

GEORGIA TECH
FOUNDATION
ANNUAL REPORT 2017



Georgia Tech
Foundation, Inc.

MISSION STATEMENT

It is the mission of the Georgia Tech Foundation, its Board of Trustees, officers, and staff to foster and manage gifts given in support of academic excellence in the spirit and traditions of the Georgia Institute of Technology. The Foundation is honored to be entrusted with this mission and encourages every person working on its behalf to always:

- » Promote the cause of higher education in the State of Georgia
- » Receive and manage financial donations received by the Foundation for support and enhancement of the Georgia Institute of Technology
- » Assist the Georgia Institute of Technology in its role as a leading educational and research institution

The Georgia Tech Foundation is dedicated to continuing this mission, as it has since 1932, and pledges to faithfully provide to the Georgia Institute of Technology the support it so richly deserves.

The chandelier and restored ceiling of the Biltmore's Imperial Ballroom recall the building's stately heritage.

Dear Georgia Tech Alumni and Friends,

Serving as your Georgia Tech Foundation Chair for the past two years has been one of the highest honors and greatest privileges of my long “career” as a devoted Yellow Jacket.

That career began for me 50 years ago when I enrolled as a freshman and then graduated from the College of Management, which is today the nationally ranked and academically prestigious Scheller College of Business. The College — and the wider Georgia Tech experience — helped me develop the critical thinking skills and the drive to build what my wife, Libby, and I consider to be an exceptional life for our family. After retiring from Credit Suisse First Boston back in 2002, I had the great fortune of continuing the relationship with my alma mater in a new way — as a professor of the practice in finance at the Scheller College — a rare opportunity to serve and interact with students afforded to precious few Tech alumni.

Then, in 2015, yet another gem of an opportunity to serve the Institute presented itself — becoming chair of the Georgia Tech Foundation Board of Trustees.

As my fellow Foundation board members certainly know, being entrusted with the stewardship of the funds given by our thousands of loyal alumni and treasured friends is at once daunting and inspiring. Risk and fluctuation will always be par for the course in financial markets, but what has given me long-term confidence about Georgia Tech’s position is seeing the determination, passion, and wisdom with which our trustees and our professional leadership staff discharge their responsibilities. The resources of our beloved Institute really could not be in finer hands.

Here, I want to recognize Georgia Tech Foundation President Al Trujillo and his senior leadership team. They have played a critical role in helping us achieve a wonderful measure of success, and they’ve laid the groundwork for even stronger performance in the future. Their leadership is inspiring.

As I step into the role of past chair, I want to share with you what I believe are some amazing accomplishments of the past couple of years:

- Finalizing the purchase of the historic Biltmore, a truly fantastic addition to our thriving innovation ecosystem. (Read more about the Biltmore on page 4.)
- Launching the Risk Management Committee, which completed an enterprise risk assessment that will be key to identifying and mitigating the risk we face.
- Surpassing the \$2 billion mark in total assets for the first time ever.
- Celebrating the funding and dedication of the Roger A. and Helen B. Krone Engineered Biosystems Building.
- Finalizing the lease and refinancing the debt related to the Coda building.

As a result, over the past two years:

- More than \$55 million has been awarded to Georgia Tech students in scholarships and fellowships to assist in their education.
- More than 3,750 students each year have benefited from this support.
- Nearly 200 students received endowment support as Georgia Tech Promise scholars.
- More than \$225 million has been expended in support of Georgia Tech.



As my good friend John Brock acclimates to his new role as chair of the Foundation Board of Trustees, I pledge my enthusiastic support to him and the entire board. I can’t wait to see what Tech’s future holds!

GARY T. JONES, IM 1971
CHAIR, GEORGIA TECH FOUNDATION
BOARD OF TRUSTEES 2015-2017

Dear Friends and Supporters of Georgia Tech,

I am pleased to share the news that Fiscal Year 2017 was an excellent year for the Georgia Tech Foundation. The strong performance of our investment portfolio last year strengthens the level of resources we are able to provide to our students, our faculty, and our facilities.

Our role as steward of endowment gifts made by generous alumni and friends is paramount in the work of our trustees and our professional staff. The more successful we are in fulfilling this responsibility, the more successful Georgia Tech's students and faculty are in realizing their full potential — which ultimately bodes well for our state, our nation, and even our planet.

The momentum we experienced in FY2017 — and that we continue to experience now — is illustrated clearly in the following examples:

- **The Historic Biltmore:** In October 2016, the Georgia Tech Foundation finalized its purchase of the Historic Biltmore. This iconic structure — deeply ingrained in Georgia Tech's heritage — now has a permanent home as part of the Institute's renowned innovation ecosystem that was born in Technology Square. We are delighted to have helped ensure an important role for the Biltmore in the 21st century.
- **Investment Performance:** The pages of this Annual Report contain data that reflect the excellent performance of the Foundation's investment portfolio this past fiscal year. A critical ingredient in our portfolio's success has been the astute leadership and expertise of Jim Taylor, our chief investment officer, who has announced his intention to retire this year after nine highly successful years of service to the Foundation. We are deeply grateful for Jim's wisdom and guidance over the years, and we wish him all the best in his retirement.
- **Donor Relations:** For more than two decades, the Foundation, the Georgia Tech Office of Development, and the Georgia Tech Alumni Association have utilized the Ellucian Advance system for maintaining vital information and records related to the Institute's thousands of generous donors. As the lifespan of Advance approaches its end, we are working diligently to inaugurate a modern donor information system called Blackbaud CRM®. The transition to Blackbaud — a process that will take 24 months to complete — will dramatically improve the quality and usability of vital donor information that is crucial to our philanthropic efforts.
- **Board Leadership:** This past June marked the end of Gary Jones' two-year term as chair of the Georgia Tech Foundation Board of Trustees, and the beginning of John Brock's tenure as chair after serving as vice chair-chair elect. As we thank Gary for his dedicated and tireless service, we also welcome John and look forward to the benefit of his perspective as co-chair of the highly successful Campaign Georgia Tech. This seamless transition in leadership reflects a governance structure that has been in place since the creation of the Georgia Tech Foundation more than eight decades ago, a structure that consistently provides great continuity in leadership for the Foundation.



All of these individual advancements and initiatives have a common purpose — to continually support and strengthen Georgia Tech's people and its reputation. I extend my heartfelt thanks to all the trustees, alumni, Foundation staff, and many other friends who have worked so diligently to make Georgia Tech one of the most prestigious universities in the world. We look forward to an even brighter future.

A handwritten signature in black ink, appearing to read 'Al Trujillo'.

AL TRUJILLO, AE 1981
PRESIDENT
GEORGIA TECH FOUNDATION



Foundation Investment Pool Shows Strongest Performance in Six Years

Despite heightened investor fears growing from the United Kingdom's Brexit vote in June 2016 and general expectations of rising short-term interest rates in the United States, the global investment market turned in one of its best 12-month returns in recent years during Fiscal Year 2017, with nearly every major asset class, except U.S. bonds, reporting gains.

This positive global picture provides context for what proved to be an excellent year for the Georgia Tech Foundation's (GTF) investment pool.

The GTF investment pool enjoyed its best fiscal year performance since 2011. The pool gained 14.6 percent for the year, outperforming its policy portfolio by more than 150 basis points and Cambridge Associates' median endowment and foundation universe return of +13.0 percent.

Other performance highlights include the investment pool's public equity portfolio gaining 18.5 percent for the year, with its U.S. equities rising 17.3 percent, and its international equities up 19.8 percent. The Foundation's long/short equity hedge funds turned in an +18.3 percent return for the fiscal year, while the private investment portfolio gained 14.2 percent, led by a 26.8 percent gain by its buyout partnerships.

For the fiscal year ending June 30, 2017, the GTF investment pool began with a balance of \$1.46 billion. During the fiscal year, \$68 million in new gifts were added to the pool, and pool investments generated another \$203 million in net investment income. These inflows helped to fund the \$131 million that the investment pool paid out during the

year in support of the Institute and its faculty, students, and programs. The investment pool ended the fiscal year with a balance of \$1.60 billion.

Significant value-added returns versus benchmarks were provided by the investment pool's fixed income, hedge fund, and private equity managers during the year. Strong relative returns by GTF's public equity managers during the last half of the fiscal year also added to the investment pool's return for the year.

As of June 30, 2017, the investment pool had a 43 percent allocation to global equities, 12 percent to fixed income and cash, 22 percent to hedge funds, and 23 percent to private investments. Over the fiscal year, the allocations within the investment pool remained mostly unchanged, with only a slight increase in exposure to international equities and a small reduction to fixed income and cash. The investment pool remains marginally underweight in terms of U.S. equities and overweight in terms of hedge funds versus its long-term policy benchmark.

Over the long term, the Georgia Tech Foundation investment pool seeks to meet or exceed the dual investment return objectives of inflation plus 5 percent annually (in order to maintain intergenerational equity), and the performance of the investment policy portfolio established by the Investments Committee of the Foundation Board of Trustees. The Investments Committee reviews the policy portfolio's composition periodically to better meet ever-changing long-term economic and investment opportunities and challenges.

+14.6%
Gain for the
Year

+18.5%
Public Equity

+17.3%
U.S. Equities

+19.8%
International
Equities

+18.3%
Long/Short
Equity Hedge
Funds

+14.2%
Private
Investment
Portfolio



HISTORIC BILTMORE

continues to thrive as vital aspect
of Tech’s innovation ecosystem

Thanks to the extraordinary vision demonstrated by the Georgia Tech Foundation Board of Trustees last year, the vital role of the historic Biltmore in Technology Square’s innovation ecosystem is assured for many years to come.

The Biltmore — whose purchase was finalized by the Foundation in October 2016 — is iconic not only in a visual sense but also in its role as a bridge from Georgia Tech’s proud history to its present and future as a global technological leader.

A proud and storied heritage

After its opening in April 1924, the Biltmore was a focal point of social life in Atlanta for almost 60 years. It served as a gathering place for the city’s residents attending events from high-society galas to civic association meetings and local political fundraisers. Designed by architect Leonard Schultze and built by the Starrett Brothers construction firm, the hotel also provided luxurious accommodations for travelers from across the country and around the world. During its early years, it was a symbol of Atlanta’s leadership role in the New South, helping to establish a modern image of the city.

Once known as the South’s supreme hotel, the Atlanta Biltmore staged galas, tea dances, debutante balls, and recitals by visiting Metropolitan Opera stars. It served luminaries such as U.S. Presidents Franklin D. Roosevelt and Dwight D. Eisenhower; Hollywood stars such as Mary Pickford and Bette Davis; and heroic cultural figures such as Charles Lindbergh. The building was the initial home of the Atlanta Historical Society (now the Atlanta History Center) and the meeting place for many of the city’s civic organizations.



The Biltmore, which opened in 1924, hosted high-profile social, political, and cultural events for nearly six decades. The image above shows the building’s transformation from historic (left) to current (right).

For more than 30 years, WSB — the South’s first radio station — broadcasted from its studios within the hotel. The station’s radio towers positioned on the hotel roof became a landmark on the city skyline.

The Biltmore’s proximity to campus helped it to quickly become interwoven into the fabric of Georgia Tech social life. The hotel was the site of countless festive and elegant events enjoyed by Georgia Tech students and a number of Agnes Scott College students who attended as their dates. Many of those Georgia Tech/Agnes Scott pairings would ultimately result in wedding bells!

In the 1960s, the once-prominent hotel felt competition from Atlanta’s modern downtown hotels, and in 1967, the Sheraton chain took over operations of the Biltmore. The corporation spent \$5 million in renovations, but eventually sold the business to another firm in 1979. Biltmore Hospitality Partners ran the hotel until 1982, when that company finally shuttered the hotel and sold many of its furnishings.

Sadly, the Biltmore fell into disrepair in the 1980s, when it was closed for a failed conversion into apartments. In 1998, the property was purchased by the Novare Group, whose founder, president, and CEO is James R. Borders, ME 1983, a loyal and devoted Georgia Tech alumnus and member of the Foundation Board of Trustees. Novare adapted the building into loft office space, and the elegant ballrooms that were a part of the original Biltmore were restored to their former glory.

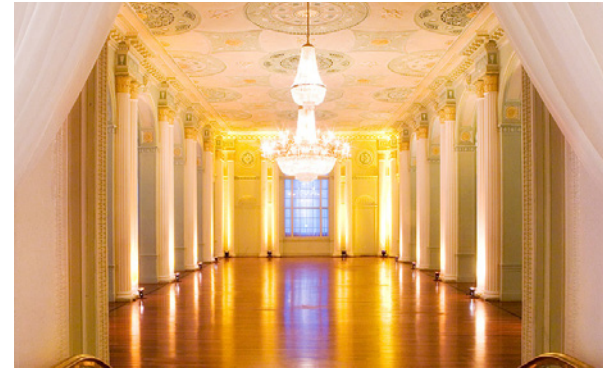
A new chapter focused on technology

Today, the 290,000-square-foot Biltmore — offering loft office, retail, and ballroom space — is a key player in the Technology Square innovation ecosystem that has gained national and global attention. Located directly across West Peachtree Street from Technology Square, the Biltmore is occupied predominantly by engineering firms, energy companies, and late-stage technology startups.

Among the numerous companies that are thrilled to call the Biltmore home is Sensus, a smart infrastructure business focused on delivering smart meters, robust communications platforms, advanced data analytics, and innovation software applications to the water, gas, and electric industries. In fall 2016, Sensus was acquired by Xylem, a leading global water technology company committed to developing innovative technology solutions to the world’s water challenges.

“We believe the Biltmore adds to the culture we have created in our software engineering and analytic development team,” said Brian Crow, executive vice president, Analytic and Software Solutions. “The loft feel and aesthetics promote creativity within our employees. This is very

The Georgian Ballroom (right) and Imperial Ballroom were restored by Novare Group under the leadership of Georgia Tech alumnus James R. Borders.



important to us from a retention and job satisfaction, as well as from a recruiting, perspective. The location in Midtown is conducive to those employees who like to use MARTA as well as attracting new graduates and student interns. We have a long history of working with the Institute, and now having the Foundation as the landlord just solidifies our connection. We have a lot of customers in Georgia, and it is important that we show that our business is investing in the local economy and providing not just products to our customers, but also jobs for the region and recognition on the national level of the innovative work that is coming out of our Atlanta office.”

One of Sensus’ Biltmore neighbors is SouthStar Energy Services, a subsidiary of Southern Company Gas. Atlanta-based SouthStar is a preeminent retail natural gas marketing company operating in 10 states. The company manages a portfolio of brands including Georgia Natural Gas. Formed in 1998, SouthStar has grown to serve nearly 750,000 residential, commercial, and industrial customers, making it one of the largest retail energy marketers in the U.S. and the number one gas marketer in Georgia.

“The Biltmore was converted to an office building in 1999, one year after SouthStar began doing business as Georgia Natural Gas,” said SouthStar President Michael A. Braswell, IE 1987. “The Biltmore is strategically located in the heart of Midtown and in close proximity to Georgia Tech. SouthStar has been a longtime supporter of Georgia Tech and actively recruits Tech alumni for many of its career openings. Since the ultimate mission of the Georgia Tech Foundation is to promote the cause of higher education in Georgia, having the Foundation as a landlord is a perfect complement to SouthStar’s community-oriented focus of supporting children and education.”



Today, the Biltmore features restored historical elements as well as modern meeting spaces.

A future assured

The Atlanta Biltmore Hotel and Biltmore Apartments were placed on the National Register of Historic Places in 1980, an undeniable acknowledgement of the timeless architecture that has dazzled Atlanta residents and visitors alike for nearly a century.

“The purchase of this property will not affect the historical status of the Biltmore building,” said Georgia Tech Foundation President Al Trujillo at the time of the purchase last fall. “We will continue the legacy of appropriate financial and operational stewardship of this remarkable treasure.”



ADVANCE TO BLACKBAUD

Foundation is leading transition to new, modern CRM system

The Georgia Tech Foundation (GTF) has begun implementation of a new Advancement Customer Relationship Management (CRM) system with the goal to help power the mission and future aspirations of the Institute.

Over the past 16 months, GTF has led an extensive CRM evaluation process — including the Georgia Tech Office of Development, the Alexander-Tharpe Fund (A-T), and the Georgia Tech Alumni Association — to select a new, modern, and comprehensive CRM solution to enhance constituent engagement, philanthropic outcomes, and collaboration. After extensive evaluation, the Foundation has selected the Blackbaud CRM® system to power its next generation of fundraising and alumni programs.

Goals of the Foundation’s Blackbaud CRM project include:

- improving collaboration across units and access to information;
- driving increases in fundraising and engagement;
- utilizing best practices for data management and development processes;
- implementing “best-in-class” technology;
- increasing productivity through consolidation of external processes and systems;
- enabling the use of web and mobile applications that will allow end users to access information from any location; and
- enabling the use of analytics to deepen and enhance constituent engagement.

The Blackbaud CRM system, targeted for completion in early 2019, will replace the current Ellucian Advance System, which Georgia Tech has used for more than 20 years.

“Over the past two decades, the technological needs of Georgia Tech’s fundraising and Alumni Association staff have changed dramatically,” said Dwight D. Dozier, chief information officer at GTF. “Implementing the new Blackbaud CRM system will provide unprecedented flexibility and access for these key staff members, who are so vital to realizing the Institute’s strategic goals. The Foundation is honored to lead this important effort.”

Endowed Scholarship Support Continues to Grow

Supporting Georgia Tech’s world-class students is integral to the Georgia Tech Foundation’s mission. Foundation trustees and professional staff work diligently to ensure that endowed scholarship funds given by our generous donors provide the maximum level of financial support while assisting as many deserving and talented students as possible.

Numerous alumni and friends made gifts and commitments in support of endowed scholarships in Fiscal Year 2017. Listed below are a few of those donors whose philanthropy will help create a brighter future for deserving Tech students.

- Friends and colleagues of **Mary Rockett Brock**, HON Ph.D. 2016, and **John F. Brock III**, ChE 1970, MS ChE 1971, HON Ph.D. 2016, honored the couple with the establishment of the Mary Rockett and John F. Brock III Scholarship to provide support for students from Mississippi (their home state) with demonstrated financial need.
- Michelle L. Adkins, IM 1983, and Rodney C. Adkins, EE 1981, MS EE 1983, HON Ph.D. 2013, honored departing College of Engineering Dean and Southern Company Chair **Gary S. May**, EE 1985, and his wife, **LeShelle R. May**, MS OR 1989, by establishing a scholarship that will bear the couple’s names. The scholarship will also be a part of the endowed scholarship fund initiative of the Georgia Tech Black Alumni Organization.
- **Beth Sowell**, IE 1977, MS MOT 1996, and **Gary Sowell**, IE 1973, made an estate gift that will one day establish a need-based scholarship for undergraduates in the H. Milton Stewart School of Industrial and Systems Engineering. The Sowell’s are passionate about supporting students who have the academic qualifications, but not the financial resources, to be successful at Georgia Tech.

These and countless other Tech donors are helping the Georgia Tech Foundation provide the most technologically advanced education to exceptionally qualified students, young people with the potential to bring transformative change to the nation and the world.





2017

ACCOMPLISHMENTS

› August 2016

- The Foundation's Risk Management Committee is activated. The Committee completes an enterprise risk assessment to identify and mitigate a variety of risks.

› September 2016

- The Fiscal Year 2016 audit is completed on time, with an unmodified opinion.

› October 2016

- The Board of Trustees finalizes the \$63.5 million purchase of the historic Atlanta Biltmore, an iconic Midtown structure for nearly 100 years. This is an impressive addition to the Georgia Tech innovation ecosystem that has been thriving in Tech Square for more than a decade.

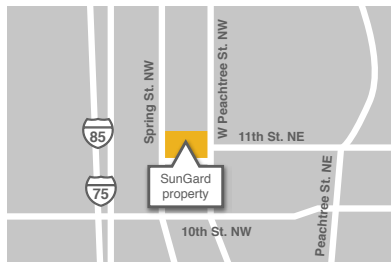


› December 2016

- The Foundation approves its first-ever comprehensive debt policy.

› February 2017

- The GTF Board of Trustees secures permanent financing for the Biltmore in the form of a 30-year, fixed-rate, taxable bond issue at a rate of 4.21 percent.
- The Foundation maintains bond ratings of Aaa and AA+, indicating a stable outlook. These ratings — among the highest for a university foundation — are outstanding considering the Foundation added \$80 million in new debt.



- GTF purchases the SunGard property, a nearly two-acre parcel on West Peachtree Street, which strengthens the Foundation's real estate portfolio in the dynamic Tech Square/Midtown sector.
- A new, state-of-the-art audio/visual system is installed in the Foundation's offices — at a substantially discounted cost.
- One of the most diverse and qualified groups of new GTF trustees is identified and successfully recruited.

› March 2017

- The total assets of the Georgia Tech Foundation surpass the \$2 billion mark for the first time.



› May 2017

- A new benefits package for Foundation employees is selected and implemented.
- An ad-hoc committee develops policies regarding direct investment in real estate, and those policies are subsequently approved by the GTF Investments Committee and Real Estate Committee.

› June 2017

- More than \$2 million in funding is approved for the replacement of the Advance system, which is the database used to support fundraising and alumni activities. The new Blackbaud CRM system will build informational infrastructure for Georgia Tech's next fundraising campaign.

› Other

- Significant upgrades to the Georgia Tech Hotel and Conference Center begin. These facilities are heavily utilized by both the Foundation and the Institute.

Trustees

New, second-term, and emeritus trustees elected to the Board of Trustees in 2017:

ELECTED

Rodney C. Adkins, EE 1981, MS EE 1983, HON Ph.D. 2013

Stephen M. Deedy, IMGT 1981

James Etheredge, IE 1985

Robert A. Milton, IM 1983

Robert N. Stargel Jr., EE 1983

Wendi C. Sturgis, IM 1990

SECOND-TERM

Richard L. Bergmark, IMGT 1975

D. Fort Flowers Jr., ME 1983

J. Louis Fouts, IE 1990

Thomas M. Holder, IMGT 1979

Michelle E. Jarrard, IE 1989

Michael G. Messner, CE 1976

J. Paul Raines, IE 1985

John R. Wells, IM 1984

EMERITUS

John C. Bacon, IE 1968

G. Niles Bolton, ARCH 1969

Steven A. Denning, IM 1970

John R. Huff, CE 1968

James R. Lientz Jr., IM 1965

Donald S. Pirkle, IE 1958

C. Meade Sutterfield, EE 1972

Georgia Tech Foundation Executive Committee and Senior Staff

July 1, 2016 – June 30, 2017

EXECUTIVE COMMITTEE

Gary T. Jones
Chair
Compensation Committee Chair

G.P. Peterson
*President, Georgia Institute
of Technology*

John F. Brock III
Vice Chair/Chair-Elect
Governance Committee Chair
Risk Management Committee Chair

Robert A. Anclien
Development Committee Chair

Joseph W. Evans
Treasurer
Finance Committee Chair
*Receipts and Disbursements
Committee Chair*

Jerome A. Atkinson
July-December
Audit Committee Chair

Kelly H. Barrett
January-June
Audit Committee Chair

James R. Lientz Jr.
Past Chair
Committee on Trustees Chair

Walter G. Ehmer
Stewardship Committee Chair

Al Trujillo
*President, Georgia Tech
Foundation Inc.*

David D. Flanagan
Real Estate Committee Chair

Lawrence P. Huang
Investments Committee Chair

SENIOR STAFF

Al Trujillo
President



Pictured left to right: Mark W. Long, Dwight D. Dozier, Patricia H. Wichmann, James B. Taylor

Dwight D. Dozier
Chief Information Officer

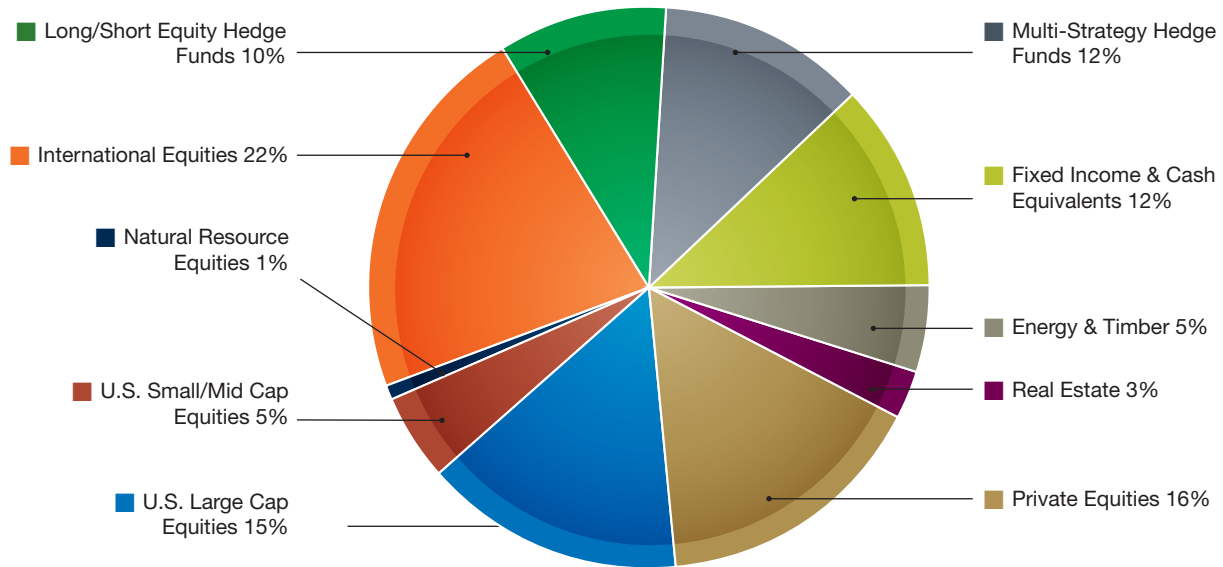
James B. Taylor
Chief Investment Officer

Mark W. Long
Chief Financial Officer
Corporate Secretary

Patricia H. Wichmann
Chief Administrative Officer

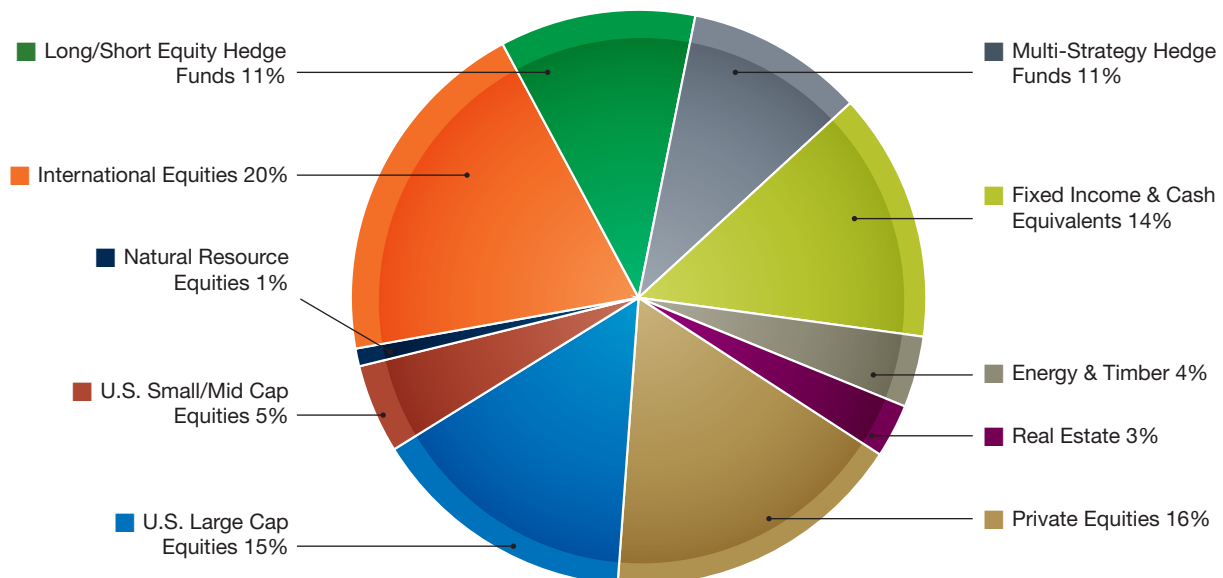
FOUNDATION INVESTMENT PORTFOLIO

ASSET ALLOCATION AS OF JUNE 30, 2017*

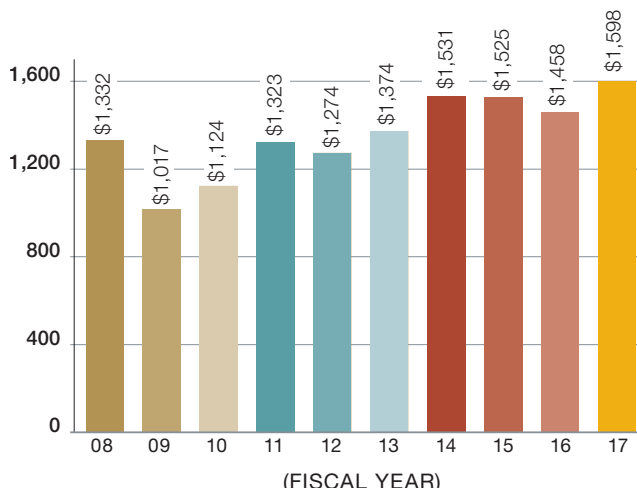


*Numbers do not add to 100%, due to rounding

ASSET ALLOCATION AS OF JUNE 30, 2016

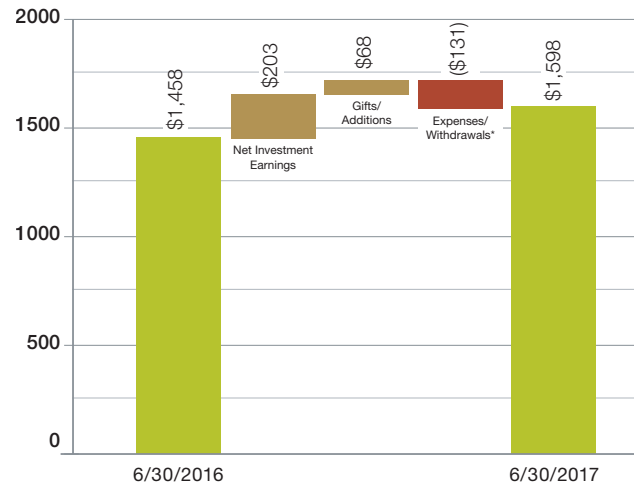


FOUNDATION INVESTMENT
POOL ASSETS
(IN MILLIONS OF DOLLARS)
PRIOR TEN YEARS*



*Fiscal Year End

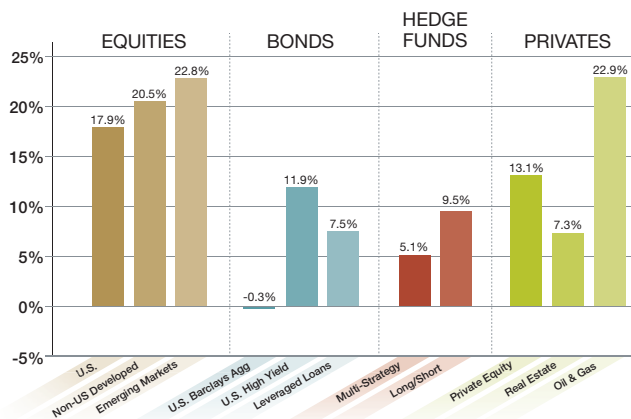
YEAR-TO-YEAR GROWTH
INVESTMENT POOL
(IN MILLIONS OF DOLLARS)
JUNE 30, 2016 TO JUNE 30, 2017



* Includes the transfer of \$20.3M for 771 Spring St. property from investment pool.

Note: Investment pool assets shown here are on a time-lagged basis for Private Equities, Real Estate, and Oil & Gas.

GLOBAL MARKET RETURNS
FY 2017



TOTAL FUND PERFORMANCE
AS OF JUNE 30, 2017

	1 Year	3 Years	5 Years	10 Years
Total Fund	+14.6%	+4.2%	+7.1%	+3.9%
Consumer Price Index +5%	+6.6%	+5.9%	+6.3%	+6.6%
Fund vs. CPI + 5%	+8.0%	-1.7%	+0.8%	-2.7%
Total Fund	+14.6%	+4.2%	+7.1%	+3.9%
Policy Portfolio	+13.0%	+4.6%	+6.9%	+3.1%
Fund vs. Policy Portfolio	+1.6%	-0.4%	+0.2%	+0.8%

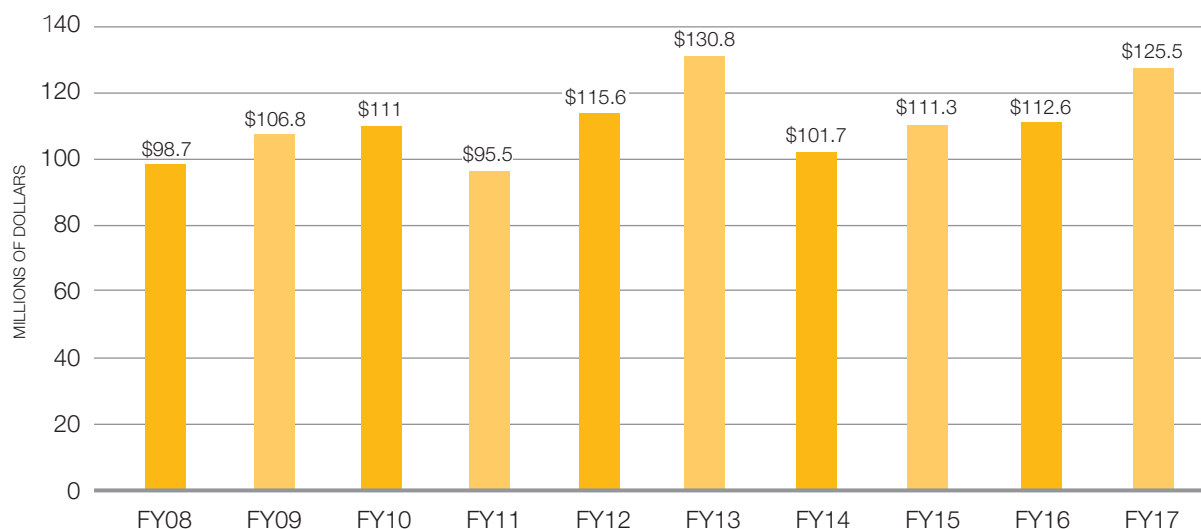
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016 » IN THOUSANDS OF DOLLARS

ASSETS	2017	2016
Cash and cash equivalents	\$5,484	\$6,145
Restricted cash	\$2,055	\$2,236
Capital reserve funds	\$8,802	\$8,236
Contributions receivable, net	\$104,179	\$88,838
Investments	\$1,640,586	\$1,488,485
Other assets	\$16,462	\$9,135
Leases receivable	\$145,494	\$154,470
Contributions receivable from remainder trusts	\$14,555	\$14,367
Charitable remainder trusts	\$13,985	\$17,178
Capital assets, net	\$112,110	\$33,168
Total assets	\$2,063,702	\$1,822,258

LIABILITIES AND NET ASSETS	2017	2016
Accounts payable	\$7,002	\$7,361
Commitment payable	\$7,178	\$7,720
Lines of credit	\$25,087	\$31,230
Bonds payable, net	\$258,223	\$236,587
Notes payable	\$48,113	-
Amounts due to life beneficiaries	\$16,030	\$13,516
Deferred revenue	\$23,025	\$25,741
Funds held on behalf of other organization	\$105,609	\$98,450
Other liabilities	\$10,989	\$9,335
Total liabilities	\$501,256	\$429,940
Net assets	\$1,562,456	\$1,392,318
Total liabilities and net assets	\$2,063,712	\$1,822,258

EXPENDITURES: IN SUPPORT OF GEORGIA TECH



The Foundation received an unmodified opinion from its auditors, and the complete audited financial statements are available at the Foundation office and at gtf.gatech.edu.

CONSOLIDATED STATEMENT OF ACTIVITIES

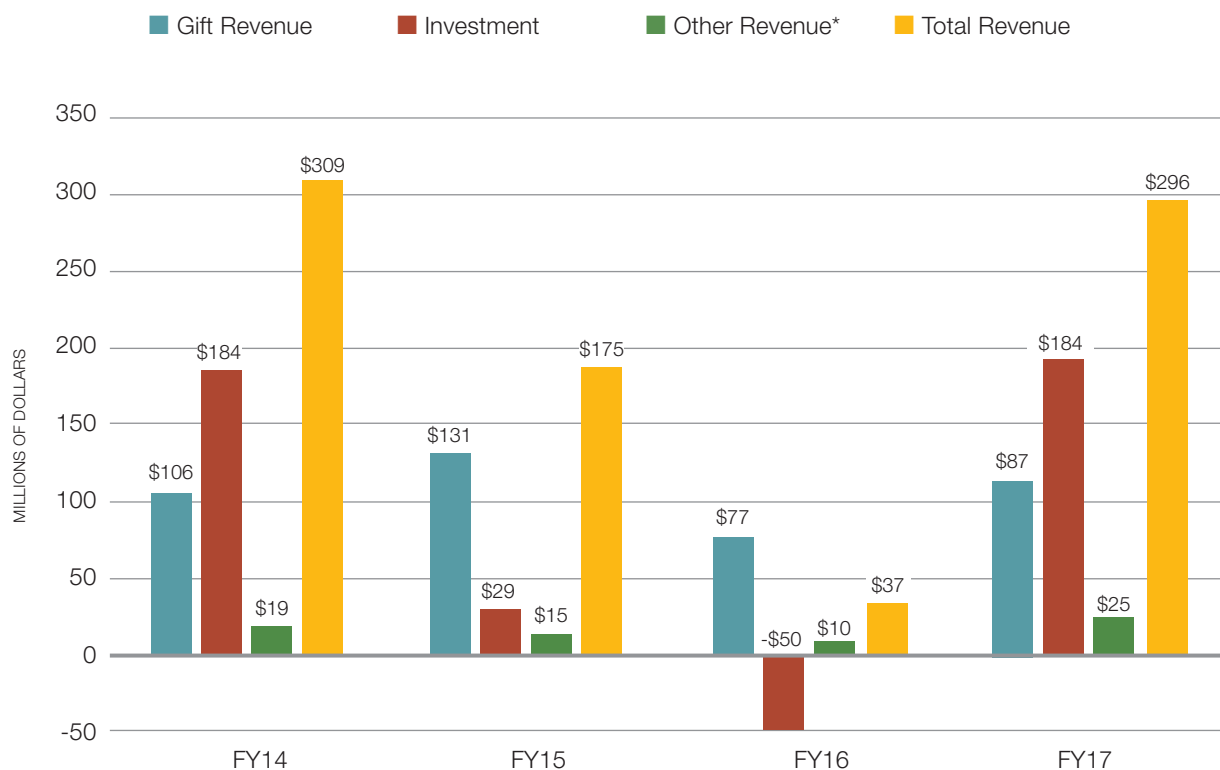
JUNE 30, 2017 AND 2016 » IN THOUSANDS OF DOLLARS

REVENUES	2017	2016
Gift income	\$86,898	\$77,328
Lease revenue	\$22,173	\$13,541
Investment income, net of fees	\$27,446	\$17,870
Net realized/unrealized (loss) gain on investments	\$156,209	(\$68,246)
Change in value of trusts and annuities	\$1,436	(\$4,602)
Other	\$1,511	\$1,390
Total revenues	\$295,673	\$37,281

EXPENSES	2017	2016
Program services	\$102,578	\$94,431
General and administrative	\$18,826	\$10,924
Loss on extinguishment of debt	\$0	\$2,191
Fundraising	\$4,131	\$5,059
Total expenses	\$125,535	\$112,605
Change in net assets	\$170,138	(\$75,324)

Net assets, beginning of year	\$1,392,318	\$1,467,642
Net assets, end of year	\$1,562,456	\$1,392,318

REVENUES: GIFT AND INVESTMENT INCOME



*Other revenue includes lease revenue and change in value of trusts and annuities.

OFFICERS

Gary T. Jones, Chair
Managing Director and Senior Advisor (retired), Credit Suisse First Boston

John F. Brock III,
Vice Chair/Chair-Elect
Chief Executive Officer (retired), Coca-Cola European Partners

Joseph W. Evans, Treasurer
Chairman, State Bank and Trust Company

James R. Lientz Jr., Past Chair
Partner, Safe Harbor Consulting

James R. Borders
Founder and President, Novare Group

+ David A. Bottoms
Senior Vice President, The Bottoms Group LLC

‡ Rafael L. Bras
Provost and Executive Vice President for Academic Affairs, Georgia Institute of Technology

John F. Brock III
Chief Executive Officer (retired), Coca-Cola European Partners

Paul J. Brown
CEO, Arby's Restaurant Group Inc.

‡ Barrett H. Carson
Vice President for Development, Georgia Institute of Technology

John B. Carter Jr.
President and COO (retired), Georgia Tech Foundation Inc.

Steve W. Chaddick
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Georgia Tech
Foundation, Inc.

760 Spring Street NW, Suite 400
Atlanta, GA 30308
404.894.5072
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