swap or swaps) to hedge variability in cash flows associated with interest payments on long-term debt. These interest rate swap agreements effectively convert long-term debt issuances from variable interest rates to a fixed interest rate. Interest rate swaps do not relieve the Corporation from its obligations under the long-term debt issuances.

The Corporation records the fair value of the interest rate swaps as an asset or liability on the balance sheets at June 30, 2019 and 2018, and reflects the change in the fair value of the interest rate swaps as a change in net assets without donor restrictions in the statements of activities for the years ended June 30, 2019 and 2018.

A summary of the swaps outstanding is below:

Swap agreement	Notional value as of June 30		Fair value as of June 30 asset (liability)		Change in fair value
	2019	2018	2019	2018	
Series 2007 Bonds (a)	$ 44,390,000	45,475,000	(241,773)	113,034	(354,807)
Credit Agreement:					
M&T Bank (b)	51,627,450	41,448,550	(201,630)	368,398	(570,028)
KeyBank (c)	21,959,550	26,376,350	(78,283)	259,050	(337,333)
TD Bank (c)	—	7,536,100	—	(96,309)	96,309
Series 2014A Bonds (d)	92,155,676	93,839,244	(515,538)	591,841	(1,107,379)
Series 2014B Bonds (e)	86,879,489	68,895,756	(464,311)	608,500	(1,072,811)
Interest rate swap liability, net			$ (1,501,535)	1,844,514	
Change in fair value of interest rate swaps for year ended June 30, 2019					$ (3,346,049)

a) Swap with KeyBank swap with regard to the modified 2007 Bond Agreement (note 9), maturing concurrently with that modified Agreement on May 1, 2020 with a fixed rate of interest over the term of the swap of 2.546%. The variable rate received by the Corporation under the swap is equal to the 1 month LIBOR rate on the first day of the month. Prior to this swap, the Corporation executed a similar swap with KeyBank that was in effect through (and matured on) on May 1, 2019. This swap provided for the Corporation to pay a fixed rate of interest over the term of the swap of 2.04%. The variable rate received by the Corporation under the swap was equal to the 3 month LIBOR rate on the first day of the quarter.

b) Swap with M&T Bank for a portion of the Amended NFX Credit Agreement (note 9) maturing concurrently with that Amended Agreement (note 8) on May 8, 2020. The swap provides for the Corporation to pay a fixed rate of interest over the term of the swap equal to 2.645%. The variable interest rate received by the Corporation under the swap is equal to the 3 month LIBOR rate on the first day of the quarter. This swap replaced the previous swap that was in effect through (and matured) on May 8, 2019. The swap provided for the Corporation to pay a fixed rate of interest over the term of the interest rate swap of 1.22%. The variable rate received by the Corporation under the swap was equal to the 3 month LIBOR rate on the first day of the quarter.

   The Corporation also entered into an additional swap with M&T Bank with regard to the Amended NFX Credit Agreement, maturing concurrently with that Agreement on May 8, 2020. The swap provides for the Corporation to pay a fixed rate of interest over the term of the swap of 2.6375%. The variable rate received by the Corporation under the swap is equal to the 3 month LIBOR rate on the first day of the quarter.

c) The Corporation entered into two additional swaps with regard to the NFX Credit Agreement. These swaps were with KeyBank and TD Bank, had terms which were concurrent with the term of the NFX Credit Agreement, and matured on May 8, 2019. Both swaps provided for the Corporation to pay a fixed rate of interest over the stated term of the interest rate swap of 1.08%. The variable rate received by the Corporation under the swap was equal to the 3 month LIBOR rate on the first day of the quarter. The KeyBank swap was replaced by a KeyBank swap for a portion of the Amended NFX Credit Agreement (note 9) maturing concurrently with that Amended Agreement on May 8, 2020. The swap provides for the Corporation to pay a fixed rate of interest over the term of the swap equal to 2.656%. The variable interest rate received by the Corporation under the swap is equal to the 3 month LIBOR rate on the first day of the quarter.

d) Swap with KeyBank with regard to the Series 2014A Bonds maturing concurrently with that Amended Agreement on May 8, 2020. The swap provides for the Corporation to pay a fixed rate of interest over the term of the swap equal to 2.534%. The variable interest rate received by the Corporation under the swap is equal to the 1 month LIBOR rate on the first day of the month. Prior to this swap, the Corporation executed a similar swap with KeyBank that was in effect through (and matured on) on May 1, 2019. This swap provided that the Corporation to pay a fixed rate of interest over the term of the interest rate swap of 1.302%. The variable rate received by the Corporation under the swap was equal to the 30 day LIBOR rate on the first of the month.

e) Swap with M&T Bank with regard to a portion of the Series 2014B Bonds maturing concurrently with that Agreement on May 8, 2020. The swap provides for the Corporation to pay a fixed rate of interest over the term of the swap equal to 2.5525%. The variable interest rate received by the Corporation under the swap is equal to the 1 month LIBOR rate on the first day of the month. Prior to this swap, the Corporation executed a similar swap with M&T hat was in effect through (and matured on) on May 1, 2019. This interest rate swap provided for the Corporation to pay a fixed rate of interest over the term of the swap of 1.018%. The variable rate received by the Corporation under the swap was equal to 75% of the 30 day LIBOR rate on the first of the month.

Subsequent to year end and in connection with the issuance of the Series 2020 Bonds, all outstanding swaps were terminated for an aggregate fee of $408,042.

(11) Line of Credit

In March 2013, the Corporation entered into an unsecured line of credit facility with M&T Bank with an available limit of $15.0 million. Funds available under the line are available for the short-term liquidity needs of the Corporation and borrowings are payable on demand. The line of credit bears interest at monthly LIBOR plus 2.25%, as amended, and requires the Corporation to meet certain covenants on a periodic basis. The outstanding balance on the line of credit was approximately $13.9 million and $11.6 million at June 30, 2019 and June 30, 2018 respectively.

(12) Commitments and Contingencies

In the normal course of operations, the Corporation, from time to time, has been named as a defendant in legal actions. The ultimate outcome of these actions cannot be determined at this time. However, the Corporation intends to vigorously defend the legal actions. In the opinion of management, the ultimate amounts, if any, required to settle such litigations are not expected to have a material effect on the financial condition of the Corporation.

(13) Functional Expenses

The statements of operations present expenses by natural classification. The Corporation also summarizes its expenses by functional classification. The Corporation’s primary program service is facilities and related property management. Natural expenses attributed to more than one functional expense category are allocated using a variety of cost allocation techniques such as percentage of revenues, percentage of expenses, and square footage.

Expenses by functional classification for the year ended June 30, 2019 consist of the following:

	Facilities and related property management	Administrative	Total
Operating expenses:			
Contracted services	$ 1,232,792	749,687	1,982,479
Repairs, maintenance, and supplies	1,478,426	—	1,478,426
Utilities	2,647,422	—	2,647,422
Insurance and other	793,655	150,088	943,743
Progressional fees	321,944	255,560	577,504
Interest expense	17,061,338	—	17,061,338
Depreciation and amortization	43,440,215	—	43,440,215
Transfers to the RF of SUNY	1,326,145	—	1,326,145
	$ 68,301,937	1,155,335	69,457,272

Expenses by functional classification for the year ended June 30, 2018 consist of the following: project management $108,876,066 and administrative $1,169,548

(14) Subsequent Events

The Corporation considers events or transactions that occur after the balance sheet date, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements were issued on April 15, 2020 and subsequent events have been evaluated through that date.

As disclosed in notes 2 and 9, the Corporation has secured permanent financing for its Series 2007, 2014A and 2014B bonds, NFX Credit Agreement, and Series 2005A bonds.

In March 2020, the economies of New York State and the broader United States were affected by the COVID-19 pandemic. The impact on the Corporation's operations, if any, cannot yet be determined.

FULLER ROAD MANAGEMENT CORPORATION

Schedule of Increase (Decrease) in Net Assets without Donor Restrictions

Year ended June 30, 2019

	NanoFab East	NanoFab X	Zen	Other buildings*	Total
Support and revenue:					
Rental income and other support	$ 5,687,767	38,254,621	10,821,949	16,984,345	71,748,682
Net assets released from restrictions:					
Satisfaction of program designation restrictions	—	—	—	1,326,145	1,326,145
Satisfaction of construction of facilities restrictions	—	—	—	—	—
Total support and revenue	5,687,767	38,254,621	10,821,949	18,310,490	73,074,827
Expenses and equity transfers:					
Contracted services	324,819	47,914	182,250	1,427,496	1,982,479
Repairs, maintenance, and supplies	50,181	104,802	354,335	969,108	1,478,426
Utilities	440,479	162,777	1,082,495	961,671	2,647,422
Insurance and other	86,055	14,217	175,746	667,725	943,743
Professional fees	—	—	—	577,505	577,505
Interest expense	2,078,325	3,445,500	6,876,287	4,661,226	17,061,338
Depreciation and amortization	3,247,667	19,390,704	7,486,640	13,315,204	43,440,215
Transfers to The Research Foundation for The State University of New York	—	—	—	1,326,145	1,326,145
Total expenses and equity transfers	6,227,526	23,165,914	16,157,753	23,906,080	69,457,273
Increase (decrease) in net assets without donor restrictions before other changes in net assets without donor restrictions	(539,759)	15,088,707	(5,335,804)	(5,595,590)	3,617,554
Other changes in net assets without donor restrictions:					
Change in fair value of interest rate swaps	(459,611)	(706,249)	(2,180,189)	—	(3,346,049)
Increase (decrease) in net assets without donor restrictions	$ (999,370)	14,382,458	(7,515,993)	(5,595,590)	271,505

* Other buildings includes the activities and administration of all other buildings on the Nanotech Campus, and the other locations – Canal Ponds and Kiernan Plaza

See accompanying independent auditors' report.