

Georgia Tech Foundation, Inc.
Minutes of the Meeting of the Board of Trustees
March 15, 2019

The Board of Trustees of Georgia Tech Foundation, Inc. met at 8:30 a.m. on Friday, March 15, 2019, in the Georgia Tech Hotel and Conference Center Ballroom in Atlanta, Georgia.

Elected trustees present were: Pamela W. Arlotto, Jerome A. Atkinson, Kelly H. Barrett, Richard L. Bergmark, Steve W. Chaddick, Karl F. Dasher, Stephen M. Deedy, Robert L. Dixon, Jr., David W. Dorman, Michael T. Duke, Walter G. Ehmer, James O. Etheredge, David D. Flanagan, D. Fort Flowers Jr., Lara O. Hodgson, Thomas M. Holder, Lawrence P. Huang, Richard B. Inman Jr., Michelle E. Jarrard, Andrea L. Laliberte, John S. Markwalter Jr., Robert Milton, H. Ronald Nash Jr., Thomas E. Noonan, Randall E. Poliner, Frances G. Rogers, Mark C. Teixeira, John R. Wells, Janice N. Wittschiebe and Glenn T. Wright.

Ex-officio voting trustees present were: Bird D. Blich and G. P. Peterson.

Board Officers present were: John F. Brock III, Joseph W. Evans and Gregory J. Owens.

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

Ex-officio non-voting trustees present were: Chaouki T. Abdallah, Rafael L. Bras and Barrett H. Carson.

Trustees Emeriti present were: Ronald W. Allen, Robert A. Anclien, Bobby Joe Anderson, John C. Bacon, G. Niles Bolton, J. Randall Carroll, John B. Carter Jr., Joel H. Cowan, Ben J. Dyer, H. Allen Ecker, L. Thomas Gay, Marion B. Glover Jr., Jere W. Goldsmith IV, J. William Goodhew III, Thomas L. Gossage, George C. Guynn, Garnett L. Keith Jr., G. William Knight, Aaron J. Land Jr., James R. Lientz Jr., H. Bruce McEver, Wade T. Mitchell, Charles D. Moseley, Thomas H. Muller Jr., Don Pirkle, Charles A. Smithgall III, John C. Staton Jr., William J. Todd and John H. Weitnauer Jr.

Others present were: Thomas J. Barranco, Dwight D. Dozier, Lynn M. Durham, Leslie M. Evans, Brian H. Pellegrino, Dene H. Sheheane, Cailen A. Spratling, John M. Stein and Patricia H. Wichmann.

Welcome: Mr. Brock welcomed the trustees and visitors to the 564th meeting of the Board of Trustees. He commended President Peterson and his leadership team. Mr. Brock stated that Georgia Tech's transformation over the past ten years has been remarkable. The trustees applauded Dr. Peterson.

Georgia Tech Campus Update: Dr. Peterson stated that the incoming freshman class is very qualified and diverse. A total of 36,000 students applied for the class of 3,000. He reported that the admissions rate is now between 18% to 19%, whereas, ten years ago, it was 68%. The incoming students are very involved in leadership and community activities. Dr. Peterson stated that Ms. Ling-Ling Nie is Georgia Tech's new General Counsel and Vice President for Ethics and Compliance. Ms. Renee Kopkowski is the new Vice President for Institute Communications. The search committee for the Executive Vice President for Administration and Finance has selected finalists for the position. He reported that there are several other searches underway, including the search for the Director of GTRI and dean positions.

Dr. Peterson reported that the InVenture Prize competition took place on March 13. There is also an ACC InVenture Prize, as well as an InVenture Challenge that will be for high school students throughout Georgia. CREATE-X has been a very successful program to encourage entrepreneurship. In total, the student-created companies have a valuation of \$300 million. The formal opening of Coda, in Technology Square, will be in May. Dr. Peterson reported that the Tech Square Phase III project will be comprised of three buildings: Industrial and Systems Engineering, the Graduate Programs for the Scheller College of Business, and the Department of Economic Development. He reported that \$4.3 million in planning and design funds are included in the 2020 budget and it is expected that \$55 million for the project will be included in the 2021 budget. He stated that the project will cost between \$200 and \$220 million. A total of \$75 million will be raised from donors. Approximately half the space in each of the two large buildings will be leased to outside companies. Dr. Peterson stated that the University System of Georgia has undertaken a Comprehensive Administrative Review (CAR). Each institution has been asked to evaluate the administrative processes and structure to streamline efficiencies. Georgia Tech was the first research university to go through the CAR. Georgia Tech evaluated its processes based on the growth that has occurred within the past five to ten years. The number of applications has increased from 11,500 to 37,000; however, the Admissions staff has only increased by 20%. This year, Georgia Tech expects to exceed \$1 billion in externally-funded research, which is a 90% increase from ten years ago. The number of invention disclosures has increased by 42%, and the number of new patents has increased by 130%. A significant portion of the invention disclosures and new patents are registered by Georgia Tech students. Gross square footage has increased by 7%. Dr. Peterson presented a video that featured in-person surprise notification of a high school acceptance. Dr. Peterson thanked the trustees for everything that they do to support Georgia Tech.

Approval of Minutes: Mr. Brock stated that copies of the minutes of the meeting of the Board held on December 13-14, 2018, had been distributed to the trustees. Mr. Brock asked if there were any comments or changes. On motion, the minutes of the meeting held on December 13-14, 2018, were unanimously approved as distributed.

Treasurer's Report: Mr. Owens reported that the assets totaled \$2.225 billion as of January 31, 2019. The net assets totaled \$1.677 billion and liabilities totaled \$548 million. He reviewed the growth of the Foundation's assets and net assets since fiscal year 1996. He reported that as of January 31, the investment assets totaled \$1.755 billion, leases receivable totaled \$127 million, contributions receivable was \$125 million and capital assets totaled \$148 million. Mr. Owens reported that in regards to liabilities, bonds payable totaled \$242 million and the funds invested for the Georgia Tech Athletic Association totaled \$116 million. Notes payable increased to \$96 million, due to the purchase of two real estate properties during the year. The revenue reported for the seven months ending January 31, 2019, as compared with the prior fiscal year, indicated an increase in gift income and a decrease investment earnings. Gift income and investment earnings for the seven month period totaled \$64 million and -\$22 million, respectively. Total revenue was \$59 million. Mr. Owens stated that program services expenditures are forecasted to be \$98 million in fiscal year 2019. A total of \$33 million was projected to be expended on student support, benefitting more than 4,000 students with scholarships and fellowships. A total of \$22 million was expected to be expended on faculty support, including more than 200 chairs and professorships. The financial statements are attached hereto as Exhibit A.

Finance Committee Report: Mr. Owens reported that S&P Global recently reaffirmed the Foundation's rating as AA+, with stable outlook. He stated that Foundation has the highest credit rating of any public university foundation rated by S&P in the country.

Mr. Owens stated that the Committee reviewed the fiscal year 2019 budgets. All current expenses are in line with the budgeted amounts. The Committee also reviewed the six-year projection of debt from fiscal year 2019 to fiscal year 2024. If the Foundation does not take on significant amounts of debt within the next five years, the debt will be reduced from \$354 million to \$275 million. Mr. Owens reported that the Committee reviewed the debt policy ratios and one balance sheet ratio is out of compliance with the policy. This is due to the additional borrowing related to the purchase of the Randall Brothers property. The balance sheet ratio, which is out of compliance, is the value of the Unrestricted Fund and Quasi-Unrestricted Funds as compared with debt financed by internal sources. The ratio should not be less than 2.5. It is currently 2.3. The ratio is below the target, which was anticipated and considered when the Board approved the purchase of the Randall Brothers property.

Mr. Owens reported that the Finance Committee recommended approval of an income allocation percentage of 4.87%, which includes a fee of 0.72%, for fiscal year 2020. He stated that the fee is lower than fees charged by other university foundations. The Committee decided to retain the same allocation percentage as fiscal year 2019. This budget will make available \$31.87 million in unrestricted funds to the Institute and to the Alumni Association, which is an increase of 4.0% over the fiscal year 2019 budget. On motion, the Board approved a resolution to allocate for expenditure 4.87% from the endowment funds for fiscal year 2020. The resolution is attached hereto as Exhibit B.

He reported that the Foundation has a limited guaranty agreement in the amount of \$4.8 million to support a letter of credit pertaining to an obligation Georgia Advanced Technology Ventures (GATV) has under a rental agreement. The current letter of credit expires in June 2019. GATV makes an annual fee payment to the Foundation for its guaranty. The Institute has requested continuation of the guaranty for up to three additional years and the Finance Committee approved the request. On motion, the Board approved the continuation of the Foundation's guaranty for up to three additional years to support a letter of credit pertaining to GATV in the amount of \$4.8 million.

Audit Committee Report: Ms. Barrett thanked Mr. Atkinson for his service as a member of the Audit Committee. She stated that Mr. Atkinson's term concludes in June and he will become an emeritus trustee. The Committee completed an annual self-evaluation, which was done anonymously via an electronic survey. The Committee's self-evaluation provides necessary oversight and good governance. She reported that Mr. Trujillo provided an update to the Committee on the compliance and ethics training for Foundation employees. The Committee reviewed the conflict-of-interest disclosures. She reported that forms were received from all of the trustees and there were no areas of concern to report to the Board. Ms. Barrett reported that the Committee approved the engagement letter for the annual audit. KPMG has been retained to conduct the fiscal year 2019 audit.

Committee on Trustees Report: Mr. Brock stated that Mr. Trujillo would be presenting the report for Mr. Jones. The Committee on Trustees met to consider new trustee recommendations. A significant number of nominations were submitted. Mr. Brock recognized

Mr. Jones for his hard work during the process of determining who should be invited to serve on the Board. Mr. Trujillo reported that the Committee's nominations are as follows:

Board officers to serve a two-year term, commencing on July 1, 2019: John F. Brock III, Past Chair; Joseph W. Evans, Chair; Gregory J. Owens, Vice Chair-Chair Elect; Thomas M. Holder, Treasurer.

Corporate officers to serve a one-year term, commencing on July 1, 2019: Al Trujillo, President; Mark W. Long, Secretary.

Trustees to serve a second four-year term, commencing on July 1, 2019: Pamela W. Arlotto, Kelly H. Barrett, Paul J. Brown, Steve W. Chaddick and John S. Markwalter Jr.

Trustees to serve a four-year term, commencing on July 1, 2019: David A. Bottoms, Frances L. Cashman, Christopher W. Klaus, Wonya Y. Lucas, Carl D. Ring, David P. Rowland, Ricardo Salgado and Karen C. Thurman.

Trustees emeriti: Jerome A. Atkinson, Michael T. Duke and Gary T. Jones.

Audit Committee to serve a one-year term, commencing on July 1, 2019: Kelly H. Barrett, Richard L. Bergmark, Robert L. Dixon Jr., Robert N. Stargel Jr. and Karen C. Thurman.

On motion, the voting trustees unanimously approved the nominations of the Committee on Trustees.

Mr. Trujillo reported that the trustees whose first term expires on June 30, 2019, are: Pamela W. Arlotto, Kelly H. Barrett, Paul J. Brown, Steve W. Chaddick, Michael T. Duke and John S. Markwalter Jr. He reported that the trustees whose second term expires on June 30, 2019, are: Jerome A. Atkinson, Laurie D. Bagley, David W. Dorman, Thomas A. Fanning and David D. Flanagan.

Development Committee Report: Ms. Jarrard invited trustees to contribute via gtgives.org and participate in National Giving Day. Ms. Jarrard reported on a presentation made by Ms. Churi of the Alumni Association. The Alumni Association staff contacted 29 peer institutions to learn how other universities administer their annual fund, including the levels of unrestricted giving and the benefits associated with each level. Georgia Tech traditionally gives better benefits to its donors at lower levels than other universities. However, the levels of unrestricted giving and the benefits associated with each level are not well understood by Georgia Tech donors. Other peer universities do a better job of communicating and being transparent on the levels of giving. She stated that there is an opportunity for the Alumni Association to streamline giving levels and make the benefits associated with each level clear. Specific recommendations will be presented to the Committee, after the recommendations have been approved by the Alumni Association Board. Ms. Jarrard stated that the four goals of Initiative 2020 are a \$125 million goal for intercollegiate athletics, a \$150 million goal for student support, a \$125 million goal for institute capital purposes and a \$125 million goal for institute program purposes. The Committee reviewed the progress toward the goals for each initiative. A total of

\$65.5 million has been raised toward the goal of \$125 for intercollegiate athletics as of February 28. She stated that fundraising efforts are focused on raising funds for the renovation of the Edge and Rice buildings. In the student support category, a total of \$48.3 million of a \$150 million goal has been raised. Ms. Jarrard stated that the areas of merit-based and international undergraduate support have been lagging other universities and require focused fundraising efforts. A total of \$1.22 million has been raised for institute capital purposes, which has a goal of \$125 million; however, a \$24 million commitment for Technology Square III will be announced formally at the annual meeting. Other priorities include the Library renewal project and the Campus Center renovation. Ms. Jarrard reported that \$117.9 million has been raised for institute program purposes toward a goal of \$125 million. Ms. Jarrard stated that as of March 4, 69% of current and 67% of emeritus trustees have made at least a \$1,000 unrestricted gift to Roll Call. 94% of current and 75% of emeritus trustees have made a \$25,000+ commitment over the preceding five years. 71% of emeritus and 46% of current trustees have participated in gift planning. Ms. Jarrard stated that Mr. Dozier gave a report on the Blackbaud CRM implementation to the Committee. Blackbaud will go live on March 31, 2019.

Investments Committee Report: Mr. Flowers stated the Investments Committee held two special meetings in addition to their regularly scheduled meeting. The Committee plans to present a revised Investment Policy Statement to the Board at the annual meeting. Mr. Flowers reviewed the growth of the investment pool for the year ending December 31, 2018, including the investments earnings and cash in-flows and out-flows. The market value of the investment pool as of December 31 was \$1.642 billion. He reported that December was a difficult month for financial markets. He also reviewed the total fund performance for the one, three, five and ten year periods, as well as a comparison of the returns with the Consumer Price Index (CPI) plus 5%, the Policy Portfolio and the Cambridge Endowment Composite. The fund vs. CPI plus 5% for the one year performed less than anticipated. As of February 28, 2019, the Foundation's asset allocation remains under-weighted in real estate and slightly over-weighted in private equity. Mr. Flowers provided an overview of the changes that will be recommended at the annual meeting. The strategic asset allocation will include equity and equity-like allocations, diversifying allocations and leverage. There is the opportunity to build a portfolio which results in long-term higher return and lower risk. Mr. Flowers discussed the mechanics of the implementation and the proposed modifications to the Investment Policy Statement.

Real Estate Committee Report: Mr. Holder stated that Georgia Tech personnel have begun to move into Coda. Georgia Tech occupied approximately half of the building and the other half is expected to be leased by companies to create a strong collaboration ecosystem. 75% of the space in Coda is already leased. The Georgia Tech Hotel and Conference Center continues to do well. The Biltmore property has been a good investment; a typical lease is signed for \$33/foot. Last night's reception featured the recently-completed renovation of the Biltmore lobby. Mr. Holder stated that they are making modest improvements to the Atlanta Technology Center (ATC). Georgia Tech is in the initial planning phase of determining the use for the Randall Brothers property. Mr. Holder remarked that the two remaining contributed properties are for sale.

Stewardship Committee Report: Mr. Wells stated that the Stewardship Committee received a report from Dr. Raghupathy Sivakumar, Founding Director of CREATE-X and Wayne J. Holman Chair in the School of Electrical and Computer Engineering at Georgia Tech. Dr.

Sivakumar presented two startups from CREATE-X. CREATE-X is a Georgia Tech initiative to instill entrepreneurial confidence in its students and empower them to launch startups. CREATE-X's 10-year vision is for Georgia Tech to be top startup campus in the country, to have 100% of every Georgia Tech class engaged and to create 300 new student startups per year. CREATE-X is divided into three parts: Learn, Make and Launch. So far, 115 new startups have been created with a total value of over \$150 million. There are currently 92 active startups. The most successful startup has annual revenue of more than \$35 million, and 29 new jobs were created by the largest startup. The entrepreneurial ecosystem at Georgia Tech has been significantly changed by the CREATE-X program. Mr. Wells recognized Mr. Klaus for his instrumental philanthropy for the CREATE-X program. Mr. Wells stated that CREATE-X has a Demo Day in August for those who wish to attend. The impact reporting on endowment funds is 37% complete. He reported that approximately 2,300 letters from student scholarship recipients have been sent to the donors of the scholarship. The Office of Development is actively encouraging meetings between donors and student recipients. Underwater endowments are those endowments in which the market value is less than original value of the gift. Due to the end-of-year market decline, there has been a slight uptick in the number of underwater endowments. Tax letters and the trust letters have been mailed to donors. Mr. Wells thanked the Foundation staff for their work in these areas.

Executive Committee Report: Mr. Brock thanked the Executive Committee members for their participation and hard work.

President's Report: Mr. Trujillo reviewed the priorities for fiscal year 2019, including the investment program implementation, the Blackbaud implementation and the continuing management of real estate. The investment program implementation is underway and in transition. The portfolio transition and organization installation has begun. Mr. Trujillo stated that the presentation of the new Investment Policy Statement at the annual meeting will require review and approval by the trustees. The Blackbaud CRM will go live on March 31, 2019; however, once Blackbaud goes live, then there is additional work to be done. User training has already begun. The project continues to be on track in budget, schedule and resources. Real estate management is ongoing. Each property is continuing to meet investment goals; however, prudent re-investments in each property will pay off. Mr. Trujillo reminded the trustees that it is important to look at the real estate capacity for Georgia Tech's future growth and development. Mr. Trujillo stated that the Foundation continues to look for strategic property. Mr. Brock introduced Mr. John Stein, Vice President of Student Life and Dean of Students.

Georgia Tech Student Mental Health Presentation: Mr. Stein stated that most Georgia Tech students have no mental health needs. However, Georgia Tech students have significant stress around certain times of the semester; and faculty, staff and students have to be aware of students who may be in crisis. Georgia Tech has a rigorous curriculum that causes stress. Mr. Stein differentiated students who are stressed vs. students who are in distress. Distress means that the student is not functioning as a student, such as not attending class or not taking tests. An increased number of students are entering universities with mental health needs. Often, the students are already in treatment, are taking medication, or have been hospitalized for mental health issues. The President and the executive leadership team, student leaders, and student organizations all work together to focus on mental health at Georgia Tech.

Mr. Stein presented charts on national trends. Between 2009 and 2015, the number of students visiting counseling centers nationwide increased by 30% on average, while enrollment grew less than 6%, according to the Center for Collegiate Mental Health 2018 Annual Report. Depression, generalized anxiety and social anxiety are going up, while alcohol use is going down. In Spring 2017, nearly 40% of college students said that they felt so depressed in the prior year that it was difficult for them to function. 61% stated that they had felt “overwhelming anxiety” during the same period. In 2010, the number of students seriously considering attempted suicide was 24%; and in 2016, the number of students considering attempted suicide had risen to 35.8%.

Mr. Stein stated that these national trends highlight the need for universities, including Georgia Tech, to increase resources devoted to rapid-access services. Anxiety has now become the most diagnosed mental issue, followed by depression. Recently, Georgia Tech hired additional mental health counselors. The Dean of Students has an online referral program. Students can be referred from faculty, advisors, other students, or parents. The majority of referrals are from faculty. The Dean of Students contacts the referred student and assesses the situation. Approximately, 80% of contacts result in a referral to the Georgia Tech Counseling Center. In the 2017 academic year, 2,665 students were contacted for various issues. Georgia Tech has 17 professional staff in the Counseling Center, including nine licensed psychologists, four doctoral interns and four post-doctoral interns. Nine professional mental health staff are located in Stamps Psychiatry, including five psychiatrists, three care coordinators and one practice manager. In the future, the Georgia Tech Counseling Center will be hiring three licensed therapists. These new therapists will be part of a satellite program to place therapists within colleges or schools. Georgia Tech is also creating the Center for Assessment, Referral and Education (CARE). Four new full-time staff will be hired for the center. CARE is a mental health triage center. Students will be referred to where they need to go, whether to academic counseling or tutoring, the Counseling Center, Stamps Psychiatry, or if they should be seen off campus. Long-term mental health needs are better served in the community. Mr. Stein stated that it is important that Georgia Tech help students and their families understand the scope of services. Georgia Tech’s services are limited. Counseling staff often works with the students to place them with responsible therapists in the community. Mr. Stein stated that the suicide prevention gatekeeper training is Question, Persuade, Refer (QPR). Since 2016, the QPR program has trained 2,778 individuals across the campus in recognizing crisis and identifying warning signs in people who may be contemplating suicide. The training sessions are open to all Georgia Tech faculty, staff and students and last two hours. Mr. Stein discussed the need for encouraging student resiliency despite failure or setbacks.

Georgia Tech Alumni Association Update: Mr. Todd stated that during his service as Interim President of the Alumni Association, he plans to strengthen and empower the management team of the Alumni Association, build bridges between the Institute, including the Office of Development, Athletics, and each department, and the Alumni Association and to assist the Board of the Alumni Association to select 12 new trustees. The Search Committee for the new President of the Alumni Association has already been formed, and the search is already underway.

Mr. Blich stated that Mr. David Bottoms is the Chair of the Search Committee. Roll Call is one of Georgia Tech’s greatest traditions. Roll Call was begun in 1947 and is focused on unrestricted giving. He reported that recently, the Roll Call goal for the year was changed from \$10 million to \$6.9 million to focus and report on unrestricted gifts. Mr. Blich stated that the Alumni Association has added the tagline of Roll Call: Georgia Tech’s Fund for Excellence. There is a new focus on monthly recurring gifts and increasing retention of donors. Mr. Blich stated that

the Alumni Association is considering recognition of consecutive years as a giving society, promotion of new alumni leadership giving and the associated benefits of various giving levels. Georgia Tech Giving Day is taking place until noon today. The 72nd Roll Call has raised \$6.08 million to-date, with 25,270 donors. The goal is to raise \$6.9 million dollars with 31,761 donors. Mr. Blich stated that Mr. Todd has brought a sense of excitement and change to the Alumni Association, and he thanked him for his dedication and service to Georgia Tech. Mr. Blich also thanked the members of the Alumni Association's Executive Committee.

Library Next Video: Dr. Bras thanked Mr. Stein for his service as Dean and his dedication to student mental health. He showed the trustees a video on the Library Next.

Next Meeting: Mr. Brock invited the trustees and emeritus trustees to remain after the meeting to attend a presentation from the Georgia Tech President Search Committee, led by Regent Ben Tarbutton. Mr. Brock announced that the annual meeting of the Board of Trustees will be June 13 through 15, 2019, in Sea Island, Georgia.

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

Respectfully submitted,

Mark W. Long
Secretary

Approved:

John F. Brock III
Chair

Minutes of the Meeting of the Board of Trustees
March 15, 2019
Exhibit A, Page 1 of 2

GEORGIA TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
UNAUDITED JANUARY 31, 2019, JUNE 30, 2018
AND JANUARY 31, 2018

(in thousands)

	January 31, 2019	June 30, 2018	January 31, 2018
ASSETS			
Cash and cash equivalents		\$9,910	\$10,377
Restricted cash	566	749	980
Capital reserve funds	12,600	11,008	9,224
Contributions receivable, net	124,801	104,635	94,010
Investments	1,755,563	1,758,924	1,778,665
Other assets	22,430	20,649	19,844
Lease receivable	126,682	136,231	136,231
Contributions receivable from remainder trusts	13,340	13,743	13,210
Charitable remainder trusts	14,391	14,432	14,918
Capital Assets, net of accumulated depreciation	147,537	111,683	111,184
	<u>\$2,225,250</u>	<u>\$2,181,964</u>	<u>\$2,188,644</u>
Total assets			
LIABILITIES			
Accounts payable	\$16,192	\$8,126	\$14,470
Commitment payable	6,158	6,615	6,721
Lines of credit	30,207	19,850	19,662
Notes payable	95,913	47,325	48,456
Bonds Payable, net of discount and premium	235,931	248,314	249,010
Amounts due to life beneficiaries	16,232	15,527	17,005
Deferred revenue	17,824	20,382	20,382
Funds held on behalf of other organizations	115,598	109,375	114,892
Other liabilities	14,178	13,016	11,613
	<u>548,233</u>	<u>488,530</u>	<u>502,211</u>
Total liabilities			
NET ASSETS	<u>\$1,677,017</u>	<u>\$1,693,434</u>	<u>\$1,686,433</u>
Total liabilities and net assets	<u>\$2,225,250</u>	<u>\$2,181,964</u>	<u>\$2,188,644</u>
Unrestricted Fund Balance	\$182,500	\$185,000	\$183,300
Unrestricted Fund Reserve	\$85,100	\$84,500	\$84,500

Minutes of the Meeting of the Board of Trustees
 March 15, 2019
 Exhibit A, Page 2 of 2

GEORGIA TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
UNAUDITED FOR THE SEVEN MONTH
PERIOD ENDED JANUARY 31, 2019, AS
COMPARED WITH THE YEAR ENDED JUNE 30, 2018 AND
THE SEVEN MONTH PERIOD ENDED ON JANUARY 31, 2018

(in thousands)

	Without Donor Restrictions	With Donor Restrictions	7 months Total 1/31/19	12 months through 6/30/18	7 months Total 1/31/18
Revenue					
Gift income	\$4,679	\$59,908	\$64,587	\$80,953	\$44,364
Lease revenue	9,995	664	10,660	17,291	9,660
Lease revenue (Biltmore)	5,160	0	5,160	8,996	5,021
Investment income (net of fees)	2,548	9,751	12,299	25,863	9,646
Net realized/unrealized gain (loss) on investments	(9,311)	(24,906)	(34,217)	119,852	129,324
Change in value of trusts and annuities	0	9	9	1,763	470
Other	760	7	767	989	934
Net assets released from restrictions	58,877	(58,877)	0	0	0
Total revenues	<u>\$72,708</u>	<u>(\$13,445)</u>	<u>\$59,265</u>	<u>\$255,707</u>	<u>\$199,419</u>
Expenses					
Program services	\$62,757		\$62,757	\$94,845	\$60,270
General and administrative	5,322		5,322	13,753	5,292
Biltmore property expenses	4,622		4,622	8,100	4,767
Loss on extinguishment of debt	0		0	2,654	2,159
Fund raising	2,981		2,981	5,377	2,954
Total expenses	<u>75,682</u>	<u>0</u>	<u>75,682</u>	<u>124,729</u>	<u>75,442</u>
Changes in net assets	(\$2,974)	(\$13,445)	(\$16,417)	\$130,978	\$123,977
Net assets, beginning of period	<u>\$172,436</u>	<u>\$1,520,998</u>	<u>\$1,693,434</u>	<u>\$1,562,456</u>	<u>\$1,562,456</u>
Net assets, end of period	<u>\$169,462</u>	<u>\$1,507,553</u>	<u>\$1,677,017</u>	<u>\$1,693,434</u>	<u>\$1,686,433</u>

Minutes of the Meeting of the Board of Trustees
March 15, 2019
Exhibit B

Georgia Tech Foundation, Inc.
Resolution regarding income allocation

RESOLVED, that the Georgia Tech Foundation shall allocate for expenditure for fiscal year 2020 from the restricted or unrestricted endowment funds four and eighty-seven one hundredths of a percent (4.87%) of the twelve (12) quarter average market value per unit for the period ending December 31, 2018, which includes a 0.72 percent allocation for recovery of direct and indirect costs. Investment expenses, including expenses of the Foundation's internal investment operation, shall be netted against investment income.