

Georgia Tech Foundation, Inc.
Minutes of the Meeting of the Board of Trustees
December 10-11, 2015

The Board of Trustees of Georgia Tech Foundation, Inc. met at 3:00 p.m. on Thursday, December 10, 2015, in the Global Learning Center Room 222.

Elected trustees present were: Rodney C. Adkins, Robert A. Anclien, Pamela W. Arlotto, Jerome A. Atkinson, Laurie D. Bagley, Kelly H. Barrett, G. Niles Bolton, Paul J. Brown, John B. Carter Jr., Steve W. Chaddick, Karl F. Dasher, Kathleen Day, David W. Dorman, Michael T. Duke, Walter G. Ehmer, David D. Flanagan, D. Fort Flowers Jr., J. Louis Fouts, Thomas M. Holder, Lawrence P. Huang, Michelle E. Jarrard, Ronald L. Johnson, Andrea L. Laliberte, John S. Markwalter Jr., J. Paul Raines, N. Allen Robertson, Albert S. Thornton Jr., Karen C. Thurman, John R. Wells and Janice N. Wittschiebe.

Ex-officio voting trustees present were: Michael K. Anderson, G. P. Peterson and Robert N. Stargel Jr.

Board Officers present were: John F. Brock III, Joseph W. Evans, Gary T. Jones and James R. Lientz Jr.

Corporate Officers present were: Mark W. Long and Al Trujillo.

Ex-officio non-voting trustees present were: Rafael L. Bras, Barrett H. Carson and Steven G. Swant.

Trustees Emeriti present were: Ronald W. Allen, Bobby Joe Anderson, Kenneth G. Byers Jr., J. Randall Carroll, William R. Collins Jr., Joel H. Cowan, H. Allen Ecker, Jack J. Faussemagne, Geoffrey C. Gill, Jere W. Goldsmith IV, J. William Goodhew III, Thomas L. Gossage, George C. Guynn, Thomas H. Hall III, Hubert L. Harris Jr., Garnett L. Keith Jr., G. William Knight, Aaron J. Land Jr., George W. Levert, David M. McKenney, Wade T. Mitchell, Charles D. Moseley, Thomas H. Muller Jr., Lawton M. Nease III, Oliver H. Sale Jr., Earl L. Shell Jr., John C. Staton Jr., J. Leland Strange, William J. Todd, Thomas W. Ventulett III and John H. Weitnauer Jr.

Others present were: Ana I. Antón, Jean M. Ballenger, Thomas J. Barranco, Cailen A. Belanger, Dwight D. Dozier, Lynn M. Durham, Leslie M. Evans, Marta H. Garcia, Andrew Gerber, Joseph P. Irwin Jr., Susie C. Ivy, Michelle L. Jones, Jonathan D. Karsh, K. Patrick Liu, Mary C. Miller, Julia M. Palmer, Dasha Radder, Philip D. Spessard, Peter P. Swire, James B. Taylor, James Tio, Patricia H. Wichmann and Dorcas G. Wilkinson.

Welcome: Mr. Jones welcomed the trustees. Mr. Jones introduced Dr. Peterson.

Cybersecurity Presentation: Dr. Peterson introduced Dr. Andrew Gerber, Director of the Georgia Tech Research Institute and Senior Vice President of the Georgia Institute of Technology.

Dr. Peterson stated that Georgia Tech has some of the most important experts in the field of cybersecurity. Cyber attacks occur through misconfigurations, network scanning or reconnaissance, or actual malicious activities. The Network Intrusion Detection System generates reports based on the type of cyber attack. Georgia Tech has published *Emerging Cyber Threats Report 2016*. Each year, the information in the Report is updated with insight

from experts in the information technology security industry, government and academia. Georgia Tech has developed a four-part cyber mitigation strategy that includes training, two-factor authentication, identity management and attestation. Currently, an estimated 15 billion physical objects use the Internet to exchange data; it is expected the number will increase to 50 billion by 2020. The Internet of Things includes everything from cellphones and smart watches, to implants and home automation. The opportunity for a cyber attack of these devices is a growing security concern. Georgia Tech's Professional Education department offers an extensive curriculum in cybersecurity with courses, certificates and contract development programs. He stated that more than 14 courses are offered, and students can earn a MS in Information Security. On October 28, 2015, Georgia Tech announced the formation of the Institute for Information Security and Privacy (IISP). It aligns 200 researchers and nine labs across four colleges and GTRI to form a single gateway for all cybersecurity efforts. Dr. Peterson stated that GTRI is developing novel inspection tools and techniques. Apiary is GTRI's automated malware intelligence system that allows members to anonymously submit suspicious files for fast analysis. It monitors more than 8 billion network events across GTRI networks each day. ISOC also monitors Georgia Tech's ATDC startups. Georgia Tech researchers are investigating how to safeguard side-channel security, even while devices are offline. Georgia Tech has created several new tools to help protect against malware and hacking, including AESOP, BlackForest, LatentGesture and PhoneyPot.

Meeting Adjourned/Reconvened: There being no further business, the meeting adjourned at approximately 4:15 p.m. on Thursday, December 10, and reconvened at 8:30 a.m. on Friday, December 11, in the Global Learning Center, Room 222.

Welcome: Mr. Jones welcomed the trustees and visitors to the 550th meeting of the Board of Trustees. Mr. Jones stated that the holiday party was a great success. He thanked Ms. Wichmann and her administrative team for their hard work. The Campaign Steering Committee had a meeting earlier in the morning, celebrating the last few months of the Campaign. The trustees applauded the success of the Campaign. Mr. Jones introduced Dr. Peterson.

Cybersecurity and Privacy: What Does Georgia Tech Think?: Dr. Peterson introduced Dr. Antón and Professor Swire. Dr. Antón stated that she and Mr. Swire co-teach a class called "Privacy Technology, Policy and Law." They often incorporate a "ripped from the headlines" approach, and the class attracts students from many different majors. Dr. Antón discussed issues related to social media and terrorism, encryption and governmental access to records and phone records and policy at Georgia Tech. Dr. Antón has worked with numerous governmental agencies and private companies. Dr. Antón has helped inform public policy makers on a national level. Her field of research is regulatory compliance software engineering. Software must comply with federal privacy and security regulations.

Mr. Swire stated that he has assisted numerous governmental agencies, working in the areas of national security, foreign policy, and protection of privacy and national trust. The USA Freedom Act is a result of recommendations from a national committee that he served on. He stated that he teaches a class called "Information Security: Policies and Practices." He stated that companies need trained individuals between basic program writers and executive management. These individuals could interact with upper management and technology professionals and staff to engage complex issues.

Dr. Antón discussed current terrorist threats to the United States, including ISIS, cyberterrorism, social media, encryption, bulk collection of phone records, and data mining. Dr. Antón presented from the governmental policy on these issues, while Mr. Swire presented from the industry stance on the same issues. They debated the issues, then provided consensus recommendations. Dr. Antón and Mr. Swire provide a global and national viewpoint to the students in their class. The students work in multi-disciplinary teams. Mr. Swire stated that Georgia Tech could be doing more to encourage the growth of a new discipline: privacy engineers.

Georgia Tech Alumni Association Update: Ms. Laliberte stated that the Alumni Association creates meaningful and relevant programs for current and future alumni to foster life-long participation and philanthropic support. The Alumni Association supports the alumni and the historic legacy of the Institute, while advancing the future of the Institute. There are approximately 145,000 alumni, including 38,000 graduate degree-only alumni. Using the Institute's student population data, the Alumni Association has forecasted that in 2026, there will be 216,000 alumni with 36% being graduate degree-only alumni. This increase will have a significant impact in participation rates and Institute giving. Ms. Laliberte reviewed statistics in current alumni giving. It is up to the Alumni Association to encourage giving in current and future alumni. Graduate students are offered additional mentoring opportunities through the Student Alumni Association (SAA). Mr. Irwin stated that the SAA encourages student-donor giving. Roll Call participation rates for alumni who participated in the SAA double and triple normal pre-SAA Roll Call participation rates. The Alumni Association has created a new infographic showing ten different ways alumni can become involved, including registering on the Alumni Association website, sharing Georgia Tech-related things on social media, paying it forward by being a mentor or recruiting, hiring a Georgia Tech grad, and attending Georgia Tech events. This past fall, the Alumni Association hosted numerous SAA and alumni networking events. She reported that the Alumni Association introduced three new websites, sent out more than 400,000 pieces of direct mail and four million emails, and more than 100,000 phone calls to alumni. Roll Call has a goal of approximately \$9.8 million. She reported that the Gold and White Honors Gala will be held on February 18, 2016. On September 3, 2016, Georgia Tech's football team will be playing Boston College in Dublin, Ireland. The Alumni Association is offering a trip package with club level seating.

Georgia Tech Advisory Board (GTAB) Update: Mr. Anderson reported that the McKinsey report on the entrepreneurial ecosystem of Atlanta was discussed at the last GTAB meeting. The Board had a robust discussion regarding innovation and innovation resources and incentives. Does the culture exist in metro Atlanta to move innovation forward? Is there enough of a collaborative community? Atlanta has many strengths, including Georgia Tech and world-wide communications. At Georgia Tech, there is not as much of a drive to market the innovation culture. Georgia Tech's innovation centers are well-developed and an excellent resource for start-ups. Dr. Cross and his team put together a panel presentation of Mr. John Avery, Panasonic; Mr. Brian Jennings, Dean of Education at the Scheller College of Business; Mr. Sanjay Brecht, Associate Director of CreateX; and Ms. Tiffany Wilson, Executive Director of the Global Center for Medical Innovation. GTAB toured the innovation centers at Technology Square. Many companies are already working in a collaborative fashion. GTAB concluded their meeting with a tour of the Engineered Biosystems Building. The next meeting of GTAB will be April 3, 2016, and the subject will be improving the student experience.

Approval of Minutes: Mr. Jones stated that copies of the minutes of the quarterly meeting of the Board held September 10-11, 2015, had been distributed to the trustees. Mr. Jones asked if there were any comments or changes. On motion, the minutes of the meetings held on September 10-11, 2015, were unanimously approved as distributed.

Treasurer's Report: Mr. Evans reported that as of October 31, 2015, the assets of the Foundation totaled \$1.883 billion, liabilities totaled \$447 million, and net assets were \$1.436 billion. He reported that as of October 31, the investment assets totaled \$1.515 billion, leases receivable totaled \$154 million, contributions receivable totaled \$107 million, and charitable remainder trusts totaled \$39 million. Due to the success of the Campaign, the pledge receivable balance has increased significantly in recent years. Mr. Evans reported that in regards to liabilities, bonds payable totaled \$245 million and the funds invested for the Georgia Tech Athletic Association totaled \$108 million. He stated that a contribution was received for the support of the Engineered Biosystems Building (EBB) in December and the loan balance has been reduced from \$19 million to \$13 million. Over the next two years, the EBB loan will be reduced to approximately \$5.5 million, as payments on donor commitments for the building are received and are used to make payments on the loan. The revenue comparison for the first four months of the past three fiscal years indicates significant growth in gift income and a decline in investment earnings. Gift income totaled \$33 million in the four month-period ending on October 31, 2015, and investment earnings totaled -\$34 million. Mr. Evans reported that the Foundation expects to expend \$115 million in support of Georgia Tech in fiscal year 2016, including \$27 million and \$24 million in student and faculty support, respectively. Total expenditures to support Georgia Tech's programs are expected to increase to \$99 million, whereas fundraising and general and administrative expenses will be approximately the same as last year. Standard & Poor's (S&P) recently re-affirmed the Foundation's AA+ rating, with a stable outlook. Mr. Evans reviewed the Foundation's bonds payable, including the annual debt service for the current and future fiscal years. He reported that the total debt service is \$22.2 million this fiscal year and he reviewed the funding sources for the repayment of the debt. Outside sources fund most of the debt repayment, including the lease payments on property leased to Georgia Tech, as well as the lease of the Georgia Tech Hotel and Conference Center. Other funding sources include invested funds and the annual unrestricted Institute support budget. The financial statements are attached hereto as Exhibit A.

Finance Committee Report: Mr. Evans reported that expenditures were within the approved budgets for the first four months of fiscal year 2016. The Committee received an update on the EBB Loan and reviewed a projection of the loan balance. The Committee reviewed a projection of the balance of the Unrestricted Fund and discussed the impact that negative investment returns have on the value of the Fund. Mr. Evans reported that the Finance Committee discussed the use of the positive cash flow from the Foundation's ownership of the Georgia Tech Hotel and Conference Center. The Committee decided to add the positive cash flow to the Unrestricted Fund and maintain a record of the amounts added to the Fund. The positive cash flow from the Hotel will not be included as a funding source for the annual Unrestricted Budget, as it has for the past three years. Mr. Evans reported that the Committee will make a recommendation to the Board at the March meeting to net investment expenses, including the expenses of the Foundation's internal investment operation, against investment income, rather than including the expenses in the annual operating budget. He stated that the majority of the Foundation's peer group report investment returns and expenses in this manner.

As a result of this change, the Foundation will be able to reduce its endowment fee from 0.85% to 0.75% for fiscal year 2017.

Audit Committee Report: Mr. Atkinson stated that the Committee received a report from Mr. Dozier regarding the information technology security assessment that will be conducted in the next few months. The Foundation has entered into a contract with a cybersecurity firm to review the Foundation's internal and external security. Mr. Atkinson reported that the Committee will engage KPMG to conduct the fiscal year 2016 audit. Mr. Atkinson recognized Ms. Radder of KPMG, who was present at the meeting, and thanked her for her efforts. He reported that KPMG completed the Agreed Upon Procedures (AUP) work, related to Georgia Tech's conversion of the Foundation's financial statements from FASB to GASB format. Mr. Atkinson stated that approximately 40 conflict-of-interest forms have been received. The Committee reviewed the disclosure received and will complete its review of the remaining forms at its next meeting. Mr. Atkinson reminded the trustees to review the Foundation conflict-of-interest policy and submit their disclosures. Mr. Atkinson reported that the Audit Committee elected him to serve as Chair of the Committee for a one-year term.

Committee on Trustees Report: Mr. Lientz stated that the primary function of the Committee on Trustees is to recommend qualified candidates for election as new trustees. The term for the new trustees will commence on July 1, 2016. Nominations are made by current trustees and also by the Georgia Tech administration and community. Mr. Lientz informed the trustees of information in the meeting materials regarding the nomination process. Nominees must have been a regular student of Georgia Tech, and no person may be elected to a term to expire later than the nominee's 72nd birthday. Mr. Lientz asked that nominations be submitted to Mr. Trujillo. The submission deadline for nominations is January 15, 2016. The Committee on Trustees will meet on February 22.

Development Committee Report: Mr. Anclien stated that the Alumni Association provided an update on the annual Roll Call. In addition, Mr. Jack Thompson provided an update on fundraising by the Athletic Association and athletic donations. Mr. Anclien reported that Ms. Wilkinson presented some information regarding the Counsel for Aid to Education's (CAE) survey, *Voluntary Support of Education*, to the Committee. The survey is a compilation of the giving information and provides graphs and peer comparisons. He reported that in fiscal year 2015, Georgia Tech reported \$119.1 million in gift income, the third highest on record for Georgia Tech. The percentage of alumni who are donors increased to 17.2% in fiscal year 2015. In Georgia Tech's peer group of public institutions, Georgia Tech was ranked third in alumni giving. The Gold Standard for Trustee Giving encourages trustees to give to Roll Call, to provide significant financial contributions to the current campaign, and to make planned gifts. He reviewed the status of trustee participation in the giving categories. The Committee discussed the importance of unrestricted fundraising and ideas to enhance unrestricted support to Georgia Tech. The Committee also discussed risks to unrestricted fundraising, including online giving and fundraising efforts to raise restricted contributions. The Committee discussed ideas of renaming the unrestricted fundraising effort to attract more donors and contributions. Mr. Anclien introduced Mr. Brock.

Mr. Brock stated that the final Campaign Steering Committee meeting occurred this morning. The leadership staff of the Office of Development was in attendance, which gave the Committee an opportunity to thank them for their hard work during the Campaign. A total of

91,000 donors contributed to Georgia Tech during the Campaign period, thanks in part to the work of the Alumni Association. Mr. Brock reported that each college and school met its fundraising goal for the Campaign. A total of 100 endowed chairs were established. The Campaign total is currently \$1.73 billion. The hope is that the fundraising total for the Campaign will exceed \$1.8 billion. Mr. Brock recognized the Class of 1965. They raised \$41 million under the leadership of Mr. Godbold, Mr. Harris, Mr. Moseley and Mr. Nease. The trustees applauded the Class of 1965. There is still one chair opportunity remaining: the Dean of the College of Sciences, a \$2.5 million chair. The naming opportunity for the EBB building is still outstanding. Mr. Brock stated that a number of Campaign celebrations have been scheduled nationwide in 2016. The final Campaign celebration will be at Sea Island, Georgia, in June. The real success of Campaign Georgia Tech is in changing the lives of students, supporting the units and their faculty, and improving the buildings and facilities. The funds raised from Campaign Georgia Tech will continue to support the Institute for many years to come and will help improve Atlanta, the nation and the world.

Investments Committee Report: Mr. Huang reported that investment markets were down in the third quarter; however, most of those losses have been recovered in the fourth quarter to-date. He stated the investment pool assets as of October 31, 2015, totaled \$1.491 billion. He reviewed the growth of the investment pool during the past year through September 30, including the cash inflows and outflows. The investment return for the one-year period through September 30 was -1.8% on a time lagged basis. The total fund annualized returns for the three-year, five-year and ten-year periods were +5.4%, +6.1% and +5.3%, respectively. Mr. Huang reported that the fund's relative performance as compared with the Higher Education Price Index (HEPI) plus 5% was -9.0%, -1.8%, -1.0% and -2.4% for the one-year, three-year, five-year and ten-year periods, respectively. Mr. Huang stated that the Committee engaged in a discussion of future Chinese and economic and investment prospects, and possible opportunities for the Foundation's investment program in China and other emerging markets. He stated that the Chinese economy is volatile and fragile and that there is a potential for the disorderly devaluation of the Chinese currency. Mr. Huang reported that the Committee reviewed the current asset allocation of the investment pool, which remains underweighted in U.S. stocks, overweighted in emerging market stocks, and overweighted in hedge funds. The Committee reviewed plans to liquidate \$13 million of an emerging market ETF position and reinvest the proceeds into existing actively managed emerging market equity accounts. He reported that the Committee reviewed plans to further diversify the fixed income fund. He indicated that the next Committee meeting would have a focus on the worldwide commodities market, including energy.

Real Estate Committee Report: Mr. Flanagan reported that Portman has obtained the tax incentives for its development of the 771 Spring Street block. The next step will be the signing of the lease with the Board of Regents for Georgia Tech's office space and the signing of an agreement to lease the land from the Foundation. Portman can then proceed with financing of the project. Georgia Tech is in the process of selecting a developer for the data center. Mr. Flanagan reported that the Foundation will need to execute two leases, one for the ground with the office tower, parking structure and retail, and one for the air rights for the data center. Negotiations are continuing, but the project is coming together well. The Georgia Tech Hotel and Conference Center is having a good year. He stated that revenues are up 9% and occupancy is at 76%. He reported that an offer has been received by a developer to purchase the police

precinct property. The Real Estate and Executive Committees have approved a motion to accept the offer for \$800,000 with a quick closing. The contract will stipulate a six-month transition period so that the City of Atlanta police personnel can re-locate from the property. Georgia Tech has been in contact with the City during this process. Mr. Flanagan reported that the residential development rights to the Academy of Medicine are under contract for approximately \$600,000. He stated that the Foundation owns additional development rights associated with the property. The Gearing property, which is a 25% interest in a property, recently was sold for \$6,000. Mr. Flanagan reported the Committee discussed the potential sale of the Cypress Street Parking lot, which is adjacent to the Academy of Medicine. The sale and development of the property could take place, while still meeting the parking needs of the Academy of Medicine.

Stewardship Committee Report: Mr. Stargel reported that Dean Alavi spoke to the Stewardship Committee on her experience of the impact of philanthropy on the Scheller College of Business. The College of Business is now ranked 23rd out of 326 MBA programs in the nation, and 29th out of 126 undergraduate programs in the nation. Dean Alavi reported that the College of Business had the top graduation rate of all the colleges and schools at Georgia Tech and the highest graduate starting salary. Mr. Stargel reported that Dr. Paul Kohn made a presentation to the Committee on the continued financial need of Georgia Tech students. This year, 7,400 students had demonstrated financial need. The average need was \$20,000 for in-state students and \$32,000 for out-of-state students. Dr. Kohn discussed the admittance process, which has moved from a formula-based system to a committee-based system. He stated that the Committee received a report on the use of the restricted fund accounts. The number of underwater endowments has increased, due to the recent investment losses in the investment pool. He reported that the annual endowment reports have been provided to the donors. Mr. Stargel reported that Dr. Peterson has appointed a committee to study and make recommendations for the future of the G. Wayne Clough Georgia Tech Promise Scholarship Program. The Tech Promise Scholarship program was established ten years ago. It has been very successful, and it needs to continue to grow. Currently, there are 153 Tech Promise Scholars. The Committee wants to assist Georgia Tech to increase the awareness of the Tech Promise Program across the state. It can become a marketing tool for Georgia Tech in recruiting students. Mr. Stargel thanked the trustees who started the Tech Promise Program and commended them for their foresight in establishing the program.

Executive Committee Report: Mr. Jones stated that the Executive Committee approved the sale of the police precinct and approved the advanced funding of the Elizabeth D. and Thomas M. Holder Faculty Fund in the Ernest Scheller Jr. College of Business. The approval of the advanced funding will enable Dean Alavi to immediately fill the Chair with an outstanding faculty member.

President's Report: Mr. Trujillo provided an update on the goals for fiscal year 2016. A goal for the investments team to implement the new asset strategy, and those target allocations, with the exception of equities, has been achieved. He stated that Mr. Joe Williams, an operations manager on the investments staff, will be retiring, and a new person will be hired. The goals in the finance area were to retain the Foundation's high credit ratings, achieve a 'clean' audit, manage a staff transition, review the endowment fee structure, and refinance the bond on the 771 Spring Street property. The Foundation has retained high ratings from S&P (AA+) and Moodys (Aa1), and they have reviewed the fee structure for endowments. A staff

transition in the accounting area, due to a retirement, has been seamless. The bond refinancing is expected to take place in 2016. The goals for the Information Technology office included the completion of the risk assessment audit, rolling out the new board portal and preparing recommendations for the ADVANCE 'end of life.' Mr. Trujillo stated that external and internal penetration tests will be conducted annually. The new board portal is live, and it will provide increased ease-of-use. The staff has begun the process of reviewing prospects to replace the ADVANCE platform. The Foundation's goals for real estate are to provide for the efficient sale of real estate assets, achieve the Hotel's operational goals, conclude the 771 Spring Street land lease, and complete the Hotel market review. The Committee has several properties that are under contract or consideration. The Hotel has been refreshed and the ballrooms are being remodeled. The Agreement to Lease has been signed with the master developer of the 771 Spring Street property, Portman Holdings. Discussions continue with the data center developer of the site. The Hotel was constructed with some foresight as to the potential to build and add further floors to the existing structure, should there be a demand for more rooms. An agreement would need to be worked out with the current partners who run the Hotel. Mr. Trujillo reported that the survey on the 2015 annual meeting provided very good feedback. Overall, the trustees expressed satisfaction with committee meetings and content. The trustees found that the programs were relevant, educational and interesting. He stated that the number one response to attend Board meetings was to network with other trustees. The Audit Committee received a copy of a Georgia Tech publication, *Navigating the Digital Age*. Mr. Trujillo offered copies to all the trustees. He stated that the Annual Report for the Foundation has been provided to the trustees, as well as Georgia Tech's Annual Report.

Mr. Jones thanked Mr. Trujillo for his hard work in negotiating the lease on the 771 Spring Street property.

Mr. Jones stated that the next Board of Trustees meeting will be March 10-11, 2016, in Atlanta, Georgia.

Meeting Adjourned: There being no further business, the meeting was adjourned.

Respectfully submitted,

Mark W. Long
Secretary

Approved:

Gary T. Jones
Chair

**Minutes of the Meeting of the Board of Trustees
December 10-11, 2015
Exhibit A, Page 1 of 2**

**GEORGIA TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
UNAUDITED OCTOBER 31, 2015, JUNE 30, 2015 AND
OCTOBER 31, 2014**

(in thousands)

	October 31, 2015	June 30, 2015	October 31, 2014
ASSETS			
Cash and cash equivalents	\$15,162	\$4,584	\$7,302
Capital reserve funds	8,556	8,524	7,186
Contributions receivable, net	106,917	97,083	56,552
Investments	1,514,752	1,564,727	1,527,487
Other assets	8,949	7,311	10,646
Lease receivable	154,470	163,155	163,155
Contributions receivable from remainder trusts	16,121	16,052	15,821
Charitable remainder trusts	23,300	23,005	23,902
Capital Assets, net of accumulated depreciation	34,725	35,104	35,527
Total assets	<u>\$1,882,952</u>	<u>\$1,919,545</u>	<u>\$1,847,578</u>
LIABILITIES			
Accounts payable	\$4,903	\$7,481	\$6,166
Commitment payable	8,248	8,248	8,765
Lines of credit	19,351	21,581	21,445
Note payable (EBB)	18,949	18,917	27,806
Bonds Payable, net of discount and premium	236,796	237,129	249,710
Amounts due to life beneficiaries	11,267	11,435	12,265
Deferred revenue	25,741	28,510	28,510
Funds held on behalf of GTAA	108,267	109,163	112,320
Other liabilities	13,337	9,439	12,677
Total liabilities	446,859	451,903	479,664
NET ASSETS	<u>\$1,436,093</u>	<u>\$1,467,642</u>	<u>\$1,367,914</u>
Total liabilities and net assets	<u>\$1,882,952</u>	<u>\$1,919,545</u>	<u>\$1,847,578</u>
Unrestricted Fund Balance	\$160,600	\$162,200	\$164,800
Unrestricted Fund Reserve	\$83,700	\$83,700	\$81,100

Minutes of the Meeting of the Board of Trustees
December 10-11, 2015
Exhibit A, Page 2 of 2

GEORGIA TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF
ACTIVITIES UNAUDITED FOR THE FOUR
MONTH PERIOD ENDED OCTOBER 31, 2015,
AS COMPARED WITH THE YEAR ENDED
JUNE 30, 2015 AND THE FOUR MONTH PERIOD
ENDED OCTOBER 31, 2014

(in thousands)

	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	4 months Total 10/31/15	12 months through 6/30/15	4 months through 10/31/14
Revenue						
Gift income	\$1,370	\$19,015	\$12,940	\$33,326	\$130,853	\$24,166
Lease revenue	6,141	0	0	6,141	13,611	6,356
Investment income (net of fees)	1,172	3,741	33	4,945	21,728	7,275
Net realized/unrealized gain (loss) on investments	(10,955)	(28,455)	(148)	(39,559)	7,471	(32,630)
Change in value of trusts and annuities	0	50	13	64	(588)	0
Other	714	6	0	720	1,503	441
Net assets released from restrictions	37,905	(37,905)	0	0	0	0
Total revenues	<u>\$36,347</u>	<u>(\$43,548)</u>	<u>\$12,838</u>	<u>\$5,637</u>	<u>\$174,578</u>	<u>\$5,608</u>
Expenses						
Program services	\$32,032			\$32,032	\$95,496	\$36,751
General and administrative	3,547			3,547	10,941	3,825
Fund raising	1,607			1,607	4,875	1,494
Total expenses	<u>37,186</u>	<u>0</u>	<u>0</u>	<u>37,186</u>	<u>111,312</u>	<u>42,070</u>
Changes in net assets	(\$839)	(\$43,548)	\$12,838	(\$31,549)	\$63,266	(\$36,462)
Net assets, beginning of period	<u>\$111,246</u>	<u>\$726,906</u>	<u>\$629,490</u>	<u>\$1,467,642</u>	<u>\$1,404,376</u>	<u>\$1,404,376</u>
Net assets, end of period	<u>\$110,407</u>	<u>\$683,358</u>	<u>\$642,328</u>	<u>\$1,436,093</u>	<u>\$1,467,642</u>	<u>\$1,367,914</u>